



## Drumbeat: June 21, 2010

Posted by [Leanan](#) on June 21, 2010 - 9:18am

Topic: [Miscellaneous](#)

### [Nations rethink offshore drilling](#)

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"We must also deal with the possibility of an accident near our shores," EU Commission President Jose Manuel Barroso told the European Parliament in Strasbourg last week. "Drilling techniques have similarities even if the waters are much shallower in the North Sea."

Canada's offshore regulator is tightening oversight of its deepest-ever exploration well, being drilled by Chevron off the coast of Newfoundland. Meanwhile, China's offshore oil company, China National Offshore Oil Corp., or CNOOC, says it is upgrading its blowout preventer system and diving equipment for a drilling rig being built in Shanghai.

And France's Total has formed two task forces to check facilities and strengthen contingency plans for any potential major pollution.

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ine to start earning profits and Afghanistan has been a battleground for 31 years, "no mining company in its right mind would go into Afghanistan now," said Murray W. Hitzman, a professor of economic geology at the Colorado School of Mines.

### [More people seeking help with their utility bills this summer in northeast Missouri](#)

HANNIBAL, Mo. (AP) — Social services agencies in northeast Missouri say the number of people seeking assistance with paying their utility bills is higher than ever before.

### [Iran sanctions concern Pakistan](#)

ISLAMABAD, Pakistan (UPI) -- Pakistan's foreign minister expressed hope the sanctions against Iran over its nuclear program would not affect his country's gas

pipeline deal with Tehran.

[David Strahan: BP's troubles have only just begun](#) - *The cost of mollifying the US and cleaning-up will force the company to cut investment and sell assets*

As BP reels from its toughest week yet since the sinking of the Deepwater Horizon rig, investors warn that the longer-term outlook for the embattled company is likely to worsen.

Even as the share price bounced towards the end of last week – at a softening of President Obama's "boot-on-neck" rhetoric, after the company agreed to pay \$20bn into an escrow account to fund compensation claims – shareholders point out that BP's liabilities remain unquantifiable, hobbling oil production for years.

[Transparency, education needed to regain confidence in drilling](#)

The progress we made on that point was very significant. This accident and this spill in the Gulf has clearly set that back. The industry has a tremendous amount of ground to be gained back with the public. We understand that.

[1979 Gulf oil spill: Heads were buried in sand](#)

Amos is 72, but he remembers Ixtoc sharply. The year before, he had begun making detailed surveys of a 7-mile stretch of Mustang Island beach. Every other day, he recorded each bird, each patch of seaweed. On the day Ixtoc oil coated that beach, his notebook shows, he cried.

To me, Amos' anger and sadness make sense: But somehow, in the U.S., that anger and sadness didn't hit most people. Instead of serving as a warning of what could happen in the Gulf, Ixtoc became a footnote, a factoid. "Have you been watching the Senate's BP hearings?" Amos asked me. "Somebody just brought it up. 'Eh-eh-eh-ex...toc,' the guy said. Couldn't even remember the name."

[Make Gulf spill an impetus for a new national energy policy](#)

The ongoing crisis in the Gulf is another example of an unfortunate watershed in our history that will help force us to take a much harder look at our nation's energy policies.

[More Heat, Less Light](#)

Good-bye, polar bears. Hello, oil-drenched pelicans. The environmental movement

learns the upside of anger.

### [Former Saudi Arabian Oil top executive Jum'ah appointed to Halliburton board](#)

HOUSTON (AP) - Adallah S. Jum'ah, former president and CEO of the Saudi Arabian Oil Co., has been appointed to the board of directors at Halliburton, the oil services contractor said Monday.

### [Boeing Plans to Expand Defense, Energy Services in Saudi Arabia](#)

(Bloomberg) -- Boeing Co. wants to expand in Saudi Arabia by supporting defense systems, energy services and training needed by the world's largest oil supplier.

### [World Bank denies financing Thar coal project](#)

KARACHI: The World Bank has denied reports that it was financing the Thar coal project, which remains in a state of limbo since its discovery in 1992.

"As of now, we are not involved in any project that involves coal mining in Thar, or the use of such coal in power plants," a spokesperson of the World Bank told The News.

### [Kunstler: Mismanaging Contraction](#)

Reality is telling us to downscale and get different fast. Quit doing everything possible to prop up the drive-in false utopia and all its accessories. Get local. Tighten up. We have no intention of doing that. The idiocy that passes as informed opinion wants the US money managers to kick out the jamba hands handing out more money created out of thin air to promote a fantasy called "recovery." To what purpose? To keep the tailgate parties going down at the Nascar ovals? Over at *The New York Times* Monday morning, the fatuous Paul Krugman says that "stinting on spending now threatens the economic recovery." Earth to Krugman: we're mismanaging contraction. Further expansion is just not in the cards right now for the human race. We don't need more people on the planet and we don't have the means to accommodate them. There will be no "recovery" or "growth" - especially by means of pumping more oil into the system. There is no technomiracle alt-fuel panoply waiting in the wings to take over from oil. And there is no research-and-development program that will make it happen, no matter how many acronym-studded incantations we drone out.

