

Supersession

Congratulations to the following qualifiers for the Supersession of the 2011
Columbia Invitation Congression Debate division.

Austin Joseph of Iona Preparatory School
Benjamin Manzione of Loyola School
Brian Shiue of Holy Ghost
David Millstein of Bronx Science
Edwin Yung of Stuyvesant High School
Gregory Sweetman of Delbarton School
Hunter Dougherty of Delbarton School
James Sullivan of Iona Preparatory School
Jeremy Majerovitz of Stuyvesant High School
Joe Waldman of Berkeley Carroll
Kyle Egan of Fordham Prep
Max Rodier of Manchester Essex
Molly Blessing of Convent of the Sacred
Heart
Peter Della Rocca of Loyola School
Peter Jorgensen of Walt Whitman
Phillip Weinstein of Roslyn
Samuel Lijin of Stuyvesant High School
William Knight of Stuyvesant High School

The Supersession will be held in the Lerner Party Space and will be judged by:

Wade Grande, Brittany Kielhurn, Starlyte Harris, Mel Albert, and Edison Sanon

All judges and competitors should be in the Party Space by 945 am.

The supersession will convene at 10 am to meet in two committees nine. Each committee will be tasked with developing a proposal reflecting a priority indicated in the President's message. During the committee sessions, members may informally caucus with members of the other. The committees will have 60 minutes for their work, at which point they should each have produced a bill for debate which reflects their priorities. The bills will be quickly typed up and distributed.

The scorers and parliamentarians will observe the work of the committees and will consider their observations in their final rankings.

At 1130 am, the Congress will come into session, elect a Presiding Officer, set an agenda, and begin debate on the bills as in a normal session. A member of the sponsoring committee has priority on giving the sponsorship speech.

The Supersession will run until 2 pm or until every member of the Chamber has had the opportunity to give two speeches. Members will remain in the chamber in order to cast a preferential ballot reflecting the judges' nominees. Awards will follow as soon as tabulation is completed.

The sponsorship and first negative speeches will each carry two minutes of mandatory cross-examination time. Each additional speech shall carry one minute of mandatory cross-examination time.

Each questioner during cross-examination will receive 30 seconds of time, allowing for multiple questions. Thus the sponsorship speaker and the first negative speaker will each be questioned by four members of the Chamber, while each subsequent speaker will be questioned by two members of the Chamber.

The scorers and parliamentarian will rank all members of the chamber. The judges' rankings will be converted into judge credits. The parliamentarian's ballot will also serve as the tie-breaker.

The top six from Judge Credits will receive Congress Honors.
The second twelve will receive Honorable Mentions.

A Message from the President of the United States

As the Congress knows, energy independence is important to the people of the United States, both from economic and national security standpoints. It is imperative that we work together to craft a policy which meets the needs of the American people, but also ensures that our children and our children's children inherit a safe, powerful, and clean America.

We can no longer count on reliable supplies of energy from our friends in Latin America. Much of their supplies of oil and other energy have been diverted from our import stream to fuel the growth of the economies to the south as well as support the growth of the People's Republic of China—a rising rival across the Pacific. In fact, in a recent informal gathering at the embassy in Beijing, an Admiral of the People's Liberation Army Navy stated to our naval attaché that their desired relationship in the Pacific was “there is no need for the US navy to be west of Hawaii.” Reports indicate that the old Soviet aircraft carrier *Varyag* is nearing completion in China, and could be used—although not very effectively—to disrupt operations in the China Sea. We are also informed of major developments in Chinese surface-to-surface missile technology.

The question of off-shore oil drilling (especially in deep water) has been particularly vexing this year, given the scale of the Deepwater Horizon oil spill. Also of great concern is the damage drilling domestically for oil, especially in the Bakken Shale, and natural gas, as is being done in the Marcellus Shale and other major deposits, but is apparently producing harm to many people, as exemplified by drinking water catching fire from many person wells, both in the Poconos and out in Colorado. While the industry denies a connection, the connection seems very clear to this Administration.

I call on the Congress, therefore, to craft an energy policy for the United States, which reflects the following priorities:

- Achieves energy independence for the United States by 2030, ignoring for now the potentialities of nuclear fission and fusion;
- Ensures, to the extent possible, secure sources for energy from abroad until that independence is achieved;
- Protects the environment of the areas in which energy resources are produced, especially to ensure that the people who live there are not harmed by the production of energy; and
- Does not, to the extent possible, cause an increase in the financial deficit of the United States government, given the current difficult economic climate.

Energy and Foreign Affairs Committee

- Achieves energy independence for the United States by 2030, ignoring for now the potentialities of nuclear fission and fusion;
- Ensures, to the extent possible, secure sources for energy from abroad until that independence is achieved;

Hunter Dougherty of Delbarton School
Brian Shiue of Holy Ghost
William Knight of Stuyvesant High School
Jeremy Majerovitz of Stuyvesant High School
James Sullivan of Iona Preparatory School
Joe Waldman of Berkeley Carroll
Max Rodier of Manchester Essex
Peter Della Rocca of Loyola School
Phillip Weinstein of Roslyn

Interior and Finance Committee

- Protects the environment of the areas in which energy resources are produced, especially to ensure that the people who live there are not harmed by the production of energy; and
- Does not, to the extent possible, cause an increase in the financial deficit of the United States government, given the current difficult economic climate.

Gregory Sweetman of Delbarton School
Benjamin Manzione of Loyola School
David Millstein of Bronx Science
Edwin Yung of Stuyvesant High School
Samuel Lijin of Stuyvesant High School
Austin Joseph of Iona Preparatory School
Kyle Egan of Fordham Prep
Molly Blessing of Convent of the Sacred Heart
Peter Jorgensen of Walt Whitman

This information is some basic background information for the situation and Presidential message which will be submitted to the Congress at the Supersession.

Much of this information will be disclosed Friday evening.

Written by Raven Clabough

Thursday, 02 December 2010 12:21

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As predicted, the Obama administration rescinded its promise to allow domestic offshore oil drilling yesterday. The Competitive Enterprise Institute reports that the Interior Department has placed an official moratorium on offshore drilling in the Pacific and Atlantic Oceans, as well as in the Gulf for the next seven years at minimum. What's the excuse? The BP oil spill, of course.

The [*New York Times*](#) reports, "Ken Salazar said that a moratorium on drilling would be in force in those areas for at least seven years, until stronger safety and environmental standards were in place."

Salazar explains, "As a result of the *Deepwater Horizon* oil spill, we learned a number of lessons, most importantly that we need to proceed with caution and focus on creating a more stringent regulatory regime."

