



Drumbeat: April 17, 2013

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[To Reinvigorate Production, Alaska Grants a Tax Break to Oil Companies](#)

Hoping to reverse two decades of declining oil production in Alaska, the State Legislature in Juneau has granted oil companies an estimated \$750 million in annual tax relief to increase investment in the giant North Slope oil field.

The tax change, approved on Sunday, was a major victory for Exxon Mobil, ConocoPhillips and BP, which had lobbied for years to repeal a tax system put in place by former Gov. Sarah Palin in 2007 that made state oil taxes among the highest in the nation. The companies have long claimed that high operating costs and taxes in Alaska encouraged them to move their investment dollars to other states with lower tax rates, like Texas and North Dakota, where oil and gas exploration and production have been booming in new shale fields.

[WTI Crude Trades Near Four-Month Low Before Supply Data](#)

West Texas Intermediate fell for the fourth time in five days, trading near the lowest level in almost four months before government data forecast to show U.S. crude inventories rose last week.

WTI dropped as much as 1 percent. An Energy Department report today may show crude supplies rose 1.2 million barrels to the highest level in 22 years, according to a Bloomberg survey. That's contrary to a report yesterday from the American Petroleum Institute, which showed stockpiles slid 6.7 million barrels last week, the most since the seven days ended Dec. 28.

[OPEC Crude Basket Ends Longest-Ever Stretch Above \\$100 a Barrel](#)

The average price of benchmark OPEC crudes ended its longest run above \$100 a barrel after dropping below that level for the first time since July amid signs the global economic recovery is faltering.

The so-called OPEC basket, a weighted average of the main grades produced by the Organization of Petroleum Exporting Countries, slipped to \$98.56 a barrel yesterday, according to an e-mail today from the group's Vienna-based secretariat. It's the first time OPEC's reference price slipped below \$100 since July 16 and ends an unprecedented 191-day spell above that threshold.

[US Crude Oil Production Sets Record in 2012](#)

While advocates of solar, wind and other “Green” energy some are saying that renewable energy is the future, technological advances in the Oil and Gas industries will lead to abundant supplies well into the future, I have been saying for years that Peak Oil is a myth, it is.

US Crude Oil production rose by an average of 790,000 BPD in Y 2012, the largest annual increase in American oil production since it began in Y 1859.

This year the Energy Information Administration EIA expects production to rise by 815,000 BPD, setting another record.

[Stuart Staniford: Monthly Oil Supply Update](#)

Time for the monthly update on global oil supply in which I summarize the numbers for global oil production from the various oil agencies into a small set of convenient charts. This is for the benefit of those of us who like to do micro-tracking of peak-oil related issues. This month, I have made one charting innovation. The above graph shows global oil production since 2002 to give the full period of the "bumpy plateau" that started about the beginning of 2005. I have now added to this a green line (C&C (EIA)), which shows just the "Crude & Condensate" numbers from the EIA. This eliminates biofuels, natural gas liquids, and refinery gains from the picture, and is a more purist definition of oil. Which is better to consider is a matter of debate, but now we don't have to choose - we can see both at a glance.

The big picture is that the bumpy plateau slopes upward in both sets of data (ie anyone claiming peak monthly oil production was in 2005 or 2008 is not paying attention to the data). However, the "all liquids" line slopes up more than "C&C", because the natural gas liquids and biofuels have grown quite a bit.

[What Gulf must do to join shale revolution](#)

Where there are oilfields, there are bound to be rich shale resources like those that have ignited a boom in jobs and industry in North America, say oil executives.

But the Arabian Gulf needs to pave the way for that kind of challenging development with more infrastructure if it wants to become an attractive prospect for the likes of ExxonMobil, a representative from the company said yesterday in Dubai.

[Natural gas industry to develop fast in China, says expert](#)

HOUSTON (Xinhua) -- Liquefied natural gas (LNG) industry will see promising

development both in China and other countries as natural gas is the only clean energy compared with oil and coal, a Chinese energy expert said Tuesday on the sidelines of a professional conference in Houston.

Of the three most important energy resources, both coal and oil have met their development bottleneck, but natural gas has great potential, said Wang Ye, deputy chairman of China LNG Association, who is heading a 100-plus Chinese delegation to the 17th International Conference and Exhibition on LNG.

[How Cheniere Energy Is Leading America's LNG Export Revolution](#)

If you want to see what the natural gas revolution in America has wrought, there's no better place than the Sabine Pass liquefied natural gas port in coastal Louisiana. There you can peer into five massive storage tanks, each almost big enough to contain Madison Square Garden. Taken together, they can hold the liquefied equivalent of 17 billion cubic feet of natural gas—a quarter of what the United States uses in a day.

They're empty.

