



Drumbeat: May 13, 2013

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[Old Technology Fuels New Energy Boom](#)

What's happening today is not a new-technology revolution; it's an evolution of new applications for existing technology. Oil companies are doing things that they've been doing for decades more efficiently, more effectively, and in much wider applications.

That may sound like a fine distinction, but it's an important one: Silicon Valley has for years invested in sexy new technologies, from smartphones to social media to exotic solar power materials. The cleantech industry itself has not benefited from a fascination with the new, the exotic, and the high-tech. The technology for embedding sensors with fiber-optic connections in a drill head so that technicians on the surface can map a formation as they drill it is not all that sexy, and it didn't come from a VC-funded startup in a Mountain View garage. It came from drilling engineers in the field figuring out, gradually, how to do things better, cheaper, and smarter. Often, as in the case of the 21st century oil and gas boom, imaginative tinkering can be more fruitful than reinvention or laboratory R&D.

[WTI Drops a Third Day; OPEC Output at Five-Month High](#)

West Texas Intermediate crude fell for a third day, the longest run of declines in four weeks, as OPEC boosted output to the highest level in five months.

WTI futures slid as much as 1.2 percent in New York, and London-traded Brent decreased for a second day. The Organization of Petroleum Exporting Countries produced 30.46 million barrels a day last month, up from 30.18 million in March, the group's secretariat said May 10. That's the most since November. Morgan Stanley predicted that the spread between WTI and Brent will widen as U.S. supplies accumulate.

[Singapore bunker fuel sales rise 8.5 pct in April on lower prices](#)

The outright price for the Singapore marine fuels benchmark 380-centistoke (cst) between April 1 and 18 fell \$42.50 a tonne to \$592.50 a tonne, which was also the lowest price for the month, Reuters data showed.

This drop was triggered by a plunge in global crude oil benchmarks in April, following a

slew of negative economic data from the world's largest oil consumers, the United States and China. Brent crude was down nearly 7 percent on the month, while U.S. oil was 3.9 percent lower.

[Iran says \\$100 per barrel is 'fair' price for oil](#)

TEHRAN, Iran (AP) -- Iran's oil minister says the country supports prices of \$100 for a barrel of crude.

A Monday report by the ministry website quotes Rostam Ghasemi as saying, "For the price of crude to remain at about \$100 is fair, and Iran supports it."

[China Oil Refining Falls to Eight-Month Low; Power Output Gains](#)

China's crude processing fell to the lowest level in eight months in April as refineries shut units for maintenance and industrial production expanded at a slower pace than forecast. Electricity output increased.

Refining in the world's second-largest oil consumer dropped to 9.36 million barrels a day last month, according to data published today on the website of the Beijing-based National Bureau of Statistics. That's the lowest since August and 8 percent below December's record.

[Chinese Sneeze Startles OPEC](#)

China has been the driving force behind oil-demand growth since 2008, when much of the rest of the world stalled.

Now OPEC has added its voice to the debate, warning that weaker-than-expected economic growth in China may dent oil consumption. OPEC may well be concerned—Saudi Arabia, the cartel's kingpin, is the No. 1 supplier of oil to China and the Middle East represents some 40% of Chinese oil imports, according to the Saudi Gazette.

[China's debt: a crisis in the making?](#)

HONG KONG (CNMoney) The world's second largest economy has a debt problem.

China's credit boom has saddled unworthy businesses with large loans, fueled the country's shadow banking system and put local governments on the hook for billions.

Swiss bank UBS calculates that central government debt was equal to 15% of the economy at the end of 2012. That number spikes to 55% when debt racked up by local governments and agencies is included.

If corporate and household debt is also counted, China's total debt load balloons to more than 200% of gross domestic product.

[Indonesia to Seek Higher Price From China for LNG](#)

Indonesia will send a delegation to China later this month to seek a higher price for its liquefied natural gas, the head of oil and gas upstream watchdog SKK Migas said Monday.

[Kazakhstan and Turkmenistan Launch Caspian Rail Link](#)

Turkmenistan and Kazakhstan have launched a direct railway linking their oil-and-gas-rich Caspian Sea regions, bypassing Uzbekistan. The new line promises to benefit "tens of countries" in the region, opening the remote areas to major markets, says Kazakh President Nursultan Nazarbayev.

[Mexico sees oil and gas theft upsurge in 2013](#)

Hydrocarbon theft in Mexico so far this year has nearly doubled in comparison with 2012, with the worst hit zones corresponding to some of Mexico's drug war hotspots.

[Oil Minister: Iran Plans New Petrochemical Hubs](#)

TEHRAN (FNA)- Iranian Oil Minister Rostam Qassemi lauded the eye-catching growth of Iran's petrochemical industry, and said that new petrochemical hubs will be created in the country.

[British Columbia Vote Risks Oil-Sands Exports](#)

British Columbia's provincial election threatens to stymie efforts by Canadian Natural Resources Ltd. (CNQ) and other Alberta oil-sands companies to sell crude to Pacific markets.

[Transocean Chairman Talbert to Step Down Amid Fight With Icahn](#)

Transocean Ltd., the world's largest offshore oil rig contractor, said Chairman Michael Talbert plans to step down as the company fights board nominees from billionaire investor Carl Icahn.

[Chesapeake Ruling Shocks With \\$117 Million Loss: Credit Markets](#)

Last week's court ruling against a group of Chesapeake Energy Corp. bondholders exposes another risk for investors seeking gains in a market where securities valuations are already at record highs.