Ironically, many critics assert that it was [federal regulations that led to the oil spill](#) in the first place.

Art Robinson, Oregon's GOP congressional candidate during the 2010 midterm elections, stated, "Government regulations caused the BP oil spill. There are so many regulations on the energy industry, that that's why people have to go and drill three miles down on the ocean to find oil."

Similarly, former Alaska Governor Sarah Palin remarked that it was government kowtowing to environmentalists that brought about the Gulf oil disaster that forced oil drillers to drill in deep water as opposed to shallow water.

In response to the moratorium, the Director of the Competitive Enterprise Institute's Center of Energy and Development, Myron Bell, issued the following statement:

As a candidate, President Obama promised to work to reduce our dependence on foreign oil. But the Obama administration's announcement of a moratorium on offshore drilling in the Pacific, Atlantic, and eastern Gulf is only the latest in a string of policies designed to make us more dependent on foreign oil by reducing domestic production.

President Obama is dishonestly pursuing policies that are the opposite of what he promised and that are against America's economic interests and opposed by a strong majority of Americans.

The United States is the only country in the world with potential major offshore oil resources that is not actively exploiting them. The Obama administration has decided

that it is better for Cuba to bring in China, Russia, and Venezuela to drill a few miles off the Florida Keys than to allow American companies to drill in American waters.

While creating green energy jobs requires taxpayer subsidies and government mandates, producing more oil in federal offshore areas would create hundreds of thousands of high-paying jobs while producing hundreds of billions of dollars to the federal treasury in royalty and auction payments.

While Byron's assessment is correct, perhaps we must contend with the plaguing truth that job creation is not a top priority for the Obama administration. After all, this White House has been a leading proponent of green jobs even while the implementation of green jobs hurts rather than helps the economy, and the best example of this can be seen in Spain. According to [Gabriel Calzada](#), a Spanish professor, "We found that the jobs that we are creating, since you are taking the resources from other parts of the economy, this is ... destroying jobs in other parts of the country. For every job that you are creating, 2.2 jobs are lost." Yet the Obama administration continues to push for the creation of green jobs.

Likewise, jobs appeared to be the least of President Obama's concerns when he issued a drilling moratorium following the BP oil spill, even after a panel of 15 experts explicitly stated that a moratorium would do more damage to the economy. Eight of the 15 experts addressed a letter to the Interior Department indicating, "A blanket moratorium is not the answer. It will not measurably reduce the risk further and it will have a lasting impact on the nation's economy which may be greater than the oil spill."

Furthermore, if the health of the environment was the inspiration behind the drilling moratoriums, why did the Obama administration transfer \$2 billion in American tax dollars to help fund the Brazilian oil company [Petrobras](#) so that the company can continue to drill in nearly 3,000 meters of water, nearly twice the depth of American oil companies?

It may be a mere coincidence that Petrobras is heavily supported by Obama's associate George Soros, who also invested millions into the Brazilian oil company.

What's worse is that the \$2 billion American investment into Petrobras coincided with a deepwater drilling moratorium immediately following the BP oil spill, which virtually meant that the Obama administration was eliminating all of Petrobras' competition. Meanwhile, the moratorium was costing rig workers \$330 million per month in lost wages.

Likewise, the cap-and-trade legislation so heavily endorsed by the Obama administration has been criticized as a jobs killer. According to the Energy Information Administration and the Congressional Budget Office, the overall effect of the cap-and-trade bill would likely slow future job growth. Under the most optimistic scenario, the EIA predicts that future job growth would be reduced by 388,000 to 2.3 million 20 years from now.

So let's drop the guise that the federal government's leading interest is to create jobs. Once again, the decisions made by this administration are about greater control and

limiting American exceptionalism.

It appears the Obama administration may help George Soros realize his dream of the total collapse of the American dollar and the placement of China as the new global leader.



Fracking With Food: How the Natural Gas Industry Poisons Cows and Crops

By Byard Duncan, AlterNet

Posted on July 30, 2010, Printed on December 6, 2010

<http://www.alternet.org/story/147634/>

On the morning of May 5, 2010, nobody could say for sure how much fluid had leaked from the 650,000-gallon disposal pit near a natural gas drill pad in Shippen Township, Penn. -- not the employees on site; not the farmers who own the property; not the DEP rep who came to investigate.

But there were [signs of trouble](#): Vegetation had died in a 30' by 40' patch of pasture nearby. A "wet area" of indeterminate toxicity had crept out about 200 feet, its puddles shimmering with an oily iridescence. And the cattle: 16 cows, four heifers and eight calves were all found near water containing the heavy metal strontium. Strontium is preferentially deposited in cows' bones at varying levels depending on things like age and growth rates. Since slaughtering 28 cattle on mere suspicion can devastate a farmer financially, nobody knows what, if anything, the cows ingested. They're now sitting in quarantine.

The Shippen Township incident isn't the first time hydraulic fracturing, a controversial gas extraction technique that involves shooting water, sand and a mix of chemicals into the ground to release gas, has been blamed for livestock damage. But for farmers in the northeast whose land sits atop the gas-rich Marcellus Shale formation, it is a wake-up call – an event that raises questions about fracking's compatibility with food production.

"I've already heard from a couple of customers that they're concerned about the location of a drill site near my farm – in terms of the quality and safety of my food," said Greg Swartz, a farmer in Pennsylvania's Upper Delaware River Valley. Swartz, who sells all his products locally, fears that leaked fracking fluid could seep into his soil, bioaccumulate in his plants and cost him his organic certification. "There very well may be a point where I am not comfortable selling vegetables from the farm anymore because I'm concerned about water and air contamination issues," he said.

Air contamination – specifically the production of ozone – is what worries Ken Jaffe, another farmer in Meredith, NY. When excess methane gas, coupled with volatile compounds like benzene, toluene and xylene, are released into the air in a process the gas industry calls "venting," it can inhibit lung function and wreak havoc on plant life. In Sublette County, WY, fracking has been blamed for ozone levels that are comparable to those in Los Angeles.

Without healthy pasture, Jaffe said, his cows won't grow. Which means his beef won't sell. "The economics of my operation are in part based on how many animals I can graze per acre and get them to grow fat," he told me. "And if I have less grass and less protein and less clover, then I have a problem."

