



Drumbeat: July 31, 2010

Posted by [Leanan](#) on July 31, 2010 - 9:37am

Topic: [Miscellaneous](#)

[JPMorgan Cuts Forecasts on 2010, 2011 New York Oil Prices as Demand Slows](#)

JPMorgan Chase & Co. lowered by 5.5 percent its forecast for New York oil prices this year on speculation a slowdown in global economies will limit crude's potential to rise.

The bank cut to \$77.25 a barrel its estimate for the average price of West Texas Intermediate crude on the New York Mercantile Exchange during the rest of 2010, from a forecast of \$81.75 a barrel made last month, according to a monthly report e-mailed today. It lowered its forecast for 2011's average price to \$79.25 a barrel from \$90.

[Crude Oil May Fall as U.S. Inventories, OPEC Output Increase, Survey Shows](#)

Crude oil may fall next week amid increases in U.S. oil supplies and OPEC production, a Bloomberg News survey showed.

Fifteen of 36 analysts, or 42 percent, forecast crude oil will decline through Aug. 6. Twelve respondents, or 33 percent, predicted that futures will rise, and nine, or 25 percent, forecast prices would be little changed.

[Motorists can expect fairly steady pump prices](#)

Motorists heading out on vacation in the next month should expect gasoline prices to remain fairly constant, give or take a few cents.

Although gasoline demand has been slightly stronger in the past month, ample supplies have kept prices below \$3 a gallon. It's trend that should extend to Labor Day, unless a hurricane shuts down oil production in the Gulf of Mexico.

[North Dakota Passes Oklahoma in Drilling Rigs as Baker Hughes Count Rises](#)

North Dakota overtook Oklahoma this week as the third-most active state in drilling for

oil and natural gas, according to data published by Baker Hughes Inc.

The number of North Dakota rigs exploring for and producing oil and gas jumped by two to 128, Baker Hughes said. Oklahoma fell by nine to 123, the biggest drop among the states. Oklahoma is home to the oil delivery hub for the U.S. Midcontinent.

[China invests 40 billion dollars in Iran oil, gas](#)

TEHERAN — Iran's main economic partner China has invested around 40 billion dollars in the Islamic republic's oil and gas sector, a senior Iranian official said on Saturday.

Deputy Oil Minister Hossein Noqrehkar Shirazi also said that Teheran's oil exports to China fell by 30 percent in the first six months of 2010 compared with the corresponding period last year.

[Exxon, BP, Imperial Oil Form Exploration Venture for Canada's Beaufort Sea](#)

Imperial Oil Ltd., Exxon Mobil Corp. and BP Plc formed a joint venture to explore for oil and natural gas in Canada's Beaufort Sea.

[Mexico Pemex Aims To Boost Investment In Coming Years-Official](#)

MEXICO CITY (Dow Jones)--Mexico's state oil company Petroleos Mexicanos, or Pemex, wants more capital expenditure money for 2012 as it seeks to control declining production at offshore deposits, squeeze more crude out of new and mature onshore fields, and move forward with plans to dip into the deep waters of the Gulf of Mexico despite the BP oil spill, officials said Friday.

[Chevron-Ecuador verdict unlikely until 2011 -judge](#)

SAN FRANCISCO (Reuters) - A verdict in a multibillion-dollar trial against Chevron Corp in Ecuador over rain forest pollution looks unlikely to be reached until 2011, according to the new judge on the case.

Responding to a request from the international arbitration tribunal to which Chevron appealed last year, the judge in the case estimated his verdict would not be reached for another eight to ten months.

[Government logs show delays in report of Michigan oil spill](#)

What did Enbridge Energy Partners know about crude oil spilling from a ruptured pipe in west Michigan?

And when did the energy company -- and its Canadian parent, Enbridge Inc. -- realize it had a potential disaster seeping into the Kalamazoo River?

[Investigation into oil spill cause begins](#)

As cleanup efforts on Friday appeared to contain the spread of the Kalamazoo River oil spill, parallel efforts ramped up toward pinpointing a cause for the crisis -- an answer that could take up to 18 months to find.

[BP's 'Kill' Start May Be Delayed Due to Storm Debris](#)

BP Plc's next attempt to more fully seal its Macondo well in the Gulf of Mexico was delayed by a day so the company can remove debris from a relief well.