Prices on the second-biggest U.S. natural gas producer's notes have fallen by as much as 9 cents on the dollar, erasing \$117 million, after a judge ruled May 8 that Chesapeake could redeem the securities at par. Investors including the hedge-fund firm run by former Lehman Brothers Holdings Inc. President Bart McDade were betting the Oklahoma City-based company had missed a deadline and would have to pay as much as \$400 million to retire the debt early.

[Our Enron-style justice system](#)

There is Too Big to Jail – and now there is Too Big to Keep In Jail.

This is the envelope-pushing precedent being set by the Justice Department in its dealings with convicted Enron executive Jeffrey Skilling – a.k.a. one of the hucksters whose rip-off schemes were responsible for, among other things, losing more than \$2 billion of retirees' pension funds.

[Is Canada's Oil Too Dirty for Europe?](#)

As the debate over the construction of the Keystone XL pipeline continues in the United States, a Canadian trade delegation is insisting that Canadian oil extracted from tar sands – the product that would be transported by an expanded pipeline – should not be classified as being dirtier than other types of oil.

Last week Canada's natural resource minister, Joe Oliver, threatened to take the European Union to the World Trade Organization over its plans to classify oil harvested from tar sands as "highly polluting."

[Cameron Says Oil, Mineral Companies Need Improved Transparency](#)

U.K. Prime Minister David Cameron set his sights on oil, gas and mining companies in his drive for greater corporate and government transparency ahead of the summit of G-8 industrialized nations next month.

Cameron, who will chair the summit in Northern Ireland in June, singled out the sector as he outlined his plans to forge an international deal to tackle tax evasion and avoidance and increase the openness of corporations.

[Canadian oil company threatens the survival of Peru's 'Jaguar people'](#)

The Yaquerana River in the Amazon rainforest marks the border between Peru and Brazil, but to the Matsés tribe, who live on both sides of it, this international border is meaningless. To them the streams, floodplains, and white-sand forests make up an ancestral territory that is shared by the entire tribe.

Today they are at risk of losing their land to a Canadian oil company which plans to cut hundreds of miles of seismic testing lines through their forest home and to drill exploratory wells.

[Gas tax alternative drive takes wrong turn](#)

Gas taxes are not perfect. Unlike transponders, they don't allow for peak-hour pricing to reduce congestion. And, as many states have figured out, they raise less money when people buy more efficient cars.

But they have the great virtue of being uncomplicated and fair. The people who pay the most gas tax are those who drive the most and use the most gas. Makes sense to us.

[Mileage fee now](#)

Congress has not raised the federal gas tax in 20 years, partly because gasoline is the only commodity Americans purchase with real price information supplied every time they pass gas station signs. Given the roller coaster of gas prices, it is no mystery that people don't like the gas tax, which half of Americans mistakenly think is increased every year.

With the purchasing power of the gas tax dwindling, the most promising funding alternative is a vehicle-mile-traveled fee (VMT), which Oregon is helping to develop as an alternative revenue source.

[New taxes make electric vehicle owners pay their share](#)

(WIRED) -- Electric vehicles use the same roads, the same bridges and the same infrastructure as the rest of us. But because they don't burn gasoline, they're immune from paying taxes at the pump to fund that infrastructure. That's going to change.

[Tesla sales beating Mercedes, BMW and Audi](#)

NEW YORK (CNMoney) You know the Tesla Model S, the \$70,000 (and-up) electric car that "nobody can afford"? Well, evidently, more than a few people can afford it.

In fact, in the first quarter of this year, more people bought a Tesla Model S than bought any of the similarly priced gasoline-powered cars from the top three German luxury brands, according to data from LMC Automotive. About 4,750 bought a Model S while

just over 3,000 bought Mercedes' top-level sedan.

[Dubai looks to rooftop solar power revolution](#)

Dubai is finalising legislation that will enable property owners to feed solar power into the grid and may even allow them to make money from it.

The Government last year unveiled plans for a 1,000-megawatt solar park, but it believes that small-scale applications are important for meeting its renewable energy targets.

[Better batteries could revolutionize solar, wind power](#)

The battle to build a better battery is intensifying as the United States and other countries, faced with growing global demand for electricity and a need to reduce the greenhouse gas emissions that worsen climate change, look to expand carbon-free renewable energy such as wind and solar.

[The Hidden World Under Our Feet](#)

There are numerous threats to soil life. Modern tillage agriculture is a big one, because it deprives soil life of organic matter it needs for food, allows it to dry out and adds pesticides, herbicides and synthetic nitrogen. Soil "sealing" from the asphalt and concrete of suburban sprawl destroys soil life, as do heavy machinery and pollution. Even long-ago insults like acid rain still take a toll on life in the soil by having made the soil more acidic.

[Clock is ticking, slowly, on rules for coal-fired power plants](#)

The fate of many coal-fired power plants may rest on how boldly Obama tries to fulfill his pledge to cut greenhouse gas emissions.

[India must develop own climate model: US expert](#)

New Delhi (IANS) India is amongst the countries most vulnerable to climate change and must develop its own model to study changes at the regional level and take necessary mitigation measures, a senior US scientist of Indian origin said.

Anjuli S. Bamzai, program director of the Climate and Large Scale Dynamics Program of the National Science Foundation (NSF), a US government agency, said India has a historic database of 130 years of weather and it can be used for climate modelling. The country has a monsoon model but not a climate model.

[Cities need the resilience to face future Sandys](#)

Whether or not Hurricane Sandy had a connection to climate change, climate change will make future Hurricane Sandys more common, imposing enormous costs on cities.

Since we seem to lack the will to reduce this threat by cutting greenhouse-gas emissions, we should at least make ourselves more resilient to severe weather.



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