Over the past two years, horizontal hydraulic fracturing has garnered a lot of attention. Advocates of the practice believe the staggeringly high amounts of gas it makes accessible could serve as a "cleaner-burning" bridge between fossil fuels and renewable energy sources. But critics blame fracking for a whole range of problems -- house explosions, flammable drinking water, chronic sickness, crop failure and air contamination, to name a few. In 2005, the Bush administration introduced the Energy Policy

Act, which exempted hydraulic fracturing from several key environmental regulations, including parts of the Clean Water Act and CERCLA (Superfund). Since then, drilling operations (along with corresponding environmental problems) have begun to extend like spiderwebs across states like Colorado, Wyoming, Texas, and Pennsylvania.

For all their concerns, farmers like Swartz and Jaffe comprise only one side of a larger debate over drilling. Leasing one's land, after all, carries the promise of a comfortable retirement -- sometimes even millions of dollars. And with milk prices making small-scale dairy operations harder and harder to maintain, many farmers are looking for the light at the end of the pipeline.

Some have found it. According to one Penn State study, Pennsylvania made a \$2.95 billion profit from drilling in 2008 alone; the state also gained 53,000 new jobs. And in the Windsor/Deposit area of New York, 300 property owners have signed a lease with XTO Energy that covers 37,000 acres and is worth \$90 million (notably, the lease contains a provision that indemnifies drillers against damage to livestock). Though New York is still waiting on its Department of Environmental Conservation for the go-ahead to start horizontal drilling, much of the state's topography has already been carved, cordoned and auctioned off to eager gas companies.

"The way things are now financially, it would be hard to turn [leasing] down," said Richard Dirie, a dairy farmer near Youngsville, NY. "Farming is definitely a physical occupation. You definitely reach an age where -- I don't care if you want to do it or not -- you just can't do it anymore."

Dirie has not yet leased his land. But at 59, he's not sure he would reject an offer if it came his way. "I keep saying, 'I hope they don't come and talk to me.' That way I don't have to make a decision, you know?"

Gas drilling raises a lot of questions for farmers short on options. Is it worth the risk to retire comfortably? What are the implications for future use of the land? Perhaps most importantly: How does fracking affect crops, livestock and, by extension, the people who consume them? Answers are scarce.

"There's a lot going on out there and we don't know most of it," Swartz said.

The Knowledge Vacuum

It's with good reason that Jaffe describes fracking's relationship to food as "a knowledge vacuum." Pennsylvania's Department of Agriculture can't say for sure whether or not any cows in the state came into contact with fracking fluid before the Shippen Township incident in May. Nor can it guarantee similar things won't happen in the future. "We hope that this is the exception rather than the rule," said spokesman Justin Fleming. "We hope that this is an extraordinarily rare occurrence."

A representative for the USDA's Food Safety and Inspection Service -- the organization in charge of testing milk and meat for chemicals -- neglected to comment on whether or not heavy metals like the strontium found in Shippen Township were considered "adulterated" under the Federal Meat Inspection Act. He also did not immediately comment on whether naturally occurring radioactive materials (NORMS) -- known to surface after a well has been fractured -- fall under the act's clause banning meat from being "intentionally subjected to radiation."

Scientists, too, are grappling for information. Though there exists an increasingly comprehensive catalog of knowledge about water problems related to fracking, little work has been done to determine how the

practice affects animals and crops.

“I see very little research being done on cows,” said Theo Colborn, founder of the non-profit [Endocrine Disruption Exchange](#). Because animal testing with many chemicals known to be involved in fracking has historically failed to deal with instances of a) limited exposure and b) prolonged exposure, no one really knows what the potential health effects are – for cows or humans.

“It’s very difficult to deal with this problem,” Colborn said. “Who has the money? Who can perform the tests?”

Certainly not the federal EPA. Earlier this year, it announced plans to launch a two-year study of hydraulic fracturing’s effects on water. According to an EPA spokesperson, no part of that study will deal with plants or animals.

And yet, there is significant anecdotal evidence that suggests fracking can seriously compromise food. In April 2009, 19 head of cattle dropped dead after ingesting an unknown substance near a gas drilling rig in northern Louisiana. Seven months before that, a tomato farmer in Avella, Penn. reported a series of problems with the water and soil on his property after drilling started: he found arsenic levels 2,600 times what is recommended, as well as dangerously high levels of benzene and naphthalene – all known fracking components. And in May 2009, one farmer in Clearview, Penn. told Reuters he thought that gas drilling operations had killed four of his cows.

Occurrences like these aren’t just limited to the eastern U.S. In Colorado, a veterinarian named Elizabeth Chandler has documented numerous fertility problems in livestock near active drill sites, including false pregnancy, smaller litters and stillbirths in goats; reduced birth rates in hogs; and delayed heat cycles in dogs.

In another case, Rick Roles, a resident of Rifle, Colorado, reported that his horses became sterile after three disposal pits were installed near his home. Like those in Chandler’s study, Roles’ goats began yielding fewer offspring and producing more stillbirths. Roles himself suffered from swelling of the hands, numbness and body pain – symptoms, he said, that subsided when he stopped eating vegetables from his garden and drinking his goats’ milk.

Actual scientific studies are few and far between, but what’s out there paints a pretty damning picture. One, titled “Livestock Poisoning from Oil Field Drilling Fluids, Muds and Additives,” appeared in the journal *Veterinary & Human Toxicology* in 1991. It examined seven instances where oil and gas wells had poisoned and/or killed livestock. In one such case, green liquid was found leaking from a tank near a gas well site. The study’s authors found 13 dead cows, whose “postmortem blood was chocolate-brown in color.” Poisoning cases involving carbon disulfide, turpentine, toluene, xylene, ethylene, and complex solvent mixtures “are frequently encountered,” the study concluded.

Another study, this one conducted in Alberta, Canada in 2001, investigated the effects of gas flaring on the reproductive systems of cattle near active gas and oil fields. Its conclusions: “One of the most consistent associations in the analysis was between exposure to sour gas flaring facilities [as opposed to “sweet” ones, which contain more aromatic hydrocarbons, aliphatic hydrocarbons and carbon particles] and an increased risk of stillbirth. In 3 of the 4 years studied, cumulative exposure to sour flares was associated with an increased risk of stillbirth.”

'Rare Cases'

When questioned about fracking and food, America's [Natural Gas Alliance](#), an organization composed of the nation's leading gas production and exploration companies, neglected to get into any specifics. Instead, it offered this response:

“In rare cases where incidents have occurred, companies have worked with the appropriate regulatory authority to identify, contain and correct the issue, and to implement measures to ensure they don't recur. ANGA member companies understand and respect people's concerns about the safety of their water and air, and we are committed to engaging in dialogue with community members, policymakers and stakeholders to talk about the safety of natural gas production and the opportunities natural gas offers communities across our country.”

