



## Drumbeat: May 8, 2013

Posted by [Leanan](#) on May 8, 2013 - 9:57am

### [Shale Oil and Gas: The Contrarian View](#)

No one is questioning the fact that we have either reached or will soon reach “peak oil”; that existing fields are being depleted at the rapid rate of 7 percent a year, and that the search is on for “unconventional oil” as alternative forms of energy are slow to reach critical mass.

There are many kinds of “unconventional oil” – meaning hydrocarbons that are not found in fluid form, but that can be “fluidised” in a straightforward way (unlike coal, for instance). These resources include Venezuelan heavy oil and Canadian tar sands.

But the big change in the last two decades is shale gas and “tight oil” – a liquid, trapped in shale (rock), where it doesn’t flow naturally but can be extracted by horizontal drilling and “fracking”. Fracking uses high-pressure water to fracture the shale and then chemicals that reduce the viscosity of the oil trapped in the interstices of the rock and allow it to flow.

### [King Coal Losing Crown as U.S. Gains Energy Independence](#)

After working 37 years in the coal mines of West Virginia, Ronny Justice punctuates his sentences with coughs. He lost his job a year ago, leaving him without health insurance just as he’s battling the early stages of black-lung disease.

Justice, 57, had planned to work four more years in a job that paid him about \$58,000 a year, enough to eat out anytime he wanted. Now he can’t remember the last time he hit the Park Avenue Restaurant and Motel for a \$6.95 steak dinner.

Boone County, where he lives, hosts 91 mines and an annual festival meant to celebrate “coal and its heritage.” Like Justice’s health, that heritage is under siege. In the next three years America will close a record number of coal-fired power plants, enough electricity to power 18.4 million households for a year, government estimates show. Lower-cost gas, new environmental rules and increased use of renewable energy sources, such as wind and solar, are reducing coal usage.

### [Oil companies target America for investment](#)

NEW YORK (CNNMoney) - Here's an intriguing switch in the energy market: U.S. oil

firms have been selling off their assets overseas and investing the money in America's domestic fields.

### [Brent Drops for Second Day Amid Rising U.S. Crude Supply](#)

Brent futures dropped for a second day after industry data showed U.S. crude inventories climbed for a second week.

Futures dropped as much as 0.8 percent after declining 1 percent yesterday. U.S. crude supplies increased 680,000 barrels last week, the American Petroleum Institute said. An Energy Information Administration report today may show stockpiles gained 2 million barrels, rising from the most in more than 82 years, according to a Bloomberg News survey. The EIA cut its forecasts for West Texas Intermediate and Brent on increasing output and lower global consumption. Bank of America Corp. said WTI will drop to average \$90 a barrel this year.

### [Chesapeake wins bond dispute with Bank of NY Mellon](#)

(Reuters) - A federal judge on Wednesday ruled in favor of Chesapeake Energy Corp in a dispute with Bank of New York Mellon Corp over the natural gas company's effort to buy back \$1.3 billion of notes early.

### [Shell to develop Stones deepwater oil field in Gulf of Mexico](#)

(Reuters) - Royal Dutch Shell Plc said on Wednesday it plans to go forward with the Stones ultra-deepwater oil and natural gas project in the Gulf of Mexico.

### [Minister: Iran's Oil Industry Moving Ahead Despite Sanctions](#)

TEHRAN (FNA)- Iranian Oil Minister Rostam Qassemi played down the effectiveness of the US-led western sanctions against Iran, and reiterated that the country's oil and gas industries are moving on the right track of development.

### [DNO profits slip as output falls in Kurdish region](#)

Profits halved for DNO, the Norwegian oil producer with part-UAE ownership, following pared-back output in Kurdistan.

### [Profits at Abu Dhabi's Taqa fall on outage at North Sea oil platform](#)

Abu Dhabi National Energy Company (Taqa) on Wednesday said first-quarter net profit tumbled 80 per cent partly because of an outage at one of its facilities.

Taqa, 75 per cent owned by the government of Abu Dhabi, reported a net profit of Dh106 million for the first quarter compared with Dh534m in the year-ago period.

### [EON's First-Quarter Proprietary Energy Trading Returns to Profit](#)

The utility's profit from trading energy for its own account was 7 million euros (\$9.18 million) on an earnings before interest and tax basis in the three months through March, according to the Dusseldorf, Germany-based company's report published today. That compares with a loss of 4 million euros in the same period last year, the utility said.

### [Enbridge's adjusted profit rises on higher volumes](#)

(Reuters) - Enbridge Inc, Canada's largest pipeline company, reported a 31 percent rise in first-quarter adjusted profit, driven by higher oil export volumes.

Enbridge, whose pipelines carry the bulk of Canada's crude oil exports to the United States, said adjusted earnings rose to C\$488 million, or 62 Canadian cents per share, from C\$373 million, or 49 Canadian cents per share, a year earlier.

