



Drumbeat: March 2, 2013

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[Pena Nieto Pushes Mexico's Ruling Party to End Pemex Monopoly](#)

Mexican President Enrique Pena Nieto is poised this weekend to gain support from his party to end a 75-year-old state monopoly in the oil industry, marking a breakthrough for his growth plan.

The ruling Institutional Revolutionary Party will decide at its national assembly whether to drop its opposition to constitutional changes that would ease state-owned Petroleos Mexicanos's grip on the oil industry. Pena Nieto, who hasn't yet presented a bill proposing the changes, would still have to win the votes in Congress, where his party has a plurality in both houses.

[Oil Falls to 2013 Low on China, Europe Manufacturing](#)

West Texas Intermediate oil slipped to the lowest level this year as manufacturing expanded less than forecast in China and contracted in Europe, bolstering concern that fuel demand will decline.

Futures fell 1.5 percent after data showed China's manufacturing growth slowed for a second month while factory output declined in the euro area and the U.K. The factory data helped the U.S. dollar strengthen against the British pound and the euro. A stronger dollar curbs the appeal of raw materials to investors.

[U.S. May Swap Light Oil for Mexican Crude, Sieminski Says](#)

The U.S. might consider exporting light, sweet crude to Mexico in a swap for heavy crude, Adam Sieminski, administrator of the U.S. Energy Information Administration, said today at a conference in Houston.

Mexico produces mostly heavy crude while its refineries are set up to run light, sweet oil, Sieminski said. Many U.S. Gulf Coast refiners are configured to run heavy crude while the U.S. is boosting production of light, sweet oil.

[Everything You Know About U.S. Oil And Gas Is Wrong](#)

Are we really headed for Saudi America? Are the Extraction Analysts right that this is bigger than anything anyone has ever seen? Are the Peak-Oil-Pessimists right, that this is just a minor blip? Are the Quant-Pessimists right that demand for NGL cannot support the capital costs of extraction and bankruptcy for most extractors is imminent?

As I dig deeper it looks more and more like "everyone is wrong" or at least everyone has working assumptions that a more detailed analysis from someone else shows to be wrong.

['Peak Oil' Advocate: World 'Desperately Needs' New Energy](#)

This is where we stand, and it's a fairly bleak view: "Peak oil" -- the concept that the globe's oil supplies are finite and will, perhaps sooner rather than later, run out entirely - is almost here. Nothing new (with the possible but unlikely exception of Iraq) is coming online anytime soon. And while the clock is ticking, forward movement on developing renewable energy resources has been sadly inadequate. In the meantime, the idea that shale reservoirs will lead the US to energy independence will soon enough be recognized as unrealistic hype. There are no easy solutions, no viable quick fixes, and no magic fluids. Yet the future isn't all doom and gloom: Certain energy technologies do show promise. We had a chance to speak with well-known energy expert Dave Summers, where we cut through the media noise and take a realistic look at what our energy future holds.

[U.S. Rig Count Declines by Four, Baker Hughes Says](#)

The U.S. oil and gas rig count declined by four to 1,757 this week, according to data from Baker Hughes Inc.

Oil rigs increased by four to 1,333, data posted on Baker Hughes Inc.'s website show. The gas count lost eight to 420, the lowest level of 2013, the field-services company based in Houston said.

[Shell's key gas plant in Norway suffers outage](#)

OSLO (Reuters) - The Nyhamna natural gas plant on Norway's western coast, which processes gas from Royal Dutch Shell's giant Ormen Lange field, suffered an unexpected outage early on Saturday, gas system operator Gassco said.

Output at the plant, which produces primarily for export to Britain, is expected to be down by 32 million cubic metres on Saturday, Gassco said in a market message.

[Crude-via-rail: Not a fleeting business](#)

While companies such as Gibson are biting off small chunks of the pipeline business

away from TransCanada Corp. and Enbridge Inc., others such as Canadian Pacific and Canadian National Railway are taking increasingly large mouthfuls.

[Japan to build LNG terminal for US shale gas imports: media](#)

TOKYO: A local government in western Japan is planning to build a liquefied natural gas terminal to import shale gas from the United States and help reduce reliance on nuclear energy, the Nikkei newspaper reported on Saturday.

