



Drumbeat: April 5, 2013

Posted by [Leanan](#) on April 5, 2013 - 9:26am

[Europe to Shut 10 Refineries as Profits Tumble](#)

Oil refiners in Europe will shut 10 percent of their plants this decade as fuel demand falls to a 19-year low.

Of the region's 104 facilities, 10 will shut permanently by 2020 from France to Italy to the Czech Republic, a Bloomberg survey of six European refinery executives showed. Oil consumption is headed for a fifth year of declines to the lowest level since 1994, the International Energy Agency estimates. Two-thirds of European refineries lost money in 2011, according to Essar Energy Plc (ESSR), owner of the U.K.'s second-largest plant.

"Purely from the falling European demand point of view, one bigger refinery or two smaller plants would have to shut in Europe every year," David Wech, who helps advise oil companies and governments as managing director at researcher JBC Energy GmbH, said in a phone interview from Vienna. "And it's not even assuming any negative impact from more competitive refining markets in other regions."

[Texas Refinery Is Saudi Foothold in U.S. Market](#)

PORT ARTHUR, Tex. — It is hard to imagine the desert sands of the Persian Gulf being any farther away than from this swampy refinery port known for Cajun food, sport fishing and being the birthplace of Janis Joplin.

But right in the middle of town stands a strategic outpost for Saudi Arabia's global ambitions, although one that the Saudis appear loath to publicize.

The giant Motiva oil refinery, which just completed a \$10 billion expansion that makes it the largest processor of gasoline, diesel and other petroleum products in the United States, is owned by Saudi Aramco and Royal Dutch Shell in a 50-50 partnership.

[WTI Oil Heading for Weekly Drop Before U.S. Payroll Data](#)

West Texas Intermediate crude traded near a two-week low, headed for its biggest weekly drop since September, before U.S. March payroll data later today.

WTI futures in New York are poised for a 4.5 percent loss from the March 28 close, the most since the week ended Sept. 21. World powers and Iran started two-day talks in

Kazakhstan on Iran's nuclear program. U.S. monthly jobs data will be released at 8:30 a.m. New York time today. Declines in London's Brent crude may be "overdone," according to Goldman Sachs Group Inc.

[Drivers could see 'significantly lower' gas prices this summer](#)

Drivers can expect "significantly lower" gasoline prices this summer, but only if gas futures drop below the key level of \$2.90 a gallon, professional trader Jim Iuorio told CNBC on Wednesday.

Chalk up the decline in gas prices to a divergence between gas and crude oil, Iuorio explained. Over the past month, gas has dropped some 5 percent, while crude oil has gained about 5 percent. In January, gasoline prices skyrocketed following an array of refining and maintenance issues while the price of oil fell. The move was highly unusual, so now the markets are seeing what's called a mean reversion, meaning prices are returning to the mean or average.

[UK gas prices jump as cold bites into storage](#)

LONDON (Reuters) - British weekend gas prices rose on Friday after stored gas reserves plummeted this week as looming production outages are expected to squeeze supplies and the country heads into more abnormally cold weather.

[Goldman Boosts U.S. Gas Price Forecast After Temperatures Drop](#)

Goldman Sachs Group Inc. raised its forecast for U.S. natural gas futures for the remainder of this year on a "tightening shift" in market fundamentals after temperatures fell last month.

[The Shocking Implications of the Rebuke of Peak Oil Theory](#)

The last time peak oil theory regained widespread popularity was back in the early 2000s. But since then, fears of global supply shortages have all but disappeared, as America's shale oil and gas revolution has radically altered the paradigms of global energy.

And in what is perhaps a sign of the changing times, an entirely different version of peak oil theory has emerged. Unlike the traditional view, which looks at supply side concerns, this new version targets the other side of the equation and forecasts a peak in global oil *demand*.

[North Sea oil output to rise by a third over five years](#)

The North Sea is set to end its seemingly terminal decline over the next few years, with new entrants and better technology set to push production up by about a third to 2 million barrels a day by 2017.