Environmental groups have a markedly different perspective on the issue. “There's a lot of violations that happen out there that are never documented,” said Wes Gillingham, program director of [Catskill Mountainkeeper](#).

When we talked, Gillingham took out an enormous aerial photo of a drill rig. One disposal pit was surrounded by gray blotches of moisture: leaked fracking fluid. “The stuff that's coming up – this stuff is getting into the environment,” he said, pointing at the blotches. “You've got heavy metals and normally occurring radioactive materials, all of which bioaccumulate in a grazer. That stuff is coming up in the grass where the grass is growing.”

So what sorts of concerns should people have about eating animals that have themselves ingested xylene, benzene, heavy metals, radioactive material? Gillingham, like so many farmers, federal officials and industry reps, can't say for sure.

“It's a serious issue in terms of potential contamination getting to market and nobody knowing about it,” he said. “It's an important piece of research that needs to be done.”

Byard Duncan is a contributing writer and editor for AlterNet.

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View this story online at: <http://www.alternet.org/story/147634/>

News from the Export-Import Bank of the United States

JULY 29, 2009

Contact: Linda Formella, 202-565-3200

Phil Cogan, +01-202-746-1675 (in Brazil)

EX-IM BANK CHAIRMAN FRED HOCHBERG IN BRAZIL TO PROMOTE FINANCING FOR PURCHASES OF U.S. EXPORTS



OFFICIALS FROM THE STATE AND CITY OF RIO DE JANEIRO met with a delegation from the Export-Import Bank of the United States led by Chairman and President Fred P. Hochberg (right), seen here at the Governor's Palace in Rio de Janeiro speaking with Eduardo Paes, mayor of the City of Rio de Janeiro (left), and Governor Sérgio Cabral Filho, of the State of Rio de Janeiro (middle).



In Rio de Janeiro, Chairman Hochberg (second from left) speaks with U.S. Ambassador to Brazil Clifford Sobel and VALE Chief Executive Officer Roger Agnelli (far right). Also seen is Ex-Im Bank Senior Vice President for Export Finance John McAdams (far left). Mining company VALE S.A. is the world's largest producer of iron ore, among other commodities.

WASHINGTON, D.C.: Export-Import Bank of the United States (Ex-Im Bank) Chairman and President Fred P. Hochberg and senior Ex-Im Bank officials are conducting a business-development mission in Brazil from July 29-31, 2009, to promote President Obama's trade policy and the availability of financing from Ex-Im Bank to support Brazil's purchases of U.S. goods and services.

The business-development mission is Hochberg's first international trip since his appointment to the office by President Barack Obama. Hochberg and other senior Ex-Im Bank staff are meeting with officials of the Brazilian government, bankers and business leaders in key industries, including oil and gas, mining, agribusiness and renewable energy.

On the afternoon of July 29, the Ex-Im Bank delegation met with Rio de Janeiro (state) Governor Sérgio Cabral Filho and Rio de Janeiro (city) Mayor Eduardo Paes.

"I chose Brazil as my first international destination for good reason: Brazil is a powerhouse among South American economies and offers tremendous opportunities for U.S. exporters in many sectors. I

want Brazilians to know that Ex-Im Bank has the will and the capacity to finance their purchases of U.S. equipment, products and services," said Chairman Hochberg.

Also participating are Ex-Im Bank's Senior Vice President and Chief of Staff Kevin Varney and Export Finance Senior Vice President John McAdams. McAdams is on his second visit to Brazil in the past two months during which he has been actively promoting the Bank's financing products to Brazilian lenders and companies.

Ex-Im Bank's senior business development officer for Latin America, Xiomara Creque, will travel to Recife to present Ex-Im Bank products to representatives of the governments and companies of nine northeastern Brazilian states: Alagoas, Bahia, Ceará, Maranhão, Paraíba, Pernambuco, Piauí, Rio Grande do Norte and Sergipe. Meetings will be held at the American Chamber of Commerce in Recife on August 3-4, with possible meetings on August 5. She will be discussing several commercial projects in energy, port-development and infrastructure, among others.

In April, Ex-Im Bank approved a \$2 billion preliminary commitment to encourage purchases of U.S. goods and services by Petroleo Brasileiro S.A. (Petrobras), Brazil's national oil company. The amount of a final commitment may be increased above the \$2 billion preliminary amount. Petrobras anticipates that it will invest \$174 billion in development over the next five years.

A preliminary commitment is issued by Ex-Im Bank to demonstrate that the Bank is interested in providing financing for the types of transactions indicated. Final approval follows receipt of a final commitment application, review by Ex-Im Bank staff and final action by the Bank's board of directors.

In fiscal year 2008, Ex-Im Bank authorized a total of \$14.4 billion in financing to support an estimated \$19.6 billion of U.S. exports worldwide, including \$1.5 billion of exports for oil and gas production projects. The Bank authorized \$875 million to support U.S. exports to Brazil last year.

Ex-Im Bank is the official export-credit agency of the United States. The independent, self-sustaining federal agency, now in its 75th year, helps to create and maintain U.S. jobs by financing the sale of U.S. exports, primarily to emerging markets throughout the world, by providing loan guarantees, export-credit insurance and direct loans. For more information, visit www.exim.gov.

Original URL: <http://www.exim.gov/pressrelease.cfmC862E339-D537-79E7-A58FCF6AAEFF8902/>

Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, DC 20571
Tel: 1 (202) 565-3946 (EXIM) or 1 (800) 565-3946 (EXIM)

Obama administration reimposes offshore oil drilling ban

By Juliet Eilperin

Interior Secretary Ken Salazar announced Wednesday afternoon that the Obama administration will not allow offshore oil drilling in the eastern Gulf of Mexico or off the Atlantic and Pacific coasts as part of the next five-year drilling plan, reversing two key policy changes President Obama announced in late March.



President Obama talks about endorsing expansion of offshore drilling. (Footage via www.whitehouse.gov/The Washington Post)

"We are adjusting our strategy in areas where there are no active leases," Salazar told reporters in a phone call, adding that the administration has decided "not expand to new areas at this time" and instead "focus and expand our critical resources on areas that are currently active" when it comes to oil and gas drilling.

In March--less than a month before [the BP oil spill](#)--Obama and Salazar said they would open up the eastern Gulf and parts of the Atlantic, including off the coast of Virginia, to offshore oil and gas exploration. On both of those new areas, the administration said it would start scoping to see if oil and gas drilling would be suitable. The eastern Gulf remains closed to drilling under a congressional moratorium, but the White House indicated it would press to lift the moratorium if necessary.

