



Drumbeat: March 26, 2012

Posted by [Leanan](#) on March 26, 2012 - 9:54am

[Premium octane](#)

While the price of oil is rising, demand for the physical commodity is in retreat. Problems with Iran are only part of the story as a geopolitical risk premium is built into futures contracts, inflicting higher fuel costs on consumers.

[Oil Falls, Extending Two-Week Drop on Europe Debt, China](#)

Oil rose, recovering earlier losses, after Federal Reserve Chairman Ben S. Bernanke said accommodative policy is needed to lower unemployment.

West Texas Intermediate futures advanced as much as 0.4 percent, having earlier declined by 0.6 percent. The dollar weakened after Bernanke's comments, made in a speech today in Arlington, Virginia, making commodities more attractive for protecting against inflation. The decline in U.S. unemployment to 8.3 percent may reflect "a reversal of the unusually large layoffs that occurred during late 2008 and over 2009," the Fed chairman said.

[Oil prices rattle but need not ruin recovery](#)

As a major oil exporter, the GCC stands to benefit from price rises while other economies feel pain. But these increases do not hurt to the same degree in all places.

[Cushing, OK stores more than \\$4.1 billion in oil](#)

CUSHING — When the oil industry busted in the 1980s it looked like Cushing might dry up as well.

"I guess I don't have a good outlook, but I really didn't think Cushing would recover from the last bust," said Ruth Ann Johnson, 73, a local historian who served as a librarian at the Cushing Public Library for 50 years. "I thought we were in a slump and nothing would bring us out of it."

Today, however, Cushing's economy is thriving.

[National Fuel Gas Cuts Full-Year Production Forecast On Price Slump](#)

DOW JONES NEWSWIREs - National Fuel Gas Co. again cut its production guidance for its current fiscal year, pointing to a significant decline in natural gas prices and lower-than-expected production in the busy Marcellus Shale region.

[IEA has mixed view of Indian energy mix](#)

NEW DELHI (UPI) -- With electricity demand in India on pace to triple by 2035, natural gas can provide a secure energy future, the executive director of the IEA said.

[Ofgem gets tough on gas suppliers to fight theft](#)

(Reuters) - Energy regulator Ofgem wants gas suppliers to pay money into an industry-wide pot to cover the cost of fighting gas theft, a problem that has cost consumers 138 million pounds per year since 2009, the watchdog said on Monday.

[Sinopec to Boost Oil, Gas Output to Counter Refining Losses](#)

China Petroleum & Chemical Corp., Asia's biggest refiner, will ramp up crude production and develop natural gas fields to counter losses from selling diesel and gasoline at state-mandated prices.

Sinopec, as China Petroleum is known, plans to boost oil production in West China and increase exploration for unconventional resources including gas from shale formations, the Beijing-based company said yesterday as fourth-quarter profit dropped 23 percent, missing estimates.

[Kenya discovers oil, to check commercial viability](#)

(Reuters) - Kenya announced on Monday its first oil discovery, saying it was found in the northern part of the country where British Tullow Oil Plc has been conducting exploratory drilling.

The announcement sent the company's shares higher.

Kenya and its neighbours in east Africa have become an international hot spot for oil and gas exploration after commercial oil deposits were found in Uganda and natural gas in Tanzania and Mozambique.

[Shell scrambles to pay \\$1-billion bill for Iran oil](#)

LONDON — Royal Dutch Shell is struggling to pay off \$1 billion that it owes Iran for crude oil because European Union and U.S. financial sanctions now make it almost impossible to process payments, industry sources said.

[Ahmadinejad Gets Blame and Sanctions as Economy Sputters](#)

Mehdi slams a bottle of Heinz ketchup on the counter of his Tehran grocery store and says it's the kind of item Iranians have stopped buying, after the price doubled in two months.

"People are spending their cash with more caution," Mehdi said. He blames Iran's government, as well as international sanctions, for the inflation that is hurting his business. "It's a crisis in policy making, there's not much thought behind it," he said. "It was obvious from the start that this is what we were heading for."

[With Summit of Arab Leaders, Iraq Seeks to Shift Image](#)

For Iraqi diplomats and officials, the three-day meeting of the Arab League is a banner moment for a country emerging from decades of war, occupation and diplomatic isolation. Iraq's leaders see a rare chance to reassert themselves as players in a transformed Arab world by hosting the first major diplomatic event here since American troops withdrew in December.