Britain's oil and gas output is set to dip again this year, putting it between 3 and 6 per cent lower than 2012's figure of 1.55 million barrels, according to the industry body Oil & Gas UK. However, tax breaks, improving extraction techniques and the sustained high price of oil have made production from the North Sea's dwindling oil and gas fields more viable. This has prompted record levels of investment, with £40bn set to be ploughed into North Sea production over the next three years by companies such as BP, Total of France and China's Sinopec.

[Norway's Oil Future Seen With Ice-Free Arctic's Barrels](#)

In the wake of plummeting oil output, Norway, western Europe's biggest petroleum producer, may have found its new money spigot: an ice-free expanse of the Arctic Ocean known as the Barents Sea.

Companies will drill a least 12 wells in the Norwegian Barents this year -- a record equal to the number drilled in the past two years combined -- as they increase the effort to unlock an estimated 6 billion barrels of oil equivalent the lightly explored area is thought to hold. If half of that were oil, it would be valued at \$330 billion at Brent benchmark prices of \$110 a barrel.

[New strategy needed to cope with Arctic environmental changes -U.S. report](#)

(Reuters) - With the warming U.S. Arctic region poised for greater oil and mining development, the White House needs to develop a national strategy that can take environmental decisions on a larger scale, a report issued Thursday concluded.

The study recommends greater coordination between federal, state and local agencies to better manage resources in Alaska, said the U.S. Department of Interior's Alaska Interagency Working Group in its report that was presented to President Barack Obama.

[Kazakhstan planning to boost oil production output to 120 million tons a year by 2020: PM Serik Akhmetov](#)

Kazakhstan plans to boost oil production output to 120 million tons a year by 2020, Newkaz.ru reports, citing the country's PM Serik Akhmetov.

"In June this year we are launching production at the giant Kashagan oilfield and plans are there to expand production at Tengiz oil field. These two measures will enable Kazakhstan to boost oil production output up to 120 million tons a year from the current 82 million tons", Mr. Akhmetov said at the talks with Ukraine's President Viktor Yanukovich.

[Transocean Purchases Cost Shareholders Billions, Icahn Says](#)

Transocean Ltd.'s management "destroyed approximately \$11 billion of shareholder value" by buying Global Santa Fe and Aker, billionaire investor Carl Icahn said.

The company's current plan to pay down debt and invest in building new assets will destroy another \$3.6 billion in shareholder value, Icahn wrote in a letter to shareholders today.

[International Energy Agency to offer China room in strategic talks](#)

(Reuters) - The International Energy Agency will invite China and other emerging economies to take part in key strategic talks, sources in the IEA said, in a bid to strengthen ties with non-members whose share in global oil demand has rapidly grown.

[Gazprom-Europol Gaz deal does not mean gas link will be built: PGNiG](#)

(Reuters) - The agreement signed by Russia's Gazprom and Poland's Europol Gaz regarding the second segment of the Yamal-Europe gas pipeline is just a feasibility study and does not mean the investment will be carried out, Europol Gaz said.

[Report: Shell to dump firm over its ties to Israel](#)

THE HAGUE (JTA) – Royal Dutch Shell declined to comment on reports that it will divest its stake in an Australian energy firm because of that firm's investment in Israel's gas fields.

[Iran crude exports to rebound in April from March slump](#)

TOKYO/SINGAPORE (Reuters) - Iran's April crude exports will rebound to above 1 million barrels per day (bpd), industry sources said on Friday, after falling in March to the lowest level seen since the West imposed sanctions to reduce the oil flow in 2012.

[Violence on Rise in Iraq's Oil-Rich Kirkuk Area](#)

KIRKUK, IRAQ — Over the past year, hostilities have flared between Iraq's semi-autonomous Kurdish region and the central government. Attacks and bombings have increased in the disputed oil-rich city of Kirkuk, which both governments claim as their own. With tensions showing no sign of abating, many fear the violence will only get worse.