Wednesday's announcement is sure to please environmentalists while angering oil and gas companies as well as some lawmakers from both parties who have pressed for continued offshore energy exploration in the wake of massive Gulf of Mexico spill.

Salazar said while the administration will still allow offshore drilling in both the central and western Gulf of Mexico and in the Arctic, it will delay lease sales planned for March and August in the gulf to conduct additional environmental reviews, and will prepare a new environmental assessment of Shell's proposal to drill in Alaska's Beaufort Sea next year. Shell officials warned that the additional review could jeopardize its ability to explore for oil and gas in the Arctic in 2011.

Marilyn Heiman, director of offshore energy reform for the Pew Environment Group, welcomed the announcement but questioned why the administration is still leaving open the possibility of leasing areas in the Chukchi and Beaufort Seas between 2012 and 2017.

"Much more needs to be done to ensure there is adequate spill response capability that is proven to work in Arctic conditions before drilling can be considered," she said.

Sen. Bill Nelson (D-Fla.), who has consistently pushed to restrict drilling in the eastern gulf, also welcomed the news. Salazar called the senator Wednesday morning, according to Nelson spokesman Dan McLaughlin, but the two men did not speak yet because Nelson is chairing a hearing.

"Drilling off Florida's Gulf coast is banned at least until 2022, under a 2006 law passed by Senator Nelson," McLaughlin said. "The senator is pleased the White House has decided rightly to keep the area off-limits. He hopes Florida's next governor and the

Legislature similarly will commit to protecting the state's tourism economy and unique environment."

Activists such as Margie Alt, executive director of Environment America, also praised the administration's plan, saying, "Today, anyone who loves our beaches, who fishes in the ocean or who depends on a healthy coastal economy can thank the Obama administration for protecting the Atlantic and Pacific coasts and the west coast of Florida from oil drilling. The BP disaster earlier this year was a tragic reminder that drilling is a dirty and dangerous business. The only way to truly keep our coasts and ocean ecosystems safe is to keep them rig free."

But the move could spark a backlash from business interests as well from both many congressional Republicans and conservative Democrats such as Sen. Manny Landrieu, who argue that curbing offshore energy exploration could exacerbate the nation's economic woes.

Karen Harbert, president and CEO of the U.S. Chamber of Commerce's Institute for 21st Century Energy, said in a statement, "The Administration is sending a message to America's oil and gas industry: take your capital, technology, and jobs somewhere else."

Rep. Doc Hastings (Wash.), the top Republican on the House Resources Committee, issued a statement Wednesday afternoon accusing the administration of "taking the wrong approach in responding to the BP spill and creating energy and energy jobs in this country. The answer isn't to give up and say, 'America can't figure it out, we'll rely on other countries to produce our energy.' The answer is to find out what went wrong and make effective, timely reforms to ensure that U.S. offshore drilling is the safest in the world."

http://voices.washingtonpost.com/post-carbon/2010/12/obama_administration_will_ban.html

Energy chief Chu and Agriculture secretary Vilsack headed to Cancun

By Juliet Eilperin

While Cancun may not be attracting many heads of state this year, the Obama administration is dispatching two Cabinet secretaries and a senior environmental official to the United Nations climate talks.

Energy Secretary Steven Chu, Agriculture Secretary Tom Vilsack and White House Council on Environmental Quality Chairwoman Nancy Sutley will all make the trip, State Department officials said Monday. While the administration has yet to give details about the visit, it's a safe bet that Chu will discuss some of his department's efforts to improve energy efficiency and promote low-carbon energy. Vilsack will tout the administration's actions to preserve U.S. and international forests. And Sutley will outline Obama's efforts to lower the federal government's carbon footprint.

"These individuals will be participating in events that underscore our own collective and their agency's specific role in transitions to clean energy economies and securing a comprehensive global response to this challenge," [Jonathan Pershing](#), a U.S. deputy special envoy for climate change, said in a press briefing Monday.

Pershing also shed a little light on how the administration hopes to achieve its pledge to cut [U.S. emissions](#) 17 percent compared with 2005 levels in the next decade. Broad climate legislation has collapsed in the United States and shows no sign of passing anytime soon.

"We think it may be not necessarily be only comprehensive legislation, but perhaps elements in energy or elements in other environmental activities that could also move us in that direction," Pershing told reporters. "But it could be complemented by programs in regulation, programs that deal with executive orders that the president can issue, programs that are underway at the state level and, frankly, shifts in the U.S. energy sector."

Amid all the talk of low expectations, Pershing said, Cancun could still deliver [tangible results](#) when it comes to addressing the world's rising greenhouse gas emissions.

"A balanced package is within our reach," he said. "To grasp it, we must be pragmatic, we must be flexible, and we must stand behind the underpinnings of what our leaders agreed to last year."

http://voices.washingtonpost.com/post-carbon/2010/11/a_balanced_package_is.html

Growing Energy on the Farm: Biomass and Agriculture

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[overview](#) [solar](#) [wind](#) [biomass](#)

Tripling U.S. use of biomass for energy could provide as much as \$20 billion in new income for farmers and rural communities and reduce global warming emissions by the same amount as taking 70 million cars off the road.

Many farmers already produce biomass energy by growing corn to make ethanol. But biomass energy comes in many forms. Virtually all plants and organic wastes can be used to produce heat, power, or fuel.



Biomass energy has the potential to supply a significant portion of America's energy needs, while revitalizing rural economies, increasing energy independence, and reducing pollution. Farmers would gain a valuable new outlet for their products. Rural communities could become entirely self-sufficient when it comes to energy, using locally grown crops and residues to fuel cars and tractors and to heat and power homes and buildings.

Opportunities for biomass energy are growing. For example, several million dollars of federal incentives are available through the 2002 Farm Bill to develop advanced technologies and crops to produce energy, chemicals, and other products from biomass. A number of states also provide incentives for biomass energy.

Biomass Energy Sources on the Farm

Biomass Residues

Agricultural activities generate large amounts of biomass residues. While most crop residues are left in the field to reduce erosion and recycle nutrients back into the soil, some could be used to produce energy without harming the soil. Other wastes such as whey from cheese production and manure from livestock operations can also be profitably used to produce energy while reducing disposal costs and pollution.