The "static kill" procedure, in which mud will be pumped into the well, may start Aug. 3 rather than Aug. 2, National Incident Commander Thad Allen told reporters on a call yesterday.

[Many Gulf of Mexico oil rig relocation decisions have yet to be made](#)

As rigs have gone idle, the contractors have been hit by a blizzard of force majeure notices from the oil companies invoking clauses in their contracts that give them an out if work is delayed by an unforeseen event. This appears to be a novel application of force majeure, which is more typically invoked in the case of a natural disaster, and the contractors are resisting, leading to ongoing discussions as the parties try to hammer out deals or agree to standby day rates far lower than the usual average of \$400,000 a day.

[Scientists point to better way to safer drilling: An editorial](#)

The Obama administration has insisted that its blanket moratorium on deepwater drilling is unavoidable to prevent another spill and ensure drilling is safe before it resumes.

But scientists and disaster experts investigating the Deepwater Horizon explosion are advocating for better alternatives to the broad ban -- and the administration ought to listen and end the moratorium's economic choke hold on our region.

[U.S. May Widen Range in BP Oil-Spill Estimate, Scientist Says](#)

(Bloomberg) -- The Obama administration, which plans within a few days to announce a new determination for how much oil BP Plc's leaking Gulf of Mexico well was spewing, may widen the range of its estimate because of difficulties assessing the flow, said a scientist involved in the research.

"There's just a lot of uncertainty because there was no monitoring system put in place," said Ira Leifer, a University of California, Santa Barbara researcher and a member of panel of scientists consulting the U.S. Energy Department on the spill.

[BP May Sell Its German Gas Stations for \\$2.6 Billion, Wirtschaftswoche Says](#)

BP Plc wants to sell its German gas station unit Aral to finance expenses related to the Gulf of Mexico disaster, Wirtschaftswoche reported, citing unidentified bankers involved in the sale.

Aral, Germany's biggest chain of gas stations, is valued at more than 2 billion euros (\$2.61 billion), the bankers said, according to an e-mailed preview of the magazine report, to be published Aug. 2.

[Oil Spill Officials Shift to Long-Term Concerns](#)

NEW ORLEANS — Officials in charge of the oil spill response in the gulf region say they are beginning to shift their efforts to a new phase, focusing more on long-term recovery now that some of the urgent demands of the spill are diminishing.

[US Gulf Coast states push for offshore oil revenues](#)

NEW ORLEANS, La. (Reuters) - BP Plc's massive oil spill has given Gulf Coast lawmakers leverage to push for a larger share of the billions of dollars in royalties that oil companies pay to drill in U.S. waters.

As a part of 2006 energy legislation, lawmakers like Louisiana Senator Mary Landrieu secured a deal to direct a 37.5 percent share of U.S. offshore royalties to coastal states starting in 2017. The provision would net \$650 million a year to Louisiana alone, with smaller amounts flowing to Alabama and Mississippi.

[House approves oil spill reform bill](#)

(Reuters) - The House of Representatives on Friday approved the toughest reforms ever to offshore energy drilling practices, as Democrats narrowly pushed through an election-year response to BP's massive oil spill in the Gulf of Mexico.

Passing the bill as the House leaves for its six-week recess gives lawmakers the opportunity to return home boasting they reined in Big Oil and held BP responsible for the worst offshore oil disaster in U.S. history.

[Open season for Alaska gas pipeline closes Friday](#)

Alaskans should know by the end of Friday whether natural gas producers have any interest in building a major pipeline in the state. But few other details will likely be released when TransCanada Corp. officially ends its 90-day process of seeking shipping commitments for its proposed line.

"If there are no bids, we will be able to say so very quickly," said Tony Palmer, TransCanada's vice president of Alaska development. Otherwise, "it will be generic in nature, as opposed to specific," he said.

[North Dakota group worries about pipeline steel](#)

A North Dakota environmental group wants government regulators to investigate whether a Canadian company used faulty steel in the construction of a pipeline that moves crude oil from Canada through six states.

Dickinson-based Dakota Resource Council says TransCanada Corp.'s Keystone pipeline used steel from a supplier that has had problems with steel in other pipelines.

