



Drumbeat: March 27, 2013

Posted by [Leanan](#) on March 27, 2013 - 9:45am

[Quake Tied to Oil-Drilling Waste Adds Pressure for Rules](#)

Scientists have linked Oklahoma's biggest recorded earthquake to the disposal of wastewater from oil production, adding to evidence that may lead to greater regulation of hydraulic fracturing for oil and gas.

The 5.7-magnitude quake in 2011 followed an 11-fold bump in seismic activity across the central U.S. in recent years as disposal wells are created to handle increases in wastewater from hydraulic fracturing, or fracking.

Researchers at the University of Oklahoma, Columbia University and the U.S. Geological Survey, who published their findings yesterday in the journal *Geology*, said the results point to the long-term risks the thousands of wells pose and shows a need for better monitoring and government oversight.

[Parts of Low Country Are Now Quake Country](#)

This is not Haiti. The worst tremor, last August, had a magnitude of 3.4, hardly enough to cause widespread devastation. Yet the number of claims for damaged property is already in the thousands, and the company extracting the gas, a consortium of Shell and Exxon Mobil, has set aside \$130 million for measures to strengthen buildings against the shocks. Yet most troubling is that experts at government agencies are predicting that the quakes will worsen, to between a magnitude of 4 and 5.

Is the big one yet to come? Mr. Kadyk, 62, a retired city employee, pointed to cracks around doors and windows in his two-story brick home. He said he was "not an expert, so I cannot say yes or no, but the real experts say if we don't stop extracting gas, the country risks further earthquakes."

[The Reward for Being Right About Peak Oil: Scorn Heaped With Derision](#)

Right before the end of the millennium, the clues started piling up. The world had been scoured many times over in the quest for the ultimate bounty, gushers of light sweet crude. Discoveries of new oil had peaked in the decade of the 1960s and had been falling ever since. Supergiants, the oilman's term for those wells capable of pushing out a million or more barrels a day, were no longer being found, and the ones in extraction were starting to accelerate in their decline, from Prudhoe Bay to Ghawar Field to

Cantarell Field. Sure, there was other "oil" out there, but it was trapped in very deep water, or stuck in tight rock formations that had to be fractured at great expense for the oil to come out. These plays could be worked, but only if the price of oil stayed very high, and even then the flow rates would never match those of the supergiants and giants that the world depended on for its tens of millions of barrels required each day for the economy to keep humming.

So former oil geologists like Colin Campbell and Ken Deffeyes started ringing the alarm bell. "Hey!" they shouted at the top of their lungs, "we can't maintain this flow of oil forever! Even if we use all the non-conventional sources like tar sands, Arctic oil, etc the amount is going to get less and less over the course of this century. And those other kinds of oil are a lot dirtier and carbon-intensive than the oil we've been using!"

What did they predict? And how close were they to being right? Let's take a quick look, lest we get overwhelmed with the cornucopian hyperbole that bombards us every day.

[Will New Oil Supplies Slow the Transition to Green Transportation?](#)

What if peak oil doesn't take care of gas-guzzling by cutting off the supply?

The Saudi oil fields may be finite, but new sources like the Canadian tar sands and the North Dakota oil shale keep opening up. That poses a challenge to the shift away from carbon-intensive transportation, according to Deborah Gordon, who studies transportation oils at the Carnegie Endowment's Energy & Climate Program.

"The real paradigm shift in the past year is abundance," Gordon said last Friday at the book launch for [Transport Beyond Oil](#), a new examination of the possibilities for transforming transportation.

[Do high natural gas prices mean the shale boom is ending?](#)

As U.S. natural gas prices flirt with the \$4 mark, some skeptics of the so-called shale gas revolution think prices are headed much higher. Such a move would, not surprisingly, seriously undermine the official story that the United States has a century of cheap natural gas waiting for the drillbit.

[WTI Drops From Near Five-Week High; BofA Predicts Backwardation](#)

West Texas Intermediate slipped from near a five-week high amid rising crude inventories in the U.S., the world's biggest consumer of the commodity.