Energy Crops

Crops grown for energy could be produced in large quantities, just as food crops are. While corn is currently the most widely used energy crop, native trees and grasses are likely to become the most popular in the future. These perennial crops require less maintenance and fewer inputs than do annual row crops, so they are cheaper and more sustainable to produce.

Grasses. Switchgrass appears to be the most promising herbaceous energy crop. It produces high yields and can be harvested annually for several years before replanting. Other native varieties that grow quickly, such as big bluestem, reed canarygrass, and wheat grass, could also be profitable.

Trees. Some fast-growing trees make excellent energy crops, since they grow back repeatedly after being cut off close to the ground. These short-rotation woody crops can grow to 40 feet in less than eight years and can be harvested for 10 to 20 years before replanting. In cool, wet regions, the best choices are poplar and willow. In warmer areas, sycamore, sweetgum, and cottonwood are best.

Oil plants. Oil from plants such as soybeans and sunflowers can be used to make fuel. Like corn, however, these plants require more intensive management than other energy crops.

Protecting the Land

With thoughtful practice and management, perennial energy crops can improve the soil quality of land that has been overused for annual row crops. The deep roots of energy crops enhance the

structure of the soil and increase its organic content. Since tilling occurs infrequently, the soil suffers little physical damage from machinery. One study estimates that converting a corn farm of average size to switchgrass could save 66 truckloads of soil from erosion each year. Perennial energy crops need considerably less fertilizer, pesticide, herbicide, and fungicide than annual row crops. Reduced chemical use helps protect ground and surface water from poisons and excessive aquatic plant growth. Furthermore, deep-rooted energy crops can serve as filters to protect waterways from chemical runoff from other fields and prevent sedimentation caused by erosion.

Finally, perennial energy crops can create more diverse habitats than annual row crops, attracting a wider variety of species such as birds, pollinators, and other beneficial insects, and supporting larger populations. Furthermore, the long harvest window for energy crops enables farmers to avoid nesting or breeding seasons.

Converting Biomass to Energy

Most biomass is converted to energy the same way it always has been—by burning it. The heat can be used directly for heating buildings, crop drying, dairy operations, and industrial processes. It can also be used to produce steam and generate electricity. For example, many electric generators and businesses burn biomass by itself or with other fuels in conventional power plants.

Biomass can also be converted into liquids or gases to produce electricity or transportation fuels. Ethanol is typically produced through fermentation and distillation, in a process much like that used to make beer. Soybean and canola oils can be chemically converted into a liquid fuel called biodiesel. These fuels can be used in conventional engines with little, if any, modification. Biomass can be converted into a gas by heating it under pressure and without oxygen in a "gasifier." Manure too can be converted using a digester. The gas can then be burned to produce heat, steam, or electricity.

Other biogas applications are still in development, but show great potential. One promising technology is direct combustion in an advanced gas turbine to run a generator and produce electricity. This process is twice as efficient as simply burning raw biomass to produce electricity from steam. Researchers are also developing small, high-speed generators to run on biogas. These "microturbines" have no more than three moving parts and generate as little as 30 kilowatts, which could power a medium-sized farm. Several companies are also considering converting gasified biomass into ethanol as a less expensive alternative to fermentation. Alternatively, biogas can be processed into hydrogen or methanol, which can then be chemically converted to electricity in a highly efficient fuel cell. Fuel cells can be large enough to power an entire farm or small enough to power a car or tractor.

An innovative experiment in Missouri provides one example of the possibilities. Corn is used to produce ethanol, and the waste from the process is fed to cows for dairy production. Cow manure fertilizes the corn and is also run through a digester to produce biogas. A fuel cell efficiently converts the biogas into electricity to run the operation. The end products are ethanol, electricity, and milk. All the waste products are used within the project to lower costs.

Potential

Biomass currently provides about two percent of America's electricity, one percent of the fuel used in cars and trucks, and some of the heat and steam used by homes and businesses. With more energy crops and better conversion technology, it could gain a much larger portion of the market. Energy crops and crop residues could provide 14 percent of U.S. electricity use or 13 percent of the nation's motor fuel.

An Oak Ridge National Laboratory (ORNL) study found that farmers could grow 188 million dry tons of switchgrass on 42 million acres of cropland in the United States at a price of less than \$50 per dry ton delivered (see map below). This level of production would increase total U.S. net farm income by nearly \$6 billion. ORNL also estimates that about 150 million dry tons of corn stover and wheat straw are available annually in the United States at the same price, which could increase farm income by another \$2 billion. This assumes about 40 percent of the total residue is collected and the rest is left to maintain soil quality.

Assumes energy crop production is limited to areas where these crops can be produced without irrigation and where sufficient research has been done to provide reliable information on yields and management requirements. Thus, other areas of the United States may also be suitable for growing energy crops.

Source: Daniel G. De La Torre Ugarte, Marie E. Walsh, Hosein Shapouri, and Stephen P. Slinsky. The Economic Impacts of Bioenergy Crop Production in U.S. Agriculture, 1999. Online at bioenergy.ornl.gov/papers/wagin/index.html.

Why We Need More Development on Government Lands and Offshore

Oil and natural gas from federal lands and waters is critical to meeting the nation's energy needs, providing approximately 30 percent of all oil and 38 percent of all natural gas produced in the United States. In terms of future production potential:

- Federal lands hold an estimated 650.9 trillion cubic feet of recoverable natural gas, enough to meet the natural gas heating needs of 60 million households for 160 years (approximately 60 million households in the United States are heated by natural gas).
- Federal lands also hold an estimated 116.4 billion barrels of recoverable oil, enough to produce gasoline for 65 million cars and fuel oil for 3.2 million households for 60 years.

Greater access to these areas is needed because that's where the remaining oil and natural gas accumulations are likely to be located – particularly the larger ones. Although much of our nation's natural gas production is from private lands, this is not enough to meet our growing energy demand – particularly natural gas for electric power generation.

Our nation's long-term energy security will depend upon diversity of sources of supply. It is important to remember that U.S. domestic production is mostly made up of modest amounts from hundreds of thousands of wells in thousands of oil and gas fields, both onshore and offshore. With the exception of a few very large fields discovered many decades ago, all of our current production comes from fields that can be characterized as only a few weeks or months of supply. Thus, each discovery makes a proportional contribution to supplies over 10, 20, or in some cases, 50 or more years. The U.S. needs a constant supply of new discoveries to replace declining production from existing and end-of-life wells to meet our nation's growing demand for energy. Otherwise production will eventually fall, creating a supply/demand imbalance that will either be met by growing imports, rising prices, or both.