[For Unionists, Iraq's Oil War Rages On](#)

Many Iraqi oil workers thought the fall of Saddam Hussein would mean they would finally be free to organize unions, and that their nationally owned industry would be devoted to financing the reconstruction of the country. But the reality could not have been more different. Earlier this month, the head of the Iraqi Federation of Oil Unions, Hassan Juma'a (below right), was hauled into a Basra courtroom and accused of organizing strikes, a charge for which he could face prison time. The union he heads is still technically illegal: Saddam's ban on public-sector unions was the sole Saddam-era dictate kept in place under the U.S. occupation, and Iraqi Prime Minister Nouri Maliki hasn't shown any interest in changing it since most U.S. troops left.

[Petronas Raises MISC Buyout Bid to \\$3 Billion After Protests](#)

Petroleum Nasional Bhd., Malaysia's state oil and gas company, raised its buyout offer for shipping group MISC Bhd. (MISC) by 3.8 percent to \$3 billion after minority shareholders complained its initial bid was too low.

Petronas, as the energy group is known, increased its offer for the world's second-largest liquefied natural gas shipping company to 5.50 ringgit per share from 5.30 ringgit, according to a stock exchange filing by Kuala Lumpur-based MISC today. The offer values the stake Petronas doesn't already own at 9.16 billion ringgit (\$3 billion), up from 8.8 billion ringgit previously, according to Bloomberg calculations.

[Ecuador judge rejects bribe claims against him in Chevron case](#)

Reuters) - The Ecuadorean judge who issued an \$18.2 billion verdict against Chevron Corp has denied bribery allegations made by another judge who presided over the landmark pollution case in the South American country, according to a court filing on Thursday.

Nicolas Zambrano had been accused in a U.S. court-filed sworn statement by Alberto Guerra, a fellow judge who heard the case in Ecuador in 2003 and 2004, of taking a \$500,000 bribe from the plaintiffs.

[Lonmin New CEO Shoulders Output Push as Costs Soar](#)

Ben Magara will lead Lonmin Plc in an effort to restore output at the world's third-largest platinum producer and repair its reputation after a six-week strike at the company's main mine led to at least 44 deaths.

Instead, he may be forced to close shafts and cut staff. Magara, whose appointment was announced yesterday, will take the helm at Lonmin on July 1 as it grapples with higher wages, inflation-busting power costs and social-spending commitments.

[Methane Hydrates: A Second Gas Revolution?](#)

Speculation is rampant that a new gas cornucopia is coming. After a successful Japanese experiment to extract natural gas from methane hydrates 1,000 meters below the surface and 50 miles off its shores, some are beginning to wonder if the “shale revolution” was just the beginning. But don’t hold your breath.

[Le Fracking for Geothermal Heat Drawing Ire of French Oil](#)

It’s an existential question in France: When is fracking not fracking?

The country is pushing ahead with plans to harness geothermal energy from smoldering rock deep in the earth’s crust using drilling methods the oil industry says are like hydraulic fracturing, or fracking, which France outlawed in 2011.

[Frackers Are Losing \\$1.5 Billion Yearly to Leaks](#)

Of all the many and varied consequences of fracking (water contamination, injured workers, earthquakes, the list goes on) one of the least understood is so-called “fugitive” methane emissions. Methane is the primary ingredient of natural gas, and it escapes into the atmosphere at every stage of production: at wells, in processing plants, and in pipes on its way to your house. According to a new study, it could become one of the worst climate impacts of the fracking boom—and yet, it’s one of the easiest to tackle right away. Best of all, fixing the leaks is good for the bottom line.

[Enron’s Skilling in Talks With U.S. on Possible New Term](#)

Jeffrey Skilling, the former Enron Corp. chief executive officer, is in talks with the U.S. Justice Department to possibly reduce his 24-year sentence for helping mastermind the fraud that brought down the world’s biggest energy-trading company.

The U.S. issued a notice April 3 to thousands of former Enron employees and shareholders asking them to alert authorities by April 17 if they wish to express their views in court on a possible new sentence. The notice didn’t provide any details about the basis of the talks, though a person familiar with the matter said a resolution may speed payment of restitution to victims.