But just beyond the cement walls and freshly planted petunias of the International Zone lies a ragged country with a bleaker view. Out in the real Iraq, suicide bombings still rip through the streets. Sectarian divisions have paralyzed its politics and weakened its stature with powerful neighbors like Saudi Arabia and Iran, who use money and militias to aggressively pursue their own agendas inside Iraq. Despite its aspirations to wield influence as a new Arab democracy, Iraq may well remain more of a stage than an actor.

[U.S. and Turkey to Step Up 'Nonlethal' Aid to Rebels in Syria](#)

BEIRUT, Lebanon — Turkey and the United States plan to provide "nonlethal" assistance, like communications equipment and medical supplies, directly to opposition groups inside Syria, and will urge other allies to do so as well, the White House deputy national security adviser said on Sunday, after President Obama met with the prime minister of Turkey at a nuclear security conference in Seoul, South Korea.

[Uzbeks to suspend gas supplies to Tajikistan](#)

ALMATY, Kazakhstan—Uzbekistan says it will cease natural gas deliveries to its energy-starved neighbor Tajikistan starting next month.

Uzbekistan, which is Tajikistan's only external source of gas, routinely suspends deliveries amid complaints of nonpayment.

[Ukraine May Reverse Gas Flow if Russia Stops Transit - Naftogaz](#)

Ukraine may use its gas transport system in "reverse mode" to bring European gas to Ukraine, if Russia stops gas transit to Europe through it, Ukraine's Naftogaz energy firm deputy board chairman Vadim Chuprun said on Monday.

[Shale Boom in Europe Fades as Polish Wells Come Up Empty](#)

Europe's best hope for a shale-gas boom is fading as explorers in Poland confront rising taxes, a lack of rigs and rocks that are harder to drill than expected.

[A Lot of Gas](#)

Last week, Mitt Romney, who, it now seems, is going to become the Republican nominee whether anybody likes it or not, called on President Barack Obama to fire three of his Cabinet members: the Energy Secretary, Steven Chu; the Interior Secretary, Ken Salazar; and the head of the Environmental Protection Agency, Lisa Jackson. According to Romney, the three have spent the past few years carrying out a not-so-secret plan to raise the price of gasoline at the pump. Only by firing the "gas-tax trio," Romney told Fox News, can the President demonstrate that he did not approve of this plan. "Time for them to go," Romney said.

[Why the Keystone Pipeline Won't Ease Pain at the Pump](#)

If only it were that easy. In reality, building the southern portion of the Keystone XL pipeline might help to alleviate supply bottlenecks and get more domestic oil to refineries. But it won't bring down gas prices.

[Natural gas production boom alters energy outlook](#)

Thanks to new technologies, most notably horizontal drilling and hydraulic fracturing (aka "fracking"), the United States finds itself in a position unimaginable a few years ago: swimming in new domestic energy supplies.

[Sierra Club: Natural gas isn't a 'kinder, gentler' energy](#)

The natural gas industry that we know today is dirty, dangerous and putting American families at risk. While so many are focused on the quick profits to be made off this resource, natural gas drillers remain exempt from aspects of landmark health and environmental protections such as the Clean Air Act, the Clean Water Act and the Safe Drinking Water Act.

[California's Brown Says He'll Consider Fracking Standards](#)

Governor Jerry Brown said he'll consider opening California, fourth among oil-producing states, to a drilling method known as hydraulic fracturing to increase natural-gas production.

[Fracking could bring UK 50,000 jobs, says Browne](#)

Lord Browne, the former BP chief executive, said Lancashire has the potential to be the capital of Europe's emerging shale gas industry, in a scenario he predicted could help to create as many as 50,000 jobs across the UK.

[From fracking-heavy region, women bring warnings](#)

Knapp said that when she signed a lease in 2006, she bought into the claims that drilling would create an economic boom and foster U.S. energy independence. "I really believed that was going to be good for the country," she recalled.

Since then, however, Knapp said, she's experienced multiple negative impacts, including water contamination and damage to her herd of dairy cattle.

After the drilling started, she alleged, in March 2011 her tap water turned ivory-white and "jello-like." Her adult daughter who had been drinking the water in the home, she said, ended up in the hospital with conditions including an enlarged spleen and liver, which she believes were caused by chemicals contaminating the water.