The Importance of Multiple Use Federal Public Lands

Let's consider the example of oil and natural gas resources beneath multiple use public lands across the country administered by the Bureau of Land Management (BLM). A 2006 [study by the BLM](#) found that approximately 24 percent of Federal Lands onshore (23.8 million acres) are accessible under standard industry lease terms. Based on current resource estimates, these lands are expected to contain 3 percent of the remaining oil (743 MMBO) and 13 percent of the gas (25.2 Tcf) resources.

It is important to note that we are talking about multiple use public lands, where development of energy resources is allowed, along with grazing, recreation, hunting, fishing, and other uses. These are government lands designated for use for economic, recreational and scientific purposes. Around one-third of the land in the United States is controlled by the government, most of which is in the West. In Wyoming, for example, the government controls 50 percent of the land in the state. About one-third of government lands are set aside as national parks, wildlife refuges or wilderness areas. Industry is not advocating for exploration on federal lands that have been set aside for national parks or wilderness areas where drilling is banned.

Exploration and production of energy resources in the Mountain West is not easy and has required technological breakthroughs and strategies to address land use, environmental, and cultural resource concerns in responsible and effective ways. U.S. energy companies, working with government agencies and other regional and local stakeholders, are committed to employing technologies and practices to protect the land and environment. The publication [Rocky Mountain States Natural Gas: Resource Potential and Prerequisites to Expanded Production](#) - September 2003 (1.19MB PDF), prepared by the Department of Energy (DOE), describes the significance of the energy resources of the Mountain West to meeting the nation's energy challenge. This publication also appropriately discusses the land use and environmental

concerns in the region, and the importance of collaboration by all stakeholders to assure environmentally sound and economically feasible development of these important American resources.

The Importance of Federal Mineral Rights Offshore on the Outer Continental Shelf

Offshore areas currently account for about 20 percent of our domestic oil and gas production. Based on assessments by the U.S. Geological Survey and the Minerals Management Service, 50 percent of undiscovered oil resources and 36 percent of undiscovered natural gas resources lie offshore. If we are to meet our growing demand for oil and natural gas, our nation will need to develop these offshore resources.

Advanced technology allows the industry to develop offshore resources without environmental harm. Clean beaches and thriving commercial and recreational fisheries can and do coexist with offshore production. One of the primary concerns mentioned by drilling opponents is the potential for oil spills. Industry vigilance and stringent regulatory oversight combine to produce excellent environmental performance in the area of oil spill preparedness and prevention. Offshore operators are subject to at least 17 major permits and must follow 90 sets of federal regulations. Government oversight also applies to any associated pipelines or onshore facilities. As a result of these improvements in the technologies of offshore drilling, the track record for the U.S. oil and gas industry has been exceptional. Since 1980, the U.S. Minerals Management Service (MMS) reports that offshore operators have produced 4.7 billion barrels of oil with a spill rate of only .001 percent. Natural seeps introduce as much as 150-175 times more oil into U.S. marine waters than offshore oil development.

Even though several major hurricanes have affected offshore operations, there have only been 34 spills of 50 barrels or more since 1985. The industry's performance during the unprecedented 2005 hurricane season, when Hurricanes Katrina and Rita roared through the heart of the Gulf of Mexico, demonstrated the level of environmental protection built into offshore operations. Nearly 3,050 platforms and more than 22,000 miles of pipelines were in the direct path of these hurricanes. Some platforms experienced 5 to 6 hours of sustained winds of 170 miles per hour with gusts over 200 miles per hour. Production was shut down, platforms were evacuated, and safety valves and subsurface well control systems worked as designed to prevent loss of oil to the environment. According to a federal report issued in 2006 by the Minerals Management Service, "there were no accounts of spills from facilities on the Federal OCS (Outer Continental Shelf) that: reached the shoreline; oiled birds or mammals; or involved any discoveries of oil to be collected or cleaned up".

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<http://www.api.org/policy/exploration/expanded-access.cfm>

<http://www2.timesdispatch.com/news/2010/dec/16/TDOPIN01-panama-canal-ar-718446/>

Richmond Times-Dispatch

Published: December 16, 2010

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Panama Canal

By Times Dispatch Staff

Last week heavy rain and flooding closed the Panama Canal for the third time in its 96-year history. The waterway opened the next day.

A closure caused not by man but by nature suggests Panama has run the canal efficiently since the United States transferred the canal to the Central American country. For many years Panama influenced U.S. political debate and electoral outcomes.

Negotiations on a canal treaty began during a Republican administration. Democratic President Jimmy Carter sealed the deal. Prior to Carter's election, Ronald Reagan re-energized his stalled campaign for the 1976 GOP presidential nomination by hammering the canal question. Reagan failed to deny nomination to President Gerald Ford, but the closeness of the race established Reagan as a president-in-waiting.

Senate debate on the treaty proved as contentious as expected. Many of the senators who voted for ratification went down to defeat in subsequent years. None of those who opposed the compact suffered severely.

The U.S. and Panama operated the canal jointly until 1999. Prior to assuming full control, Panama solicited bids for running the ports on each end of the canal. Hong Kong's Hutchison Whampoa won the rights, thereby provoking fears that the U.S. would face an existential threat. Hutchison Whampoa traces its roots to the days of swashbuckling Scots and corporate Tai-Pans. Many a China hand has toasted the company, or spread rumors about it, or dug deep for stories while polishing off successive pints in the convivial pits of Wanchai and Tsim Sha Tsui. South China is a long way from Central America but the Panama Canal could be a good indicator of China's global intentions in high water or low.

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US Rejects Chinese Claims to Spratly Islands

Posted By [Jason Ditz](#) On July 23, 2010 @ 6:38 pm In [Uncategorized](#) | [Comments Disabled](#)

The United States has rejected the claims of the Chinese government to territorial control of a number of tiny islands in the South China Sea, with Secretary of State Hillary Clinton insisting the US had a strong “national interest” in ensuring the islands remain open.

Though [long of little real value, the islands are said to have a significant oil and natural gas deposit, and the claims over the territorial waters around the islands could be valuable in expanding shipping in the region.](#)

The US declaration comes as [Admiral Michael Mullen warned today that China is taking a “more aggressive” stance on the high seas,](#) and that he has gone from being “curious” about Chinese claims to the Spratly Islands to “concerned.”