The government of Fukui Prefecture will work with the national government and seek cooperation from Kansai Electric Power Co, Hokuriku Electric Power Co and Osaka Gas Co on the project, the Nikkei reported without citing the source of its information.

[Non-subsidised LPG cylinder rates slashed](#)

NEW DELHI: The rates of non-subsidised LPG have been cut by Rs. 37.5 per cylinder.

Earlier, the government cut the subsidy outgo for petroleum products by more than 32 per cent from the revised estimate of Rs 96,879.87 crore for 2012-13. The revised estimate is almost 122 per cent higher than the budgeted estimate of Rs 43,580 crore.

[UPA has put heavy economic burden on people, says BJP](#)

New Delhi (IANS) Accusing the UPA government of putting the common man under unprecedented economic burden and and failing to tackle price rise, the BJP Saturday demanded a rollback of hike in prices of petroleum products and steps to bring down fertilizer prices.

It warned of a nation-wide agitation if its demands were not met.

[Indian Shipping Company Stops Carrying Iranian Oil](#)

India's Mercator Lines shipping company has announced it will no longer transport Iranian oil.

Mercator's tanker -- the "Omvati Prem" -- was the only ship with local emergency insurance available for charter by Indian refiners when sanctions from the United States and European Union were imposed on ships carrying Iranian crude oil.

[Rebels fight for control of key Damascus suburb](#)

(CNN) -- Fierce fighting between rebels and Syrian troops raged on the embattled

capital's doorstep Saturday, opposition forces told CNN.

Free Syrian Army rebels traded gunfire for mortar rounds from President Bashar al Assad's troops along a critical fault line separating the suburb of Jawbar from Damascus itself, said Baraa, a spokesman for the local Revolutionary Military Council, who gave only his first name for safety reasons.

[Cnooc Said to Cede Control of Nexen's U.S. Gulf Assets](#)

Cnooc Ltd., China's largest offshore oil and natural gas producer, was barred from controlling Gulf of Mexico oilfields under U.S. terms for its \$15.1 billion takeover of Nexen Inc., people familiar with the matter said.

[State Dept: No major objections to Canada pipeline](#)

WASHINGTON (AP) — The State Department on Friday raised no major objections to the Keystone XL oil pipeline and said other options to get the oil from Canada to Gulf Coast refineries are worse for climate change.

The latest environmental review stops short of recommending approval of the project, but the review gives the Obama administration political cover if it chooses to endorse the pipeline in spite of opposition from many Democrats and environmental groups. State Department approval of the 1,700-mile pipeline is needed because it crosses a U.S. border.

[Keystone Oil Pipeline Assessment Signals U.S. Approval](#)

On at least one main point though -- that the \$5.3 billion project won't worsen the risks of global warming because Alberta's oil sands would be developed anyway -- the analysis represents a clear win for the oil lobbyists and a loss for environmentalists who applauded Obama's pledge to fight climate change in his second inaugural and State of the Union.

"The fact that they came out and said, 'Eh, it doesn't really effect the oil sands development,' to me this is a prelude to approval," said Sarah Emerson, president of Energy Security Analysis Inc. in Wakefield, Massachusetts.

[I'm with the Tree Huggers](#)

I've mocked the activists who whine about Obama's "climate silence" while ignoring his climate actions— like unprecedented efficiency mandates that have slashed demand for dirty energy and unprecedented green investments that have launched a clean-energy revolution. But when it comes to Keystone, my analysis is that the activists are right. Fossil fuels are broiling the planet. The pipeline would turn up the heat. If Obama

approves it, he'll deserve all the abuse the activists hurl his way. There are many climate problems a President can't solve, but Keystone isn't one of them. It's a choice between Big Oil and a more sustainable planet. The right answer isn't always somewhere in the middle.

[BP trial's first week offers glimpse of long fight](#)

"This will be the most significant trial ever brought under environmental laws," said David Uhlmann, an University of Michigan environmental law professor and former chief of the Justice Department's Environmental Crimes Section. "The amount of money involved and the significance of the Gulf oil spill make this an unprecedented trial."