[Is Living in a Nuclear Evacuation Zone Good for You?](#)

Given these problems, more than a few health experts now believe that mental health problems, not cancer, may turn out to be Fukushima’s legacy. A recent report by the World Health Organization suggests that most of Japan will not get sick from radiation

released by the Fukushima accident. The most serious consequence will be a predicted 70 percent increase in thyroid cancer risk for female infants who lived near the plant at the time of the accident. Since the baseline rate of thyroid cancer in Japanese women is 0.75 percent, this means that the rate may increase by about 0.5 percent. That rise is probably too small to be detected statistically. Meanwhile, psychiatrists and public health officials are worried about the future of more than 150,000 evacuees who remain displaced.

[Reborn Detroit Electric charges into battery-car market](#)

It's been nearly six decades since the last serious attempt to create a major new Motor City-based auto company, and nearly three-quarters of a century since the last maker to use Detroit in its logo turned off the lights. That may explain why skeptics showed up to the first news conference of the resurrected Detroit Electric this week.

They noted that the maker is targeting the still-uncertain U.S. battery car market – and aiming to launch production by late summer even though it doesn't yet have a factory site.

[Merkel Losing Allies in \\$700 Billion Shift to Renewables](#)

Chancellor Angela Merkel is losing support from her two biggest allies in the utilities industry as their mounting debt prompts a retreat from renewable-power expansion, undermining her \$700 billion program to reshape Germany's energy market.

EON SE and RWE AG are reducing clean-power spending for the first time since 2009 to cut a combined 69 billion euros (\$88 billion) in debt and curb costs. That limits funds for offshore wind energy, the centerpiece of Merkel's plan to replace all atomic reactors by 2022 and triple renewables' share by 2050.

[Switch to fully renewable energy within reach: report](#)

Australia's main electricity market could source all of its electricity from renewable energy with the help of a carbon price of as low as \$50 a tonne, according to research at the University of NSW.

The researchers found currently available renewable energy technologies such as wind and concentrated solar thermal power could displace all fossil-fuelled power plants in the National Electricity Market, according to a peer-reviewed paper published in the international Energy Policy journal.

[Linking clean energy sources solves blackout conundrum](#)

Critics of renewables have always claimed that sun and wind are only intermittent

producers of electricity and need fossil fuel plants as back-up to make them viable. But German engineers have proved this is not so.

By skilfully combining the output of a number of solar, wind and biogas plants the grid can be provided with stable energy 24 hours a day without fear of blackouts, according to the Fraunhofer Institute for Wind Energy and Energy System Technology (IWES) in Kassel.

[Washington Gas Energy Systems Awarded Contract to Build, Own and Operate Solar Project for Bellingham, Mass.](#)

BELLINGHAM, Mass. & MCLEAN, Va.(BUSINESS WIRE) - Washington Gas Energy Systems, Inc. today announced it has signed a contract with the town of Bellingham, Mass. to build, own and operate a 3,802-kilowatt solar array that will provide renewable energy for the town. The ground-mounted installation will consist of 12,672 panels and is expected to help reduce greenhouse gas emissions equal to the planting of more than 1,600,000 pine trees or avoiding the use of more than 7 million gallons of gasoline over the next two decades.

[Paris Employs a Few Black Sheep to Tend, and Eat, a City Field](#)

PARIS — The archivists requested a donkey, but what they got from the mayor's office were four wary black sheep who, as of Wednesday morning, were chewing away at a lumpy field of grass beside the municipal archives building as the City of Paris's newest, shaggiest lawn mowers.

Mayor Bertrand Delanoë has made the environment a priority since his election in 2001, with popular bike- and car-sharing programs, an expanded network of designated lanes for bicycles and buses, and an enormous project to pedestrianize the banks along much of the Seine.

The sheep, who are to mow (and, not inconsequentially, fertilize) this airy half-acre patch in the 19th Arrondissement are intended in the same spirit. City Hall refers to the project as "eco-grazing," and it notes that the four ewes will prevent the use of noisy, gas-guzzling mowers and cut down on the use of herbicides.

[Deer Breeding Industry Looks to Lawmakers to Relax Rules](#)

"Deer breeding concerns more of an agricultural enterprise — it is a ranching activity," Mr. Adams said. The commission's members, he said, are "the animal husbandry experts in Texas."