### [Driving alone still rules in car-happy Vermont as carpooling awaits a new surge](#)

Here's the peculiar thing about carpooling: It's been around forever. It's easier to arrange than ever, thanks to digital matching of drivers and riders. People have more

good reasons to do it than ever, as public efforts to raise energy efficiencies and reduce carbon footprints assume a new urgency.

And yet carpooling still enlists a small minority of the car-dependent population, both nationally and in Vermont. In fact, carpooling is less popular today — by a long shot — than it was three decades ago, back before anyone had heard of climate change, much less begun to worry about it.

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And France's Total has formed two task forces to check facilities and strengthen contingency plans for any potential major pollution.

### [Oil jumps above \\$78 as China lifts currency peg](#)

MOSCOW – Oil prices surged high above \$78 a barrel Monday as China's move to end its two-year peg to the dollar boosted investor confidence in the global recovery and oil demand.

### [Russia Cuts Gas Deliveries to Belarus](#)

MOSCOW — Russian President Dmitri A. Medvedev on Monday ordered Gazprom to cut deliveries of natural gas deliveries to Belarus over unpaid debts, a step which could jeopardize supplies to Poland and other European countries.

At a morning meeting with Mr. Medvedev, Aleksei Miller, the chief executive of Gazprom, said Belarus was willing to pay its debts through barter, and Mr. Medvedev tartly refused such an arrangement, saying, "Gazprom cannot accept payment for debt in pies, butter, cheese or other means of payment."

He then ordered Gazprom to gradually reduce supplies sent through Belarus, whose pipelines carry roughly 20 percent of Russia's exports to Europe.

### [Russia, Belarus not agree on gas price](#)

MOSCOW (Itar-Tass) -- Russia and Belarus did not agree on the gas price, Gazprom spokesman Sergei Kupriyanov told reporters on Monday.

"No progress was made," he stated in the comments on the Russian-Belarusian gas talks. "The deadline for 85% gas supply cuts to Belarus depends whether or not our Belarusian colleagues will take a constructive position," he underlined.

The Russian gas major Gazprom is ready to use the Ukrainian gas transit routes to Europe in case of gas siphoning in Belarus, Kupriyanov said.

### [Russia sets up headquarters over probable gas transit cuts to EU](#)

MOSCOW (Itar-Tass) -- The Russian Energy Ministry is concerned that some gas transit countries may cut Russian gas supplies to Europe.

"The Russian Energy Ministry set up an operational headquarters to monitor the situation over probable cuts of Russian gas transit supplies through third countries," a source in the Energy Ministry told Itar-Tass on Monday. Deputy Energy Minister Sergei Kudryashov was appointed as chief of the operational headquarters.

### [Ukraine offers to increase gas flow amid Russia-Belarus row](#)

Moscow/Vienna - Ukraine stands ready to increase the transit through its territory of Russian gas to Europe in the wake of Russia's reduction in gas deliveries to Belarus, the Ukratransgaz pipeline company told Russian news agency ITAR-Tass on Monday.

Meanwhile, Minsk rejected the move by Moscow as 'illegal and unjustified' and charged that Russia owed Belarus for transit fees.

### [EU expects not to be affected by Russia-Belarus gas row](#)

Brussels - The European Commission said Monday it expected little fallout from a gas payments dispute pitting Russia against Belarus, in which Russia moved to block gas shipments to Belarus.

However, since some Russian gas for Western Europe does flow through Belarus, a

spokeswoman admitted officials were still 'not sure' whether the bloc would be affected.

### [Third oil firm wins full crude import right](#)

China Zhenhua Oil Co Ltd has been granted by the government the full right to import and refine crude oil, making it the third company in China able to independently operate an integrated oil industrial chain, the Economic Observer reported Monday.

### [Gref 'knew nothing' of alleged oil theft](#)

Russia's former Economy Minister German Gref today told the trial of former Yukos boss Mikhail Khodorkovsky that he knew nothing about the jailed tycoon's alleged theft of 2.5 billion barrels of oil.

### [BP oil spill may be 100k barrels a day](#)

An internal BP document released by a U.S. lawmaker estimated that a worst-case scenario rate for the Gulf of Mexico oil spill could be about 100,000 barrels per day, far higher than the current U.S. figure.