Built in 2008 by Houston-based Cheniere Energy when it appeared certain that the U.S. would soon run short on natural gas and need imports to make ends meet, they ran headlong into the Great American Gas Boom. Drillers in recent years have unlocked so much gas from tight rock that America now enjoys record gas supplies and prices that are just one-quarter of what buyers in Europe and Asia pay. Projections are that the annual U.S. gas supply could grow a further 25% by 2035.

[OPEC Said to Consider Saudi Arabian for Research Head Job](#)

Saudi Arabia, the world's largest oil exporter, has put forward a candidate to replace Hasan Qabazard as head of research at OPEC, according to two people with knowledge of the matter.

The nominee, along with any others proposed by fellow members of the 12-nation Organization of Petroleum Exporting Countries, will be discussed at an OPEC board of governors meeting scheduled for May 6 to May 7, they said, declining to be identified because Qabazard's departure hasn't been publicly announced. Two other people with knowledge of the matter also said that the producer group is looking for a new head of research, speaking on condition of anonymity.

[Shell Shut Out as Africa's Gas Trove Lures Asian States](#)

Asian state-owned oil companies are making inroads in the contest for East Africa's energy reserves, gaining power in export projects that Western explorers like Royal Dutch Shell Plc used to dominate.

Fields off Mozambique's Indian Ocean coast are estimated to hold enough gas to meet

global demand for two years, a prize that persuaded state-owned China National Petroleum Corp. to make its biggest foreign investment. The Beijing-based company agreed to pay Italy's Eni SpA \$4.2 billion last month for a share in the fields and a planned liquefied natural gas plant. While it's the first time Asia's state producers have participated in an African LNG project, companies from China, India, South Korea and Thailand now hold 24 percent.

[Arcadia Said to Shut Dubai, Switzerland Offices Amid CEO Change](#)

Arcadia, the energy trader owned by billionaire John Fredriksen, is shutting its offices in Dubai and Switzerland, said three people with knowledge of the plans.

Some staff from the Swiss office in Nyon will be relocated to London and Singapore, according to the people, who asked not to be identified because they aren't authorized to speak to the media. Arcadia has appointed Paul Adams as chief executive officer, replacing Peter Bosworth, the people said. Reuters reported Bosworth's departure on March 28. Nobody responded to four phone calls and three e-mails to Arcadia's London office or three calls to officials in Singapore.

[Can Iraq meet its oil potential?](#)

The debate over whether the Iraq War was really all about oil may never be fully resolved in some minds, but one thing is clear – either way, Iraq has yet to really cash in. The country's GDP may have risen several fold in the decade since the war began, yet its income per capita lags not only oil rich neighbors such as Kuwait and Saudi Arabia, but also relative economic minnows including Botswana, Turkmenistan and Albania. This is despite the fact that it sits upon the world's fourth largest oil reserves and could double its production in the next few years.

The question, then, is will Iraq be able to meet its oil potential?

[Minister: Iran to Celebrate Independence in Oil Sector Soon](#)

TEHRAN (FNA)- Iranian Oil Minister Rostam Qassemi played down the effects of the western sanctions on the country's oil sector, and said Iran will celebrate independence of its oil industry soon in future.

"We were strongly dependent in the oil industry in the past due to a lack of control over technologies," but after hard work by Iranian experts and due to the pressures felt by the western sanctions we have come to a point that "we will celebrate independence in this (oil) sector in the near future", Qassemi said in Tehran on Wednesday.

[Boston bombs were pressure cookers filled with metal](#)

The use of pressure cookers as an improvised explosive device is a technique commonly taught in Afghan terrorist training camps, according to a 2003 bulletin by the Department of Homeland Security (DHS).

[Europe Car Sales Heading for 20-Year Low on German Slide](#)

European car sales are sliding to a 20-year low after German concerns over the debt crisis sent demand plunging last month in the region's biggest economy and removed the main buffer protecting automakers.

[Tesla shares get a jolt](#)

Talk about electrified.

Shares of electric car maker Tesla spiked 6% Tuesday, nearly hitting a new high, on heavy trading volume.

Tesla generated a lot of buzz last month after CEO Elon Musk tweeted about a game changing announcement.

[Is Armageddon on the cyber horizon?](#)

So much critical infrastructure is vulnerable. Oil pipelines can be turned off and the pressure in nuclear plants turned up. Hackers can use any number of entry points to breach IT systems and, once inside, can access servers, databases and operational equipment.

More recently, a diplomatic time bomb was uncovered, which illustrates how cunning this activity has become. Dubbed Red October, this subterranean stalker has been stealthily stealing emails and other encrypted classified documents from diplomats for about five years. It has infected at least 350 government organisations around the world, especially in the former Soviet republics.

[A Fight in Colorado Over Uranium Mines](#)

Despite bursts of activity from 2003 through 2008, most uranium mines scattered across Colorado have largely been out of production for decades, a testament to fluctuating mineral prices. Now the future of these mines is at the crux of a dispute that could set a precedent for how they are handled.