But Gary Joiner, the chief executive of the Texas Wildlife Association, said Parks and Wildlife was better suited to oversee the industry because deer are not like the livestock that the animal health agency has traditionally overseen.

"Deer are a public resource, a native resource that should be protected," Mr. Joiner said.

[Report: Asian carp may have reached Great Lakes](#)

TRAVERSE CITY, Mich. (AP) — At least some Asian carp probably have found their way into the Great Lakes, but there's still time to stop the dreaded invaders from becoming established and unraveling food chains that support a \$7 billion fishing industry and sensitive ecosystems, according to a scientific report released Thursday.

[Community Determined to Fight Power Plant](#)

The utility says the facility is necessary to meet the needs of the growing city and county. It says it will use the latest technology to extract the cleanest fossil fuel available. But residents fear that a range of air and water contaminants will have an impact on their community.

[Hero of the Bronx Is Now Accused of Betraying It](#)

The story of Majora Carter, 46, is one of the best known in the South Bronx. The youngest of 10 children, she grew up in Hunts Point and later emerged as a fierce defender of its residents against urban blights like truck traffic and garbage dumps. Smart and passionate, with a high-wattage smile for the cameras, Ms. Carter was soon touring the Arctic with former President Jimmy Carter, hosting a Peabody-winning public radio show, and commanding tens of thousands of dollars in speaking and consulting fees.

Ms. Carter's meteoric rise also made her a polarizing figure. Many former allies and neighbors say that Ms. Carter trades on the credibility she built in the Bronx, while no longer representing its interests. They say she has capitalized on past good deeds in the way that politicians parlay their contacts into a lobbying career, or government regulators are hired by the companies they once covered.

"You can't have it both ways," said Eddie Bautista, executive director of the New York City Environmental Justice Alliance. "Either you're an honest broker and accountable to the community, or you're working for a business interest and accountable to that."

[Is It Possible to Be a Modern-Day Survivalist Without Resorting to a Life of Crime?](#)

This sense of romanticism is misplaced. I don't know how many legitimate survivalists — self-sufficient, off-the-grid—actually exist. I would guess not many. I would also guess that it is functionally impossible to live entirely off the grid *without* breaking some laws. The *Men's Journal* article makes it clear that even though Knapp was a preternaturally talented survivalist, he couldn't have made it as long as he did without regularly turning to crime:

He would go from home to home, tapping a quarter-size hole in a windowpane and

unfastening the latch. He would eat all the food he could find, burn all the firewood, and then move on. He hit dozens of cabins across the state, riffling through the cupboards, taking batteries, binoculars, canned goods, and camouflaged clothing — anything that would keep him alive, moving, and out of sight. He stole all the shoes he could, too, from boots to sneakers to sandals, so his tracks would be harder to follow.

[Sticky-fingered thieves target sap in Maine](#)

Violators often use drill bits that are 7/8 of an inch, nearly triple the industry standard of 5/16 of an inch, to drill holes for the taps, Liba said. They're also using PVC piping that gouges the trees, and putting four taps in trees that should have only two, thereby creating undue stress on the trees.

With gouges and large holes, the trees are more susceptible to decay and disease. And they also carry less value in the marketplace.

The best maple trees are highly sought-after for veneer used in making cabinets and furniture or as logs that are suitable for processing at a sawmill. But when the trees are damaged they're only suitable for less-profitable uses, such as pulpwood for pulp plants or for biomass plants.

[Asia's resource scramble is an obstacle to its rise](#)

NEW DELHI — Competition for strategic natural resources including water, mineral ores and fossil fuels has always played a significant role in shaping the terms of the international economic and political order.

But now that competition has intensified, as it encompasses virtually all of Asia, where growing populations and rapid economic development over the past three decades have generated an insatiable appetite for severely limited supplies of key commodities.

[Short on graves, China turns to sea burials](#)

BEIJING — In this country of almost 1.4 billion people, life is an unending struggle for resources — money, property, even spouses. And it doesn't get easier in death.

Prices for graves are skyrocketing, driven by decades of unbridled development and scarce city land. The government's answer to this conundrum: sea burials.