[Nuclear Power Games](#)

Saudi Arabia wants to go nuclear. Like many developing nations, the kingdom has seen its electricity demand soar in recent years—more than 8 percent annually—and is actively searching for alternatives to fossil fuels. Enter nuclear power: last month Saudi Arabia announced a joint initiative with Japan's Toshiba and American firms the Shaw Group and Exelon to build and operate at least two nuclear power plants in the country. This comes on the heels of the establishment in April of the King Abdullah City for Nuclear and Renewable Energy, an organization to manage future energy sources.

Of course, Saudi Arabia's hardly alone in the Middle East in its desire for nuclear power. But unlike its poorer neighbors, it's got the money to see its plans to fruition. However, the country's legendary secrecy about its internal workings has some analysts worried about its nuclear ambitions. Unlike, say, the United Arab Emirates—which is quite transparent about its own \$40 billion nuclear-power program and has even signed a bilateral agreement on nuclear cooperation with the U.S.—Saudi Arabia is unlikely to follow suit and show all its cards.

[Richard Heinberg on 100 days of the BP gusher](#)

As the 100 day anniversary of the Deepwater Horizon oil spill in the Gulf rolled around this week, WMNF's Kelly Benjamin spoke with Richard Heinberg, senior fellow at the Post Carbon Institute and former advisor to the National Petroleum Council on Peak Oil and the ramifications of the BP tragedy. Benjamin asked Heinberg what should be learned from the Deepwater Horizon disaster in respect to the continued reliance on petroleum as the chief energy source for the planet.

[Merging onto electric avenue](#)

“The early market is driven by enthusiasts who have very strong feelings about technology,” says Tom Turrentine, the director of the Plug-in Hybrid Electric Vehicle Research Center at the University of California, Davis. “A lot of the buyers are like people who buy iPads,” But research by his institute shows the next wave of buyers ranges from casual and hard-core classic environmentalists to people worried about air quality, from peak oil advocates to citizens concerned about the military and economic security of the United States. At this point, he says, a lack of knowledge about electric vehicles may be the greatest roadblock to their success.

[The New Knowledge-based Age needs new Thinkers and Visionary Leaders, not the Occupants of the Dead Palaces](#)

The prosperity 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 their thinking, beliefs, values and passion for Islam as successful system of human life?

[Transition Lake County get-acquainted potluck planned for Aug. 3](#) (Northern California)

LAKE COUNTY – Transition Lake County invites interested individuals and families to their get-acquainted barbecue and potluck at 5:30 p.m. on Tuesday, Aug. 3.

The gathering will be held in the little park behind the Kelseyville Senior Center on Third Street, just south of Main in Kelseyville.

[Official: More than 800 dead in Pakistani floods](#)

NOWSHERA, Pakistan — Flooding in Pakistan has killed more than 800 people in a week, a government official said Saturday as rescuers struggled to reach marooned victims and some evacuees showed signs of fever, diarrhea and other waterborne

diseases.

The flooding caused by record-breaking rainfalls caused massive destruction in the past week, especially in the northwest province, where officials said it was the worst deluge since 1929. The U.N. estimated Saturday that some 1 million people nationwide were affected by the disaster, though it didn't specify exactly what that meant.

[How Prospects Cooled for U.S. Global Warming Bill](#)

For advocates of action on climate change, it seems like a long time since the hopeful first days of the Obama administration.

[Global warming blamed for extreme weather](#)

Meteorological experts have blamed global warming for this year's extreme weather in the country, which continues to be hit by persistent heat waves and floods.

China has recorded 6.4 days of hot whether, 1.9 days more than previous years on average.

Moreover, satellite-monitoring data on July 25 showed the surface temperature in some regions of Inner Mongolia, Gansu, Qinghai and Xinjiang had reached 45 degrees C.

Meanwhile, storms and floods have hit 28 provinces, autonomous regions and municipalities since March, resulting in 968 deaths and 507 missing people, with the total economic loss estimated at 181 billion yuan (US\$27 billion), according to the latest information released by the Office of State Flood Control and Drought Relief Headquarters on Thursday.

[Greenland Ice Cap Melt Is Accelerating](#)

A British research team studying the Greenland ice sheet has discovered evidence of a rapidly accelerating rate of melt.

Dr Alun Hubbard, leading a team from the universities of Swansea and Aberystwyth said the ice sheet in their region had lowered six metres in just a month.

The phenomenon is caused by surface melt, a vicious cycle in which melted ice brings about further thawing of the cap beneath it.



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