[BP Wins Bid for Access to Transocean Oil-Spill Insurance](#)

BP Plc won an appeals court ruling giving it access to \$750 million in Transocean Ltd.'s insurance to pay costs from the 2010 Gulf of Mexico oil spill.

The U.S. Court of Appeals in New Orleans yesterday reversed a decision by U.S. District Judge Carl Barbier barring BP from using the policies. Barbier had ruled that the drilling contract between the companies for the Macondo well precluded BP from seeking coverage under the Transocean policies for pollution-related liabilities.

["They're the Birthers of Fracking." A Conversation with Josh Fox.](#)

I tried to get this across in my review. *FrackNation* doesn't debunk every question you've ever had about fracking. It introduces us to plenty of people who benefit from fracking, and exposes some fraudsters who claimed damage before being caught out. "I wouldn't blame a person for leasing if he's one mortgage payment away from foreclosure, and the lease can fix that," says Fox. "But these companies are exploitative. The government's not helping by providing a way out. These same people could lease their land for solar, we're one line change away in the solar power laws, to allow this. Instead, they're turning PA into Nigeria as we speak."

[Collective exposure dose still remains high at Fukushima Daiichi](#)

The annualized radiation exposure of workers at the Fukushima No. 1 nuclear complex since last March was four times higher than before the triple meltdowns occurred, figures provided by Tokyo Electric Power Co. showed Saturday.

[France mulls diesel car scrappage bonus - paper](#)

(Reuters) - France is considering creating a car scrappage scheme for owners of older diesel vehicles as the country reviews a pro-diesel policy criticised as costly and contributing to health risks.

Diesel accounts for 80 percent of road fuel consumption in France, supported by lower fuel taxes compared to gasoline. Like in other European countries, diesel has been favoured on the basis that it offers greater fuel efficiency.

But this predominant role has been questioned after the World Health Organisation said last year that diesel fumes can cause cancer.

[The Part of Amtrak That People Use Makes Money—The Rest Doesn't](#)

In the main part of the country where people actually ride intercity trains and where intercity trains form an important part of the transportation infrastructure, we have operating profits. In a decent national rail policy, those operating profits could finance infrastructure improvements in the northeast corridor where rail is important and useful. Everyone knows that the Acela is a joke version of high-speed rail by European or Asian standards, and there's a lot that could be done incrementally to improve that with upgraded rolling stock and targeted improvements to straighten tracks or improve tunnels and grade crossings. Instead we're stuck in a dynamic where all these trains are running in places where nobody rides them and the local voters and elected officials aren't supportive and Amtrak ends up stigmatized for its dependence on federal subsidies. But operating passenger rail *where people want to ride intercity trains* turns out to be perfectly viable without huge subsidies.

[Study Suggests 'Moral Purity' May Overcome Right-Wing Resistance to Environmental Science](#)

Could feelings of disgust be the key to saving the planet from global warming? Strange as it might seem, the answer may be yes.

Concern over environmental harm is disproportionately a liberal phenomena, but concern over violating the purity and sanctity of nature cuts across ideological lines. What's more, it's not an abstract concern. Violations of morality of the purity/sanctity kind are linked to a visceral disgust.

[Ocean acidification affects northeastern US coasts more: study](#)

Coastal regions around the United States respond differently to ocean acidification, a large-scale study finds.

In the new study, scientists from 11 U.S. institutions measured levels of carbon dioxide and other forms of carbon in waters off the East Coast and the Gulf of Mexico. If the same amount of carbon dioxide entered both the Gulf of Maine and the Gulf of Mexico, it would have a greater effect on the Gulf of Maine's ecosystem, the scientists found.

[Climate change dates back to dawn of first farmers](#)

Deforestation by early farmers likely kicked off an era of man-made climate change long before our present era, suggests a climate scientist taking a hard look at agriculture's early effects.

[Q and A: The Angry Economist](#)

Dieter Helm has long been frustrated that, despite more than two decades of international negotiations, the world has failed to tackle climate change. So he got angry, he said, and decided to write a book about it: "The Carbon Crunch: How We're Getting Climate Change Wrong — and How to Fix It."



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