### [Taqa Quarterly Net Falls as North Sea Oilfield Halt Hurts Sales](#)

Abu Dhabi National Energy Co., the state-owned utility and oil producer, said first-quarter profit fell to about a fifth of last year's level as a production halt in the North Sea hurt revenue and asset sales weren't repeated.

### [CNPC Said in Talks to Buy Brazil's Barra for \\$2 Billion](#)

China National Petroleum Corp., China's largest oil producer, is in talks to acquire Barra Energia Petroleo e Gas, a Brazilian oil startup, for about \$2 billion, people with knowledge of the matter said.

The negotiations are under way and a deal could be reached as soon as this month, said the people, who asked not to be identified because the discussions are private. First Reserve Corp. and Riverstone Holdings LLC have invested a combined \$1 billion in the Rio de Janeiro-based company, in addition to \$200 million in pledged investments from other funds, according to Barra's website.

### [Marathon Oil to quit Poland's shale gas operations on poor results](#)

(Reuters) - U.S. oil and gas exploration company Marathon Oil decided it would quit its Polish shale gas operations due to unsatisfactory drilling results, the company said in a statement.

### [Natural gas no longer just a footnote in nation's hydrocarbon story](#)

Abu Dhabi's recent history, economy and even identity are dominated by oil. From modest beginnings the emirate is now one of the world's largest producers.

Natural gas has been a footnote in the emirate's hydrocarbon story so far. It accounts for only a fraction of export revenues and is rarely mentioned in the same breath as Abu Dhabi abroad.

But the low visibility of gas hides its growing domestic importance, and the fuel has played a central role in energy plans for some time. Abu Dhabi is not without gas. It holds the fourth-largest reserves in the Middle East, and is also the region's fourth-largest producer.

### [EU leaders to square the circle of cheap energy](#)

EU leaders will grapple with controversial issues including shale gas development and climate change mitigation at an energy summit on 22 May, documents obtained by EurActiv show.

As agreed at the 14-15 March summit (see background), EU leaders will meet to discuss how to lower energy prices and so improve the Union's industrial competitiveness.

### [Record \\$2.25-billion fine urged in deadly San Bruno blast](#)

Utility giant Pacific Gas & Electric should pay a record \$2.25-billion penalty for a 2010 natural gas explosion in San Bruno that killed eight people and devastated a neighborhood, regulators recommended Monday.

If approved by the California Public Utilities Commission, it would be by far the largest penalty even levied by the agency. The largest fine ever handed out by the PUC was \$38 million against PG&E for a 2008 natural gas explosion in Rancho Cordova.

### [Pipeline Wars Seen Spreading After Fight on Keystone XL](#)

The fight over TransCanada Corp.'s proposed Keystone XL project probably will be repeated as companies build more conduits to carry oil and gas to U.S. markets, the former chief pipeline safety regulator said.

Brigham McCown, who led the U.S. Pipeline and Hazardous Materials Safety Administration for President George W. Bush, said the lengthy review for TransCanada's application to transport a type of heavy crude from Alberta's oil sands to refineries along the U.S. Gulf Coast will embolden opponents of fossil fuels.

### [‘No such thing as ethical oil,’ Al Gore tells Toronto audience](#)

When Mr. Stackhouse asked whether Alberta oil was more ethical because it came from a democratic nation with a commitment to human rights, Mr. Gore rejected the term.

“There’s no such thing as ethical oil,” he said. “There’s only dirty oil and dirtier oil.” The remark triggered applause from a nearly full house at the Globe-sponsored event at a Ryerson University auditorium.

### [Japan eyes opportunities in UAE's new nuclear age](#)

ABU DHABI // Shinzo Abe has not been shy about putting Abu Dhabi at the top of his agenda, whether in 2007 when he became the second Japanese prime minister to visit the emirate, or today as he arrives for an official visit just months into his second run as head of state.

But a different set of opportunities today hang in the balance, from an onshore oil concession where Japan's Inpex has emerged as one of an elite set of nine bidders, to potential nuclear service contracts, a lifeline for Japanese companies with little business at home after the Fukushima disaster.

Not to mention the prime set of offshore oilfields where Japan's stake expires in five years.

### [As Price of Nuclear Energy Drops, a Wisconsin Plant Is Shut](#)

WASHINGTON — The Kewaunee nuclear power plant in Wisconsin shut down for the last time on Tuesday, but it is preparing to break new ground for the American nuclear industry.

It may go to sleep, Snow White-style, for 50 years, to be awakened when its radioactivity has subsided. Or it may be dismantled in the next decade or so. In either case, the responsibility and the expense, probably near \$1 billion, will be borne for the first time by a for-profit company, not a regulated utility.