Environmental groups in Colorado contend that many of the state's 33 uranium mines should be forced to clean up, given that uranium mining, which flourished here during the cold war, has gone dormant. In legal filings, they have alleged that companies like Cotter are skirting potential costs associated with cleanup, which is required by the state after an operation shuts down.

[China trounces U.S. in green energy investments](#)

China retook its top spot as global leader in the clean energy race, attracting nearly twice the green energy investment dollars last year as the United States did.

Investors plowed \$65 billion into Chinese wind farms, solar panel arrays and other clean energy projects in 2012, a 20% increase over the year prior, according to a report released Wednesday by Pew Charitable Trusts and Bloomberg New Energy Finance. The numbers reflect only private investments in power projects, and do not include government subsidies or R&D money.

[LDK Delinquency Flags Chance of Another China Solar Bust](#)

LDK Solar Ltd.'s failure to fully pay notes this week has raised the prospect of China's second solar-industry failure this year as the company needs to repay a loan 10 times larger by June.

The world's second-biggest maker of wafers that convert sunlight into power couldn't repay all of the \$23.8 million of dollar-denominated convertible bonds that matured on April 15, according to a company statement yesterday. Before the delinquency, its 2014 yuan notes dropped below 50 yuan per 100 yuan face value, according to data compiled by Bloomberg. The yield reached a six-month high of 125 percent last week, compared with the 79 percent for Bonn-based Solarworld AG.

[Dubai coal power plant faces hurdles](#)

Dubai's hopes of launching an environmentally friendly coal power plant is "a really good opportunity" but faces tall hurdles, said a specialist in the field.

For at least four years Dubai Electricity & Water Authority (Dewa) has studied plans to build a massive coal-burning power plant whose emissions would be pumped under the ground, providing the emirate as much as 3 gigawatts of energy without polluting the air.

[InsideClimate News wins Pulitzer](#)

"We try to fill in the gaps that exist in American journalism that are more and more common," said David Sassoon, the site's founder and publisher.

In the case of "The Dilbit Disaster: Inside the Biggest Oil Spill You've Never Heard Of," it meant a seven-month investigation that found that the rupture of a pipeline carrying diluted bitumen from Canada's oil sands region resulted in the largest onshore oil spill in

U.S. history.

Sassoon said the reporters who ended up pursuing the story — Lisa Song, Elizabeth McGowan and David Hasemyer — were prompted to pursue it because Americans were wondering what would happen if the proposed Keystone XL pipeline extension would leak oil into Nebraska's Ogallala Aquifer.

[A Pulitzer Prize, but Without a Newsroom to Put It In](#)

InsideClimate News may be the leanest news start-up ever to be presented with a Pulitzer, journalism's highest honor, a prize that is typically awarded to regional and national newspapers. It beat out 50 other entrants and two finalists, The Boston Globe and The Washington Post, for the prize.

With a full-time staff of just seven and a nonprofit business model, InsideClimate News exemplifies a new breed of news organization that depends on donations, both from rich charitable foundations and a handful of ordinary readers.

[Report on U.S. Meat Sounds Alarm on Resistant Bacteria](#)

More than half of samples of ground turkey, pork chops and ground beef collected from supermarkets for testing by the federal government contained a bacteria resistant to antibiotics, according to a new report highlighting the findings.

[Relief for a Parched Delta](#)

Mr. Muñoz last saw a dolphin as a teenager in 1963, the year the last of the big Colorado dams, the Glen Canyon, began impounding water 700 miles upstream. "The river doesn't come here anymore," he said.

But after decades of dismay in Mexico over the state of the delta, there is reason for some optimism. An amendment to a seven-decades-old treaty between the United States and Mexico, called Minute 319, will send water down the river once again and support efforts to restore native habitat and attract local and migratory wildlife.

[Q&A: A Look at Flood Maps and What They Mean in New Jersey](#)

Earlier in April, the federal government announced that it would not give grants to repair homes badly damaged by Superstorm Sandy unless the owners agreed to make sure they are in compliance with new advisory flood maps.

In New Jersey, the policy will not change much because the state government has already said that it will not approve rebuilding the most damaged homes unless they comply with the maps.

Following is a look, in question-and-answer form, at what the flood maps mean to homeowners in coastal areas.

[Accord Would Regulate Fishing in Arctic Waters](#)

MOSCOW — It was once protected by ice. Now regulation will have to do the work.

The governments of the five countries with coastline on the Arctic have concluded that enough of the polar ice cap now melts regularly in the summertime that an agreement regulating commercial fishing near the North Pole is warranted.