### [BP Leads Companies Seeking \\$20 Billion as Cost of Interest Crimps Lending](#)

BP Plc, seeking at least \$5 billion to fund damages from the worst-ever oil spill, is among European companies borrowing more than \$20 billion as rising interest costs crimp lending.

### [BP: We've spent \\$2 billion on clean-up](#)

NEW YORK (CNNMoney.com) -- BP has spent \$2 billion cleaning up the oil spill in the Gulf of Mexico, the company said Monday.

BP, in a statement, said the sum includes "the cost of the spill response, containment, relief well drilling, grants to the Gulf states, claims paid and federal costs" that have emerged since April 20. That's when the Deepwater Horizon rig exploded and sank off the coast of Louisiana, killing 11 workers.

### [U.S. exec must clean spill, BP's image](#)

LONDON - BP's new strategy to clean up its image and the Gulf Coast is to hand the job

from its British CEO, widely criticized for tone-deaf comments and yachting amid the crisis, to one of its top-ranking Americans.

### [End to deepwater drilling moratorium sought](#)

(CNN) -- A federal judge will hear arguments Monday from companies seeking an end to a temporary moratorium on deepwater drilling while oil continues gushing into the Gulf of Mexico from a ruptured undersea well.

### [Gulf Paymaster: People Are in 'Desperate' Shape](#)

The man President Barack Obama picked to run the \$20 billion Gulf oil spill damage fund said Monday many people are in "desperate financial straits" and need immediate relief.

### [BP Oil Spill Trauma May Lead to Mental Health Issues](#)

"From what we heard, they were hoping that this would come and go in a week or two and things were going to go back to normal," she said. "But things didn't go back to normal yet. ... From what I can see I think people are still in denial about what's really happening or they really don't know."

As the reality of the spill sinks in, however, Mewherter fears that it may be difficult for many residents to adjust to the turmoil that the disaster has brought to the region, including loss of jobs and livelihood, a concern shared by psychologists who cite the possible mental health repercussions.

### [Monitoring the Manatee for Oil Ills](#)

Until recently, biologists believed that manatees rarely ventured west of peninsular Florida, where, so far, no oil has appeared. But in 2007, Ruth Carmichael, who leads the Dauphin Island team, began documenting a relatively large summer migration of manatees to Mobile Bay, Ala. — leading them directly into and through the path of the oil from the Deepwater Horizon leak. From a couple of dozen to as many as 100 come to Mobile Bay for the summer, out of a total North American population of 5,000, she said.

### [‘National Mission’](#)

To anyone watching the oil spew into the Gulf of Mexico, the argument for curbing this country's appetite for fossil fuels could not be clearer. President Obama was right last week when he called on America to unify behind a "national mission" to find alternative energy sources, sharply reduce its dependence on oil and cut its greenhouse gas

emissions.

We were disappointed, however, that Mr. Obama's address failed to insist that the best way to do all of these things is to establish a broadly based, economywide cap-and-trade system that would put a price on carbon emissions. He opened the door far too wide to alternative policies that aren't real alternatives — and to more stalling.

### [Lessons Learned From the BP Disaster](#)

Mega corporations with \$300 billion in revenue formed by acquiring Amoco and ARCO are too unwieldy to manage by anyone. The bigger an organization gets, the more dysfunctional it becomes.

### [How much further must logistics firms go to protect the environment?](#)

Every speaker was in agreement that over the next 20 years oil prices would continue to climb, with increasing fuel demand from Asia and the passing of peak oil production putting ever more pressure on prices. A cut in fuel duty seems tantalizingly distant and politicians know that the high price of fuel is their biggest weapon with which to chase environmentally inefficient vehicles off the road.

### [Stock Market Resolves to Break Higher Leaving Bears in a State of Confusion](#)

The Deepwater spill is the first of many more similar spills or rather ocean oil well blowouts to come because virtually all of the cheap easy to get at oil has gone, the only oil left to get is the expensive high risk difficult to get at deep water sources. This means higher oil prices which means higher inflation.

Don't be confused by oil being just another commodity, it is not, it is the life blood of our way of life as we exist in the oil age. The impact of higher oil prices, and we are talking about \$200+ are highly inflationary because basically ALL currencies at the end of the day are priced in how much oil they can buy, so I can imagine there will come a day when goods are priced in terms of how many gallons of crude oil its taken to produce them.

### [How the Arab, Israeli and the West Leaders Duped the Humanity?](#)

The fantasy bubble is fast approaching to an end with the peak oil forecasts as a visual reality in- waiting. Power, prosperity and poverty are all trials in human affairs and transitory phenomenon. Was the discovery of oil a conspiracy ("fitna") for the Arabs to change the originality of thinking, beliefs, values and passion for Islam as successful system of human life?