### [Is China Mining a Rare Earth Monopoly?](#)

What if there were rare minerals so valuable to many of the United States' most advanced weapons systems that their disappearance from the marketplace could threaten America's national security interests? And, what if those rare minerals were, in fact, almost solely in the hands of the country's fiercest global economic competitor — who held a monopoly over them?

Well, guess no more — it's true. Despite years of concern in the United States and around the world, China still holds a monopoly on rare earth elements (REEs) that are critical to a number of advanced weapons systems, mobile devices and emerging green technologies. And the situation isn't likely to change any time soon.

### [Is Tesla Made of More Than Just Green Credits?](#)

Through these political efforts to bring electric cars to the wider market, Tesla has been endowed with credits worth about \$35,000 for each Model S sedan that the company sells. While these 'subsidies' are viewed as a wholly positive aspect of helping gasoline-alternative vehicles reach the masses, there is a slight twist to the tale: Tesla can then sell the green energy credits to other car manufacturers, who snap them up as fast as it chooses to put them up for sale. Car makers need a certain number of credits to operate in California, where pollution regulations are especially strict. And Tesla has plenty of credits on hand to pass along.

According to analyst estimates, while these credits have earlier been responsible for Tesla's survival, this year the system may put an extra \$250 million in its pockets. "At the end of the day, other carmakers are subsidizing Tesla," said Thilo Koslowski, a Gartner analyst.

### [How Congress Can Expand Clean Energy Investment](#)

Last year, The Pew Charitable Trusts organized roundtable discussions across the country to gather input from clean energy industry leaders on strategies for enhancing U.S. competitiveness in this key sector of the global economy. Throughout these discussions, we heard from business leaders, investors, and innovators about the importance of eliminating barriers to competition and low-cost capital for clean energy technology development. The Master Limited Partnership Parity Act, or MLP Parity Act, provides an opportunity for U.S. businesses to mobilize private capital and better compete.

Our research indicates that nations with consistent, transparent clean energy policies do better in attracting private investment. This bill, a measure with bipartisan support in both chambers of Congress, is an important step toward providing the U.S. clean energy sector with a steady, long-term policy that can help leverage private capital and provide financial certainty to investors and companies alike. For investors, it will provide the same tax treatment for certain investments in fossil fuels and, for the first time, clean energy.

### [German Scientists Use Offshore Wind Farms to Replenish Lobsters](#)

German scientists are betting that offshore wind farms can help replenish the North Sea's fledgling lobster population.

Scientists from the Alfred-Wegener Institute in Bremerhaven will release 3,000



lobsters next year around the stone field section of the foundations of EWE AG's 108-megawatt Riffgat project. The gaps between the rocks make for ideal lobster habitat, said Heinz-Dieter Franke, a biologist at the institute.

### [Scientist: Cassava Disease Spread at Alarming Rate](#)

Scientists say a disease destroying entire crops of cassava has spread out of East Africa into the heart of the continent, is attacking plants as far south as Angola and now threatens to move west into Nigeria, the world's biggest producer of the potato-like root that helps feed 500 million Africans.

"The extremely devastating results are already dramatic today but could be catastrophic tomorrow" if nothing is done to halt the Cassava Brown Streak Disease, or CBSD, scientist Claude Fauquet, co-founder of the Global Cassava Partnership for the 21st Century, told The Associated Press.

### [A Dream of Trees Aglow at Night](#)

Hoping to give new meaning to the term "natural light," a small group of biotechnology hobbyists and entrepreneurs has started a project to develop plants that glow, potentially leading the way for trees that can replace electric streetlamps and potted flowers luminous enough to read by.

The project, which will use a sophisticated form of genetic engineering called synthetic biology, is attracting attention not only for its audacious goal, but for how it is being carried out.

Rather than being the work of a corporation or an academic laboratory, it will be done by a small group of hobbyist scientists in one of the growing number of communal laboratories springing up around the nation as biotechnology becomes cheap enough to give rise to a do-it-yourself movement.

### [Giant Swamp Rats Are Literally Eating Louisiana](#)

On the southern edge of Louisiana, there is almost as much water as land. You can't drive to anyone's house, you have to travel by boat, and sometimes there are hours of water between neighbors. It takes a special breed to make a home here, in the swamp, amongst the mosquitos and almost annual hurricanes. But those who do call it home, love it. They see a magical space of strange stillness and subtle rippling greens and grays where time worries no one and the freedom of the water is at your doorstep.

But this Huck Finn way of life is being attacked on multiple fronts. Climate change's stronger storms are beating away at the fragile coastline, and the oil and gas industries are scarring the skyline while luring younger generations away from the local farming and fishing way of life. As if that weren't enough, 20-pound, semi-aquatic rodents, called nutria, which are native to Argentina, are taking over the marshes, devouring the native

plants that hold the soil in place, and causing massive coastal erosion.