Futures fell as much as 0.8 percent. Crude stockpiles advanced 3.7 million barrels last week, the American Petroleum Institute said yesterday. An Energy Department report today may show a gain of 1.3 million, according to a Bloomberg News survey. The euro fell to its weakest level since Nov. 21 against the dollar, undermining the appeal of commodities priced in the U.S. currency. Bank of America Corp. said front-month WTI contracts may start trading at a premium, a price structure known as backwardation.

[British gas production outages keep prices high](#)

(Reuters) - British wholesale gas prices remained high in volatile trading on Wednesday, as several production outages restricted supplies to the system amid high demand and low stored reserves.

"The market is choppy.. if something drops off the network people get very nervous," a trader from a European utility said.

[Canada annual inflation rate rises to 1.2 pct, off a 3-year low](#)

OTTAWA (Reuters) - Higher prices for gas and autos helped push Canada's annual inflation rate in February up to 1.2 percent from a three-year-low of 0.5 percent in January, Statistics Canada said on Wednesday.

The rate, above the 0.8 percent predicted by market operators, is still well below the Bank of Canada's 2.0 percent target. The central bank is not expected to raise rates until late in 2014.

Inflation rose by 1.2 percent in February from January, a month-on-month jump not seen since the 1.2 percent recorded in January 1991, when the federal goods and services tax was introduced.

[FACTBOX - Firms spur Fujairah oil storage expansion](#)

(Reuters) - Oil storage capacity just outside the Strait of Hormuz is important for companies which ship the fuel to Asia, especially after Iran last year threatened to block the world's most important oil shipping route. The port of Fujairah, in the United Arab Emirates, opened a pipeline last year that will allow Abu Dhabi crude to be exported without having to sail through Hormuz. Plans at the port include petrochemical facilities, floating LNG terminals and even grain silos. Firms provided updates this week at a Fujairah bunkering and oil forum organised by Conference Connection.

[Good times finite, says economist](#)

The economies of the Arabian Gulf are set to benefit from a massive increase in public spending over the next three years before hitting a "revenue ceiling", an influential conference in Abu Dhabi heard yesterday.

Simon Williams, the chief economist at HSBC for the Middle East, warned delegates that although public spending in the UAE, Qatar, Bahrain and Saudi Arabia had trebled over the past five or six years, budget deficits would start to re-emerge in the region over the next two or three years.

[Saudi Aramco aims to be world's top oil refiner](#)

The CEO of Saudi Arabian Oil Company (Saudi Aramco) has said the company expects to become the top producer of refined products such as fuel and petrochemicals.

Already the world's biggest crude exporter, CEO Khalid Al-Falih told a conference in Beijing: "In the years to come, we will become the world's single largest oil refiner," adding that Aramco remains "committed" to plans to build an oil refinery in the southwestern province of Yunnan in China.

[Shell and partners discuss improved oil production](#)

The Royal Dutch Shell, one of the world's largest oil companies, invited representatives at its joint oil ventures in the region for a second workshop in Abu Dhabi to discuss safety at crude facilities and improved hydrocarbon production.

More than 80 officials and experts from Shell, key oil firms in the UAE as well as hydrocarbon producers in Oman and other countries in the Middle East attended Tuesday's workshop on operational excellence at major oil facilities in the region.

[Major Oil Companies to Testify on Oil Tax Change](#)

Representatives of the North Slope's three major players are scheduled to testify Tuesday before a House committee on proposed changes to Alaska's oil tax structure.

The House Resources Committee is working on SB21, which is aimed at making Alaska more competitive for investment dollars and increasing production.

[Falkland Oil Claimed by Argentina Sees Islanders Join 1%: Energy](#)

The Falklands' first commercial oil discovery will make the islands in the South Atlantic rich, bringing the British territory of 2,563 people \$10.5 billion in tax revenue over 25 years.

As the bounty transforms the fishing and tourism-dependent economy, tensions may worsen with Argentina, which claims sovereignty over the islands and their mineral wealth. The Latin American country last year threatened to sue any company involved in Falklands drilling and its foreign minister said yesterday the islanders have no right to self-determination.

[Petrocaribe: Paying beans for Venezuelan oil](#)

Some 17 countries receive shipments of crude or refined oil products with preferential repayment terms under the Petrocaribe energy pact. But some nations fear oil shipments could stop post-Chávez.