[U.S. Republican to bring carbon-tax message to Ottawa](#)

Bob Inglis is a rare breed — a U.S. Republican who takes seriously the risk of catastrophic climate change and proposes a carbon tax as the most "conservative" way to address it.

The former South Carolina congressman lost a nomination battle in 2010 after acknowledging the threat of climate change. He is now stumping the U.S., preaching the merits of the carbon tax to young Republicans.

[Carbon tax inflation is not the answer to Alberta's issues](#)

There was a time, not long ago, when governments offered massive subsidies and invested huge sums of public money to spur the development of Alberta's oil sands. It's good that many of these subsidies have been phased out, but it still costs more to produce a barrel of oil from the oil sands, than from conventional sources, which makes the Alberta government's push to increase the cost of doing business in the province a troubling proposition.

[Joe Oliver beats back accusations of climate change denial](#)

Joe Oliver fought off accusations that he doesn't believe in the science of climate change at a testy meeting of the federal natural resources committee Tuesday.

The natural resources minister defended comments he made to an editorial board meeting of the Montreal daily La Presse in which he mused about the complexity of climate science.

"I believe and the government believes it's [climate change] a serious issue and we're going to continue to act on that belief going forward," Oliver explained after the meeting.

[Climate change negotiations painfully slow: PM](#)

New Delhi (IANS) Expressing concern over the slow progress of climate change negotiations, Prime Minister Manmohan Singh Wednesday said the goal of stabilising global temperatures at acceptable levels is nowhere in sight.

Speaking at the inauguration of the Fourth Clean Energy Ministerial here, Manmohan Singh said countries should take action to promote clean energy, and added that India recognises the importance of evolving a low carbon strategy for inclusive and sustainable growth and will double renewable energy capacity by 2017.

[Carbon Falls Most Ever After EU Parliament Rejects Fix](#)

European carbon permits declined by the most on record to an unprecedented low after lawmakers rejected an emergency plan to address a surplus of allowances.

Carbon for December fell as much as 45 percent to 2.63 euros a metric ton on the ICE Futures Europe exchange in London, and German power prices for next year dropped to the lowest since at least 2007. Ireland, which holds the European Union presidency, vowed to continue talks on the plan after the bloc's Parliament sent the draft back to its environment panel.

[Australia to Cut Carbon-Revenue Forecast as EU Price Plunges](#)

Australia will lower its expected revenue from selling carbon allowances after the European Union, its partner in a cap-and-trade system set to start in 2015, failed to win support for lifting record low prices.

European carbon permits fell the most on record following a vote yesterday in Strasbourg, France, to reject an emergency measure to reduce surplus allowances. Carbon for December fell 35 percent to 3.09 euros (\$4.07) a metric ton on the ICE Futures Europe exchange, the lowest-ever settlement for the contract.

[Climate scientists struggle to explain warming slowdown](#)

OSLO (Reuters) - Scientists are struggling to explain a slowdown in climate change that has exposed gaps in their understanding and defies a rise in global greenhouse gas emissions.

Often focused on century-long trends, most climate models failed to predict that the temperature rise would slow, starting around 2000. Scientists are now intent on figuring out the causes and determining whether the respite will be brief or a more lasting phenomenon.

[How Science Can Predict Where You Stand on Keystone XL](#)

This article is about the emotionally charged dispute between climate activists and environmental moderates, *despite* their common acceptance of the science of climate change. Why does this sort of rift exist on so many issues dividing the center from the left? And what can we actually say about which side is, you know, *right*?

[Atmosphere 'used like an open sewer'](#)

"The world as a whole is putting 90m tonnes of global warming pollution into the atmosphere every day as if it is an open sewer," Mr Gore said on the second and final day of the conference, co-hosted by the Government and the Mary Robinson Foundation.

"The accumulation of this man-made global warming pollution now traps as much extra energy in the atmosphere each day than would be released by 400,000 Hiroshima atomic bombs," Mr Gore said.

[EPA Report: Greenhouse Gas Emissions Down from 2010-2011](#)

According to a government press release, the United States Environmental Protection Agency (EPA) has released a new annual report on greenhouse gas emissions to the United Nations. It concludes that the U.S. saw a 1.6 percent decline in greenhouse gas emissions between 2010 and 2011. Additionally, greenhouse gases have decreased by approximately 7 percent from the 2005 levels.

[Clean energy progress too slow to limit global warming - report](#)

LONDON (Reuters) - The development of low-carbon energy is progressing too slowly to limit global warming, the International Energy Agency (IEA) said on Wednesday.

With power generation still dominated by coal and governments failing to increase investment in clean energy, top climate scientists have said that the target of keeping the global temperature rise to less than 2 degrees Celsius this century is slipping out of reach.

"The drive to clean up the world's energy system has stalled," said Maria van der Hoeven, the IEA's executive director, at the launch of the agency's report on clean energy progress.



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