[North Dakota Litter Problem Rises With Oil Boom](#)

TIOGA, N.D. — Along the wide-open expanses and rolling prairie of western North Dakota surrounding the state's booming oil patch, all sorts of bizarre litter can be found clogging the once picturesque roadside: Derelict hardhats, single boots, buckets, pallets, pieces of machinery, shredded semi tires, oily clothing, cigarette butts.

The worst? Plastic jugs of urine pitched out windows as scores of truckers pass through oil country.

[Another Japan reactor shuts down; only one left](#)

TOKYO (AP) — Another Japanese nuclear reactor was taken off line for maintenance on Monday, leaving the country with only one of its 54 reactors operational following last year's devastating earthquake and tsunami.

[Long road to Fukushima recovery for nuclear industry](#)

SEOUL // The global nuclear industry could take at least a decade to recover from the aftermath of Japan's Fukushima disaster, industry executives warn.

[Nuclear Industry Says Back on Track After Fukushima 'Speed Bump'](#)

Within months of the Fukushima nuclear disaster, the worst in 25 years, Germany, Belgium and Italy vowed to quit atomic energy. Twelve months on, the nuclear industry says it's almost back to business as usual.

[South Korea's nuclear chance after Chernobyl](#)

A former importer of nuclear technology and know-how from the United States, South Korea has transformed itself into an exporter, with Abu Dhabi its first customer. And it steps into the limelight this week as the host of an international summit on nuclear security backed by the US president Barack Obama.

[We Don't Consume Resources, We Create Them](#)

One of the points that economists have a really hard time getting over, probably because it is so counter-intuitive, is that we human beings don't really consume resources, we create them. This has implications for huge swathes of the environmental movement and also for certain parts of the Peak Oil theory.

Please note that I'm not trying to state, as no economist is, that we do not live on a finite Earth. That there isn't some limit to the number of copper atoms available to us, or that oil or natural gas are out there in truly unlimited quantities.

[Phosphorus: A looming disaster?](#)

Like oil and clean water, phosphorus supplies could run out, leading to famine and war, scientists warn.

[Amory Lovins Rocks The House](#)

Thursday afternoon I had the pleasure of listening to Amory Lovins present his latest thinking on the world energy picture at the University of California at Santa Barbara, which he sums up in his book Reinventing Fire. I'm so glad I didn't miss this brilliant and compelling talk; you have to experience this first-hand to know what it's like to be in the presence of a great mind whose life's work has been figuring out Earth's energy puzzle.

And guess what? He's confident that the business advantages of energy conservation,

efficiency and renewables will enable – in fact force – the business community to phase out fossil fuels before 2050. I drove home without feeling the need to throw myself off a bridge.

[Saudi - Benefits of modern energy must reach the poor](#)

Bringing the benefits of modern energy to the poor of the world is upmost in our minds, and at the foremost of our ambitions. It is incumbent on us all to work toward countering issues such as accessibility, affordability, reliability and continuity of energy supply.

And since the poor live under diverse, often remote, and varied geographical and ecological situations, it is clear that to address energy poverty effectively, all options must be considered.

[Japan to Ease Regulations on Solar, Wind Power, Nikkei Reports](#)

Japan's government will ease regulations on renewable-energy projects to encourage businesses to increase use of alternative power sources such as solar and wind, the Nikkei newspaper said.

[Nuclear power plants can produce hydrogen to fuel the 'hydrogen economy'](#)

The long-sought technology for enabling the fabled "hydrogen economy" — an era based on hydrogen fuel that replaces gasoline, diesel and other fossil fuels, easing concerns about foreign oil and air pollution — has been available for decades and could begin commercial production of hydrogen in this decade, a scientist reported here today.

[Vestas' Engel Says 2015 Goal Was Too Ambitious, Borsen Reports](#)

Vestas Wind Systems A/S (VWS)'s Chief Executive Officer Ditlev Engel said in an interview with Borsen that 2015 targets were "too ambitious," and it's up for debate whether the company should have abandoned them earlier.

[When a Parking Lot Is So Much More](#)

NO ONE loves a parking lot. In her song "Big Yellow Taxi," Joni Mitchell laments, "They paved paradise and put up a parking lot." The parking lot is the antithesis of nature's fields and forests, an ugly reminder of the costs of our automobile-oriented society. But as long as we prefer to get around by car (whether powered by fossil fuel, solar energy or hydrogen), the parking lot is here to stay. It's hard to imagine an alternative.