[Petrobras said to auction \\$5 billion of Nigeria oil assets](#)

(Reuters) - Brazilian oil company Petrobras is to auction off its stakes in Nigerian oil fields to raise cash for domestic projects, a deal that may fetch up to \$5 billion, sources close to the deal said.

[Iraq's February oil output rises marginally to 2.963 million b/d](#)

Amman (Platts) - Iraqi oil production rose slightly in February to 2.963 million b/d, up by 43,000 b/d over the previous month, but remained stubbornly below the 3 million b/d mark for the third month running, figures obtained from the oil ministry showed Wednesday.

[China's proven oil, gas deposits surge](#)

BEIJING (Xinhua) -- China's crude oil and natural gas reserves discovered within its mainland saw sharp rises last year, a natural resources official said on Wednesday.

Xu Dachun, vice director in charge of resources exploration with the Ministry of Land and Resources, said China found 1.52 billion tonnes of new crude deposits in 2012, up 13 percent year on year. Of them, 270 million tonnes can be exploited with current technologies.

[China Revises Fuel-Price Controls; Sinopec, PetroChina Gain](#)

China, the world's second-biggest oil consumer, changed its system for setting gasoline and diesel prices to more closely track refiners' crude costs. Shares in China Petroleum & Chemical Corp. and PetroChina Co. rose.

Retail price adjustments will be based on the average cost of a basket of crudes over 10 working days, down from 22 days previously, and a threshold for triggering a revision will be abolished, the National Development and Reform Commission said in a statement on its website yesterday. The NDRC also cut gasoline and diesel prices for the first time in four months, effective today.

[Natural gas price hike denied after rumours spark panic buying](#)

Authorities denied rumours of a nationwide hike in natural gas prices after long queues

were seen outside natural gas selling stations in a number of cities across China.

[Sasol Gas Prices Will Cut Competitiveness, S. Manufacturers Say](#)

The South African energy regulator's decision to set a maximum gas price for consumers of the fuel will undermine competitiveness in the continent's largest economy, the Manufacturing Circle said.

[South Africa Must Cut Power Use By 15 Percent: Minister](#)

South Africa must cut power consumption by 10 percent to 15 percent to avoid a repeat of rolling blackouts that crippled the mining industry in 2008, Energy Minister Dipuo Peters said.

"South Africans are starting to realize that we need to use energy efficiently," Peters said in an interview in Durban yesterday. State-owned utility Eskom Holdings SOC Ltd. may be able to avoid blackouts with reduced consumption, she said.

[Turkey suspends projects with ENI over Cyprus activities](#)

ANKARA (Reuters) - Turkey has shelved its planned projects with Italy's ENI over the energy company's involvement in energy exploration in Cyprus, Turkey's Energy Minister Taner Yildiz told reporters on Wednesday.

[Uganda: No Clear Date for Oil Production](#)

There is uncertainty regarding the time frame for reaching peak oil production, revenue generation and even when oil production will begin. Since commercial reserves were confirmed five years ago in 2008, oil companies and government officials have come up with many production time frames, some of which have passed.

Such unrealistic pronouncements have increased speculation, fuelling high public expectations and tensions on the sharing of the oil revenues. Efforts to explore for oil and gas in the Lake Albert basin yielded dividends when over 3.5 billion barrels of oil reserves were confirmed.

[Lessons from Fukushima, two years on](#)

Companies have valuable lessons in transparency to glean from the Fukushima disaster, said the author of an independent report on the accident that famously called it "Made in Japan".

Dr Kiyoshi Kurokawa, the chairman of the committee appointed by Japan's parliament

to investigate the March 2011 triple meltdown at the Fukushima Dai-ichi nuclear power station, blamed a lack of transparency and a fear of authority for the extent of the crisis in the landmark 641-page report published last year.

[Audit Faults Stimulus-Backed \\$1.5 Billion U.S. Clean-Coal Effort](#)

Poor management has hampered a U.S. program to develop technology to capture carbon-dioxide emissions, the Energy Department inspector general said in a report that raises new questions about a clean-energy initiative backed by the 2009 economic stimulus.