### [Coal Mines' Methane Curbs Fall Victim to EPA Budget Cuts](#)

Methane emissions from coal mines escaped being curbed by the Environmental Protection Agency, which said mandatory U.S. budget cuts didn't leave it with the resources to determine if the pollution is a significant risk.

The EPA rejected a petition from environmental groups, which three years ago asked the agency to limit the greenhouse gases released from the mines.

### [Will California fall into the REDD trap?](#)

California is world famous for its visionary environmentalism. So the state's Global Warming Solutions Act (AB32), intended to reduce carbon emissions from nearly all sectors of the economy, was welcomed as forward-thinking legislation. Yet good intentions may turn sour if California decides to use rainforests in Mexico and Brazil as sponges to absorb its emissions instead of reducing pollution at source.

### [How science works: follow the money](#)

There's a growing campaign in the US to get universities to stop investing in fossil fuels. UK science should take note.

### [US defends plan for countries to set their own climate goals](#)

A global deal on greenhouse gas reductions can be effective even if countries are allowed to set their own targets, the US special envoy for climate change Todd Stern has said. "It is very hard for us to imagine a negotiation with dozens and dozens and dozens of counties actually negotiating everybody else's targets and timetables," said Stern from the sidelines of the Petersberg Climate Dialogue in Berlin.

The main criticism levelled at such a system is that nations would be able to set the bar low.

### [New emissions plan could energise global climate talks, says US envoy](#)

The United States' proposal to let countries draft their own emissions reduction plans rather than working toward a common target can unlock languishing UN climate negotiations, the US climate change envoy said on Tuesday.

The proposal that a global climate deal by 2015 should be based on national



"contributions" gained traction at last week's round of UN talks in Germany, although China, the world's biggest carbon emitter, said it wanted far more binding commitments by wealthy countries.

### [Seven Reasons Why China May Be the World Leader in Fighting Climate Change](#)

China is an environmental mess. Smog in Beijing is so bad it's literally broken the air-quality index. In Shanghai, it's at times turned the city into a scene from *Blade Runner*. (It almost matches the infamous Cleveland smog of the 1970s.) Meanwhile, thousands of dead pigs—cause of death not yet known—have been floating down a river that cuts through Shanghai and provides part of the region's drinking water. More than half of China's water is so polluted, in fact, that even treatment plants can't make it safe to drink. And China is now responsible for almost half the world's coal consumption. That coal burning not only contributes to climate change—it's also saddled China with severe cases of acid rain, something the United States dealt with a generation ago.

All of that makes what I'm about to say sound even crazier: China may one day be the world's leader in combating climate change. In almost every way you cut it, China is *already* taking a much more aggressive approach toward climate change than the United States is.

### [Ed Davey hits out against coalition climate change sceptics](#)

Ed Davey, the energy and climate change secretary, is to use a major speech at Clarence House on Wednesday afternoon to fight back against the increasingly vocal climate change scepticism of other sections of the coalition.

### [What do taxpayers owe at-risk communities?](#)

Floodwaters or not, it's still buyer beware in Delaware. Last month, a state advisory panel on sea level rise decided against requiring sellers to tell buyers how vulnerable a house is to future flooding. We suppose no one can blame the panel from backing away from a controversial action like that. But, considering the topic the group is charged with studying, one might think the members would opt for something a little stronger than recommending an education campaign.

### [Climate Change Makes Life Tougher for Solomon Island Farmers](#)

HONIARA, Solomon Islands (IPS) - Life is difficult enough for communities on the remote southern Weather Coast of Guadalcanal in the Solomon Islands. Sustaining a livelihood from the land is a daily struggle on the steep coastal mountain slopes that plunge to the sea, made worse by the absence of adequate roads, transport and government services. And now, climate change is taking its toll on the already precarious food situation here.

“From mid-March to June it is always raining and whatever crops we grow will not go to harvest,” Alice, a member of a farming family on the Weather Coast, told IPS, referring to the period locals here call “time hungry”.

### [Rising seas in southern Caribbean offer dark preview of future amid climate change](#)

TELESCOPE, Grenada — The old coastal road in this fishing village at the eastern edge of Grenada sits under a couple of feet of murky saltwater, which regularly surges past a hastily-erected breakwater of truck tires and bundles of driftwood intended to hold back the Atlantic Ocean.

For Desmond Augustin and other fishermen living along the shorelines of the southern Caribbean island, there’s nothing theoretical about the threat of rising sea levels.

“The sea will take this whole place down,” Augustin said as he stood on the stump of one of the uprooted palm trees that line the shallows off his village of tin-roofed shacks built on stilts. “There’s not a lot we can do about it except move higher up.”



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).