Or is it? I believe that the modern surface parking lot is ripe for transformation. Few of

us spend much time thinking about parking beyond availability and convenience. But parking lots are, in fact, much more than spots to temporarily store cars: they are public spaces that have major impacts on the design of our cities and suburbs, on the natural environment and on the rhythms of daily life. We need to redefine what we mean by “parking lot” to include something that not only allows a driver to park his car, but also offers a variety of other public uses, mitigates its effect on the environment and gives greater consideration to aesthetics and architectural context.

[Pork industry plan to give hogs more room comes at a cost](#)

MINNEAPOLIS – Pork producers are building new barns and retrofitting old ones to give hogs more space, but they say consumers opposed to keeping pregnant sows in tight cages can expect to pay for clearer consciences with higher food prices.

[Vast Tracts in Paraguay Forest Being Replaced by Ranches](#)

Huge tracts of the Chaco are being razed in a scramble into one of South America’s most remote corners by cattle ranchers from Brazil, Paraguay’s giant neighbor, and German-speaking Mennonites, descendants of colonists who arrived here nearly a century ago and work as farmers and ranchers.

So much land is being bulldozed and so many trees are being burned that the sky sometimes turns “twilight gray” at daytime, said Lucas Bessire, an American anthropologist who works here. “One wakes with the taste of ashes and a thin film of white on the tongue,” he said.

[Why we must produce more food with less water](#)

“The world is thirsty because we are hungry,” notes the United Nations on World Water Day. The world’s population reached 7 billion in 2011, and it is predicted to rise to at least 9 billion by 2050. More people living on our planet will require a more efficient use of dwindling natural resources, particularly water. EuropaBio underlines that agricultural biotechnology can help address the challenge of food security and water efficiency, also through the development of drought-resistant crops and other benefits, such as the possibility to implement low- / no-till farming that can help preserve soil moisture.

[Both Coasts Watch Closely as San Francisco Faces Erosion](#)

Holding back the sea here seems as impossible as holding back the fog. But planners see Ocean Beach as a top priority in a long roster of Bay Area sites threatened by inundation because of what lies on its landward side: the Great Highway, a \$220 million wastewater treatment plant and a 14-foot-wide underground pipe that keeps sewage-tainted storm water away from the ocean.

The question facing at least eight local, state and federal agencies boils down to this: With California officials expecting climate change to raise sea levels here by 14 inches by 2050, should herculean efforts be made to preserve the beach, the pipe and the plant, or should the community simply bow to nature?

[Captivity could help polar bears survive global warming assault, some zoos say](#)

Heat-trapping greenhouse gas emissions caused by burning fossil fuel are making the Arctic warm twice as fast as lower latitudes, and Arctic summer sea ice could disappear by 2030, according to climate models.

So a group of activists, zoo officials, lawmakers and scientists have a radical proposal: Increase the number of polar bears in U.S. zoos to help maintain the species' genetic diversity if the wild population plummets.

In a worst-case scenario, a remnant group of bears would survive in captivity.

[Nigeria: Heat Wave - Lagos Warns Against Over Exposure to Sun - as Experts Decry Deforestation of Rainforest](#)

Lagos — Following the prevalence of heat wave in Lagos State and other parts of the country in the past two weeks, the Lagos State Government has urged residents to reduce the time they stay in the sun by staying indoors more.

Environmental experts have also blamed the harsh weather situation on the rapid deforestation and degradation of Nigeria's rainforest.

[Weather extremes, warming link stronger, study finds](#)

LONDON — Extreme weather events over the past decade have increased and were "very likely" caused by manmade global warming, a study in the journal Nature Climate Change said on Sunday.

Scientists at Germany's Potsdam Institute for Climate Research used physics, statistical analysis and computer simulations to link extreme rainfall and heat waves to global warming. The link between warming and storms was less clear.

[Impact of climate change may be underestimated](#)

A new study suggests climate scientists may have underestimated the effect of greenhouse gases, with global temperatures now predicted to rise by between 1.4 and 3 degrees Celsius by 2050.

The study was published in the journal by a team of international scientists who ran 10,000 computer simulations of climate models in an attempt to explore the range of global warming predictions made by climate scientists.

[Extremely hot](#)

One claim frequently heard regarding extreme heat waves goes something like this: "Since this heat wave broke the previous record by 5 °C, global warming can't have much to do with it since that has been only 1 °C over the 20th century". Here we explain why we find this logic doubly flawed.

One can ask two different questions about the influence of global warming on heat waves (Otto et al. 2012), and we take them in turn.



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