### [Maxed out: "Collapse"](#)

We've all met men like Michael Ruppert. They are all over the country, in bars, restaurants and at backyard barbeques. Men who seem to know all the answers and see the big picture of our world as no one else can. They are that crazy uncle or know-it-all friend of a friend. An ex- LA Police officer and journalist whose father had deep CIA clearance, Ruppert is showcased warts and all in a fascinating film from the makers of "The Yes Men" and "American Movie", other films that also highlighted unique outsiders.

### [SK Energy to Focus on Oil and Gas Drilling, Batteries for Future Growth](#)

SK Energy Co., South Korea's biggest refiner, said it will focus on producing oil and gas overseas, developing electric-car batteries and making petrochemicals with emissions-reduction technology to drive future earnings.

"The current business model may not be able to boost the company's operating profit a lot from now," Chief Executive Officer Koo Ja Young told reporters on June 18. "Innovations in the business model, and in technology, are needed."

### [Saudi gold reserves over twice previous estimate](#)

CAIRO (AP) -- Saudi Arabia's central bank holds more than twice the amount of gold previously estimated, a shift that analysts said reflected more of an accounting adjustment than an indication the oil rich nation was veering away from its conservative reserve policy.

### [Turkey Plans \\$9.6 Billion Debt Restructuring at Five State Run Utilities](#)

Turkey's parliament will pass a law before parliament's summer recess to restructure debts of five state energy utilities that have risen to 15 billion liras (\$9.6 billion) and hurt the budget, Energy Ministry Undersecretary Metin Kilci said.

### [Abu Dhabi's Masdar Said to Lose MIT Venture Research Chief in First Year](#)

Tariq Ali quit as head of research at Masdar Institute of Science and Technology after a year in the post, said two people familiar with the matter, the latest departure from Abu Dhabi's flagship renewable energy project.

Dan Weisser, head of real-estate investments at Masdar City, and the head of the program management department Alistair Murray are also leaving, said two people familiar with each departure, declining to be identified because they are not authorized

to speak with the media.

### [Chinese Turbine Makers Face 'Tough Situation' After Goldwind Shares Slump](#)

Investors' interest in Chinese wind- energy companies may be slowing after Xinjiang Goldwind Science & Technology Co., China's second-largest wind turbine maker, shelved a share sale in Hong Kong, analysts said.

Goldwind shares declined as much as 9.4 percent in Shenzhen before recovering to close 1 percent lower at 18.84 yuan. The stock slumped by the daily limit of 10 percent on June 18, the first trading day after the company canceled a plan to raise as much as HK\$9.09 billion (\$1.2 billion) in Hong Kong for domestic and foreign expansion, citing poor market conditions.

### [A \\$100 Million Pool for Solar Financing](#)

PG&E Corporation, the California utility holding company, has created a \$100 million tax equity fund to finance residential solar installations by SunRun, a San Francisco startup that leases photovoltaic arrays to homeowners.

### [German Clean-Power Boom 'Breaks' System, Ex-Lobbyist Tells Handelsblatt](#)

Germany's support for renewable energy is "breaking" the nation's ability to pay for power and threatens the competitiveness of electricity producers, Handelsblatt cited a former industry group leader as saying.

Guaranteed prices for solar and wind power, paid for by consumers, are threatening the renewable-energy industry's ability to compete, the report said, citing Johannes Lackmann, the former head of Germany's BEE renewable-energy lobby group.

### [Investors Ask Spain's Zapatero to Reject Solar Subsidy Cuts, Cinco Reports](#)

A dozen international investors asked Spanish Prime Minister Jose Luis Rodriguez Zapatero to reject any proposal to reduce subsidies for plants that generate power with photovoltaic panels, Cinco Dias reported.

### [No Decisions by Senate Democrats in BP Oil Spill Legislation, Reid Says](#)

Senate Democrats are split over a plan to charge power plants and refineries a price for putting carbon dioxide into the atmosphere as President Barack Obama prepares to

bring Republicans into talks on energy legislation that responds to the BP Plc oil spill in the Gulf of Mexico.

### [Indonesia moving to reduce forest loss, warming emissions](#)

SINGAPORE — Recent developments in curbing high levels of forest loss around the world, particularly in the tropics, are promising. They are significant because deforestation, including the clearing of trees from peat swamps in Southeast Asia, is the biggest source of global warming emissions from human activity after fossil fuel burning.

### [British Newspaper Apologizes to Climate Scientist](#)

In its correction this weekend, The Sunday Times acknowledged that the conclusion about the Amazon was supported by peer-reviewed evidence. It also acknowledged that Dr. Lewis's views had been reported in a way that suggested that he disputed the science behind the claims about the Amazon.

In fact, Dr. Lewis had criticized the United Nations panel for not fully citing the relevant peer-reviewed evidence in its assessment report.



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