[2 Major Air Pollutants Increase in Beijing](#)

BEIJING — In the first three months of this year, levels of two major air pollutants increased by almost 30 percent here in the Chinese capital, over the same period in

2012, according to a report on Wednesday by a Chinese news organization.

[A visual tour of Beijing's crippling pollution problem](#)

The Chinese government vows to clean up its act, but it has a lot of work to do

In American schools and media, pollution is often discussed in terms of what will happen in the future if we don't clean up our act now. But in China — where wildly overpopulated cities churn out toxic emissions, and hardworking plants produce 95 percent of the world's rare-earths elements — the effects of pollution accumulate like dust in an attic.

[Harvard Embracing Fossil Fuel Condemned by Gore on Filthy Lucre](#)

Former U.S. Vice President Al Gore broke from his prepared remarks two months ago at a Harvard University event honoring a deceased professor who had sparked his passion for the environment.

Apologizing for “sounding impolite and undiplomatic,” Gore praised a student group, which sought his support in a push to make Harvard sell investments in fossil-fuel companies. Gore equated the effort to a campaign that helped end apartheid after investors were pressed to shun companies linked to South Africa.

[Climate legislation to prevent an oil-lubricated collapse](#)

HSBC Securities' analysis shows that oil companies will lose up to 60 percent of their value if a policy aiming for the internationally-recognized two-degree climate policy objective is implemented.

[Statoil creeps nearer climate target](#)

Statoil published its annual report on oil sands operations in Canada on Thursday. The report measures CO2 emissions and water usage, amongst other things. Both levels are very high in oil sands production.

Statoil has committed to reduce emissions from the oil sands facility by 40 percent by 2025. The purpose is to bring emissions on par with those from regular oil production in the US, between 40 and 45 kilogrammes of CO2 per barrel.

[Stop Paying the Polluters](#)

According to the IEA, fossil-fuel subsidies rose by almost 30%, to \$523 billion, in 2011.

Meanwhile, the UN Environment Program reports that global investment in renewable energy totaled only \$257 billion in 2011.

In other words, we are doing exactly the opposite of what we should be doing. Support for energy efficiency and renewable energy sources is lagging, while governments around the world spend hundreds of billions of dollars subsidizing an incipient catastrophe. This must change.

[EU Carbon Data Signals Airlines May Need to Buy Permits](#)

Airlines in Europe may need to buy carbon permits or pay fines after data showed the carriers' emissions in 2012 exceeded their allocation of free allowances by about 30 percent, according to Bloomberg New Energy Finance.

[Poll: Americans Unwilling to Spend Money to Protect Against Rising Sea Levels](#)

A new national survey says 82 percent of Americans want to prepare now for rising seas and stronger storms from climate change. But most are unwilling to spend the money to keep the beach where it is.

The poll by Stanford University found that only 1 in 3 people favored the government spending millions to construct big sea walls, replenish beaches or pay people to leave the coast.

[In Sign of Warming, 1,600 Years of Ice in Andes Melted in 25 Years](#)

Glacial ice in the Peruvian Andes that took at least 1,600 years to form has melted in just 25 years, scientists reported Thursday, the latest indication that the recent spike in global temperatures has thrown the natural world out of balance.

The evidence comes from a remarkable find at the margins of the Quelccaya ice cap in Peru, the world's largest tropical ice sheet. Rapid melting there in the modern era is uncovering plants that were locked in a deep freeze when the glacier advanced many thousands of years ago.

[A warming world will further intensify extreme precipitation events, study finds](#)

(Phys.org) — According to a newly-published NOAA-led study in *Geophysical Research Letters*, as the globe warms from rising atmospheric concentrations of greenhouse gases, more moisture in a warmer atmosphere will make the most extreme precipitation events more intense.

The study, conducted by a team of researchers from the North Carolina State University's Cooperative Institute for Climate and Satellites-North Carolina (CICS-NC),

NOAA's National Climatic Data Center (NCDC), the Desert Research Institute, University of Wisconsin-Madison, and ERT, Inc., reports that the extra moisture due to a warmer atmosphere dominates all other factors and leads to notable increases in the most intense precipitation rates.



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