In total, the Energy Department received \$1.5 billion in the American Recovery and Reinvestment Act to invest in technology that responds to climate-change risks. Carbon dioxide is a greenhouse gas that most scientists think is making the planet hotter.

[U.K. Clean Energy Rules to Add 36% to Company Power Bills](#)

U.K. measures to curb carbon emissions may raise power and gas bills for the biggest corporate consumers by as much as 36 percent by 2020, the Department of Energy and Climate Change said.

Energy-intensive companies will see energy bills soar by as much as 5 million pounds (\$7.6 million) a year due to carbon taxes and support for nuclear and renewable energy, according to a study e-mailed today by the department. Medium-sized companies face an average rise of 22 percent, or 330,000 pounds.

[Rising energy bills will be reduced with climate policies, Ed Davey says](#)

The impact of rising household energy bills will be greatly reduced by climate change policies which could save consumers around £166 by 2020, according to the energy and climate secretary, Ed Davey.

Analysis by the Department of Energy and Climate Change (Decc) published on Wednesday showed that 85% of the present average £1,250 bill cannot be controlled by the government because it is determined by international gas and electricity prices, transmission and metering costs. After energy companies have taken their profits, and VAT has been paid, government policies can only influence around 11% of the bill, said Davey.

[The UK has the power to fill the energy gap](#)

We have been given a glimpse of the future if we fail to make the most of the abundant resources we have here in the UK. On Monday last week, Denmark produced enough

energy from wind power to satisfy the whole country's electricity demand. Wind is not a silver bullet, but it must be an important part of the energy mix in the years to come if we are to meet the challenge of greater energy security, cheaper costs and cutting carbon emissions. For those who would ignore the potential of renewables, Friday provided a fantastic example of what we would be missing.

[Millions in fuel poverty as energy bosses pocket £16.4m payout](#)

Five bosses at the company that runs British Gas shared a £16.4 million pay bonanza last year as millions of families faced record energy bills, it was revealed today.

The six per cent rise in the salary, bonus and benefits for Centrica directors was condemned as "insensitive beyond belief" as households run up huge bills trying to keep warm in the coldest spring for 30 years.

[Brazil Soy Boom Bottlenecked as China Left Waiting](#)

Erai Scheffer, the world's largest soybean farmer, bought 200 trucks for this crop to counter the worst transportation breakdown in Brazil's history. In China, undelivered cargoes mean buyers may turn to Argentina as Brazil falters on its ability to become the top global supplier.

"In 30 years, I've never seen anything like this," Scheffer said by phone from Cuiaba, in Brazil's Mato Grosso state, an agriculture powerhouse three times the size of Italy. "I'm worried because the mid-season corn harvest is approaching and will likely worsen the situation at ports even more."

[Fredriksen Bets \\$2.6 Billion New Ships Will Beat Glut](#)

John Fredriksen, the richest shipping investor, is spending \$2.6 billion on the biggest fleet of fuel-efficient ships in history, betting that record energy costs and a global capacity glut won't ease any time soon.

[Can Wind Turbines Make You Sick?](#)

A new syndrome appears to be highly contagious.

[Ireland extends key renewables programme](#)

IRELAND: Irish energy minister Pat Rabbitte has extended the country's wind support programme, known as Refit 2.

[Bulgaria to Suspend Up to 40% of Wind, Solar Power Capacity](#)

Bulgaria may suspend as much as 40 percent of wind and solar power capacity as part of its effort to stem oversupply and stabilize electricity generation

About 40 percent of wind and solar power producers aren't providing real-time information to the country's central electricity dispatcher, jeopardizing the safety of Bulgaria's transmission network, Energy Minister Asen Vasilev said in a document posted on the ministry's website. They will be temporarily disconnected, he said.

[GS Caltex to mass-produce alternative fuel this year](#)

GS Caltex is aiming to commercialize biobutanol as a renewable fuel for cars that could be used as a substitute for gasoline later this year, market insiders in the oil refinery industry said Wednesday.

The company has reportedly set the launch for the fourth quarter of 2013. It is operating a factory which has the capacity to produce biobutanol from sugar or wood under a joint research project with the Korea Advanced Institute of Science and Technology.

[Northern Calif. city installs free Wi-Fi through upgraded electric meters](#)

SANTA CLARA, Calif. — The city of Santa Clara flipped on a big Internet switch this week, becoming what it says is the first in the country to use wireless, digital “smart meters” on homes as channels for free citywide outdoor Wi-Fi.

[Are Your Palm Sunday Palms Bad for the Environment?](#)

March 24 is Palm Sunday, which means that millions of Christians across the country will be celebrating Jesus' entrance into Jerusalem by carrying palm leaves, often shaped in the form of a cross, into their places of worship. Where do these palms come from? Most likely they have been imported from one of a few Latin American countries: Guatemala, Belize, or southern Mexico, for instance. And most likely they have been harvested in a manner that is harmful to the environment. Harvesters are often paid by volume rather than quality, and they have a strong incentive to cut as many leaves as possible, without paying attention to what this reckless cutting is doing to the fragile forests of one of the world's most important ecological regions.

[These Singaporean Fairy Tales Will Give You Fertility Nightmares](#)

With an aging population and shrinking workforce, there's little doubt Singapore takes population growth seriously—according to figures from the *Atlantic*, it spends around \$1.3 billion annually trying to convince couples to do the deed.

But the government has taken to patronizing young women with a series of reworked “fairytales” that warn them that their biological clock is ticking.

[To Save the King of the Jungle, a Call to Pen Him In](#)

After 35 years of field research in the Serengeti plains, Craig Packer, director of the Lion Research Center at the University of Minnesota, has lost all patience with the romance of African wilderness. Fences, he says, are the only way to stop the precipitous and continuing decline in the number of African lions.

“Reality has to intrude,” he said. “Do you want to know the two most hated species in Africa, by a mile? Elephants and lions.” They destroy crops and livestock, he said, and sometimes, in the case of lions, actually eat people.

[Peru declares environmental state of emergency in its rainforest](#)

Peru has declared an environmental state of emergency in a remote part of its northern Amazon rainforest, home for decades to one of the country's biggest oil fields, currently operated by the Argentinian company Pluspetrol.

Achuar and Kichwa indigenous people living in the Pastaza river basin near Peru's border with Ecuador have complained for decades about the pollution, while successive governments have failed to deal with it. Officials indicate that for years the state lacked the required environmental quality standards.

[EPA: More than half of U.S. rivers unsuitable for aquatic life](#)

WASHINGTON — Fifty-five percent of U.S. river and stream lengths were in poor condition for aquatic life, largely under threat from runoff contaminated by fertilizers, the U.S. Environmental Protection Agency said on Tuesday.

High levels of phosphorus and nitrogen, runoff from urban areas, shrinking ground cover and pollution from mercury and bacteria were putting the 1.2 million miles of streams and rivers surveyed under stress, the EPA said.

[New Mexico Farmers Seek ‘Priority Call’ as Drought Persists](#)

CARLSBAD, N.M. — Just after the local water board announced this month that its farmers would get only one-tenth of their normal water allotment this year, Ronnie Walterscheid, 53, stood up and called on his elected representatives to declare a water war on their upstream neighbors.

“It’s always been about us giving up,” Mr. Walterscheid said, to nods. “I say we push

back hard right now.”

The drought-fueled anger of southeastern New Mexico’s farmers and ranchers is boiling, and there is nowhere near enough water in the desiccated Pecos River to cool it down. Roswell, about 75 miles to the north, has somewhat more water available and so is the focus of intense resentment here. Mr. Walterscheid and others believe that Roswell’s artesian wells reduce Carlsbad’s surface water.

[EU to Start Debate on Energy, Climate Rules Amid Crisis](#)

The European Union’s executive will start a debate today on EU climate and energy rules as the crisis-ridden bloc seeks a long-term plan to cut greenhouse gases and promote clean power technologies.

The European Commission is scheduled to publish about midday Brussels time a consultation paper to seek opinions from member states, the European Parliament, industry groups and non- governmental organizations on EU objectives for 2030.

[Brics countries cook the climate](#)

AS THEY meet in Durban, leaders of Brazil, Russia, India, China and South Africa (Brics) must own up: they have been emitting prolific levels of greenhouse gases, far higher than the US or the European Union in absolute terms and as a ratio of gross domestic product (though less per person). How they address this crisis could make the difference between life and death for hundreds of millions of people this century.

[Governors Ask Obama to Weigh Climate Impact of Coal Ports](#)

President Barack Obama’s administration should weigh the climate-change impact of burning coal in Asia when considering whether to approve Pacific coal- export terminals, two Western governors said.

In a letter to the White House Council of Environmental Quality, the Democratic governors, John Kitzhaber of Oregon and and Jay Inslee of Washington, said the administration must expand its review of the projects and consider the carbon dioxide that would be released when the coal is burned for power. Collectively, three proposed terminals, which the Army Corps of Engineers is reviewing, would result in the export of up to 100 million tons of coal a year, they said.

[US emissions decline, coal exports rise](#)

Emissions by the US of greenhouse gases are still coming down – within the USA itself. But American exports of coal, and now of shale gas, are on the rise, in effect exporting the pollution which has been avoided at home.

[B.C.'s push for carbon neutrality falters](#)

A scathing report by B.C.'s Auditor-General concludes that the provincial government has failed in its efforts to achieve a carbon-neutral public sector.

B.C. has long bragged it was the first government in North America to become carbon neutral by requiring schools, hospitals and other government institutions to spend millions buying carbon offsets to make up for their greenhouse-gas emissions.

[Senate energy and climate change votes point to EPA as key decider](#)

Hurricane Sandy last year pushed the issue of climate change higher on the nation's agenda. President Barack Obama indicated in his inaugural address and his State of the Union address that climate policy would be a priority for his second term. Some members of Congress said Sandy might cause Congress to redesign infrastructure spending to limit damage from future catastrophic storms.

A series of Senate votes Friday indicated what the political balance now is on energy policy and on measures to avert climate change.

[New York State Tells Investors That Climate Change May Hurt Its Finances](#)

ALBANY — In the wake of Hurricane Sandy, the administration of Gov. Andrew M. Cuomo has started to caution investors that climate change poses a long-term risk to the state's finances.

The warning, which is now appearing in the state's bond offerings, comes as Mr. Cuomo, a Democrat, continues to urge that public officials come to grips with the frequency of extreme weather and to declare that climate change is a reality.

[Shore Rebuilding, Renters Go South for Summer](#)

ORTLEY BEACH, N.J. — In a typical summer, Terriann and Joseph LoVerde's rental here makes for a listing a real estate broker called a real moneymaker.

A block from the beach! Walk to town! Two units and a cottage in back — bring the extended family!

This year, they would have to include a few caveats: Hurricane Sandy wiped out walls and windows, after washing away three houses between the LoVerdes' and the beach.

[Federal plan aims to help wildlife adapt to climate change](#)

WASHINGTON — The Obama administration Tuesday announced a nationwide plan to help wildlife adapt to threats from climate change.

Developed along with state and tribal authorities, the strategy seeks to preserve species as global warming alters their historical habitats and, in many cases, forces them to migrate across state and tribal borders.

[Tomatoes, peppers, strawberries in Greenland's Arctic valleys](#)

KANGERLUSSUAQ, Greenland (Reuters) - On the Arctic Circle, a chef is growing the kind of vegetables and herbs - potatoes, thyme, tomatoes, green peppers - more fitting for a suburban garden in a temperate zone than a land of Northern Lights, glaciers and musk oxen.

Some Inuit hunters are finding reindeer fatter than ever thanks to more grazing on this frozen tundra, and for some, there is no longer a need to trek hours to find wild herbs.

Welcome to climate change in Greenland, where locals say longer and warmer summers mean the country can grow the kind of crops unheard of years ago.

[Booming Coastal Population Heightens Extreme Storm Risk](#)

Everyone wants to live near the beach, it seems.

Nearly 11 million more Americans will move to the coasts by 2020, putting more of the population at risk from extreme coastal storms, according to a report released today (March 25) by the National Atmospheric and Oceanic Administration. The nation's shorelines already hold the most densely packed communities in the country, with 446 people per square mile versus the national average of 105 people per square mile (excluding Alaska), found the NOAA National Coastal Population Report. The population density is six times greater at the coast than inland. (One square mile is about 2.5 square kilometers.)



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