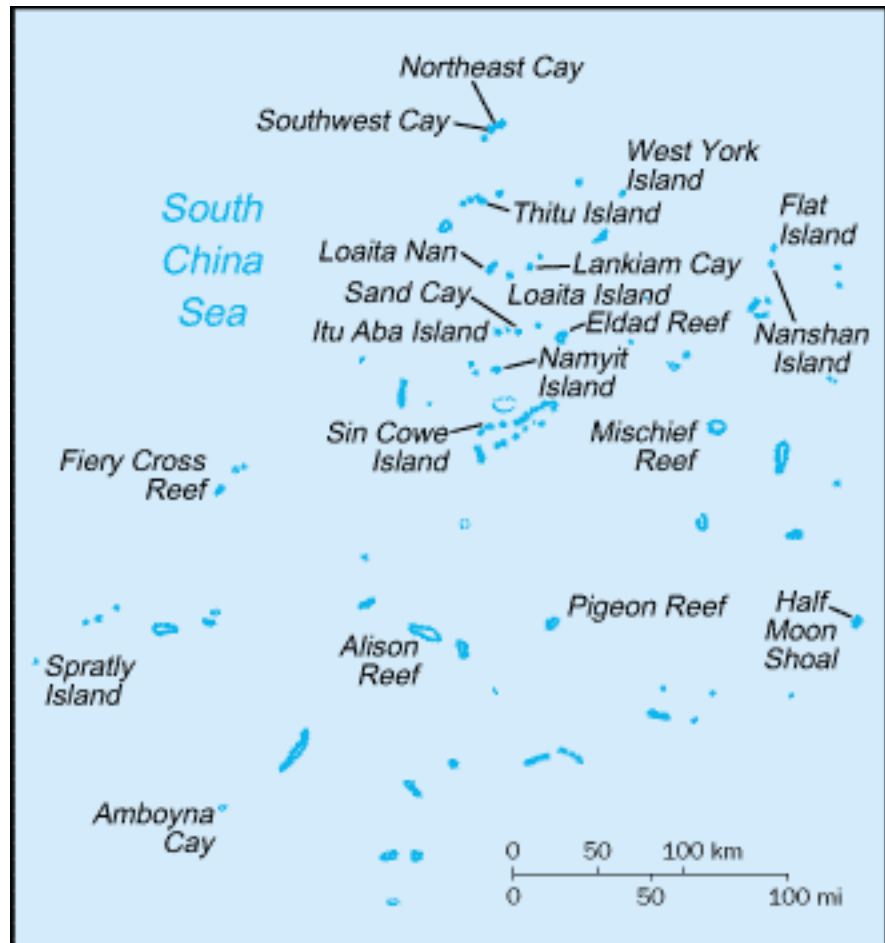
The comments are a big victory for Vietnam, [which has also claimed a number of the unpopulated islands.](#)

The Chinese and Vietnamese navies have previously clashed over the claims.

But they aren't the only two nations claiming some or all of the 100+ islands. [Taiwan also claims the entire region for itself, while Malaysia and the Philippines also claim portions of the island chain.](#) Roughly 45 of the islands have tiny military presences of one nation or another, and as their value rises officials warn it could become a source of conflict.

Last 5 posts by Jason Ditz

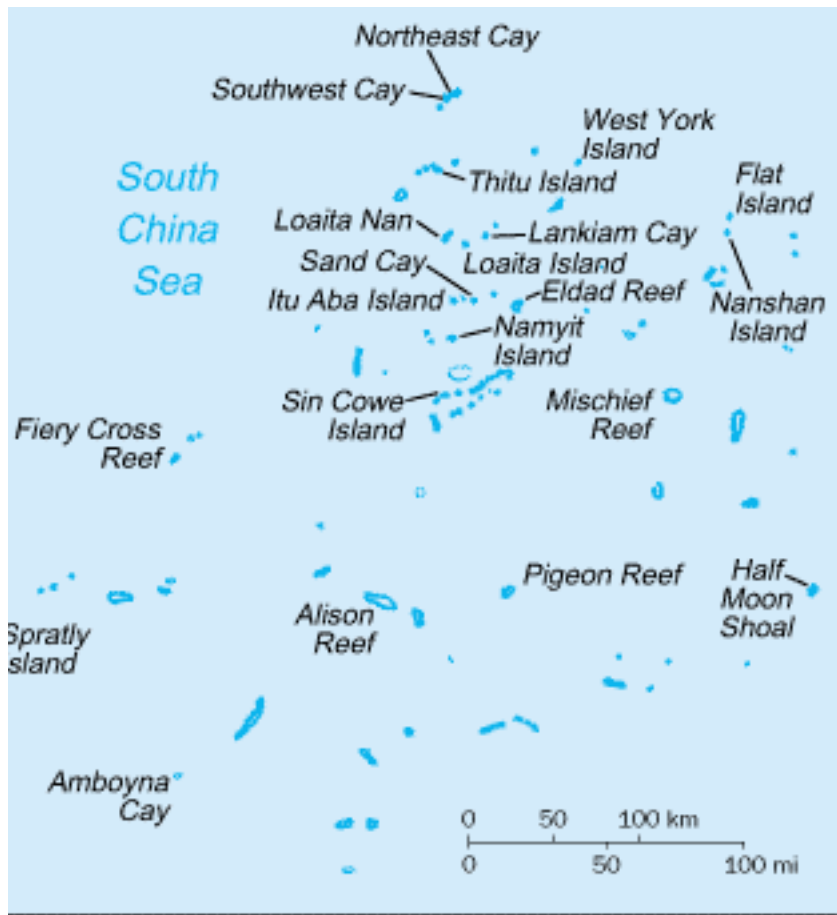
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N.D. study estimates 167 billion barrels of oil in Bakken

JAMES MacPHERSON Associated Press Writer | Posted: Monday, April 28, 2008 7:00 pm

The Bakken shale formation in North Dakota holds up to 167 billion barrels of oil but only about 1 percent of it can be recovered using current technology, a new state study says.

The study released Monday said current technology could lead to the recovery of about 2.1 billion barrels in North Dakota's the "middle Bakken" formation, where oil-producing rock is sandwiched between layers of shale about 10,000 feet under the ground.

"The future potential is enormous - it means we will be able to exploit this for the rest of the century," said Lynn Helms, director of the state Department of Mineral Resources, which conducted the study.

Helms released the study Monday at an annual state oil conference in Minot, where the Bakken was a big topic on the three-day agenda. The conference, limited to 1,300 participants, sold out Friday.

Ron Ness, president of the North Dakota Petroleum Council, cautioned against over-hyping the Bakken play.

"This study gives a number that by no means guarantees those are the amount of barrels we can count on," Ness said. "The Bakken rock is full of oil and companies drilling out there know that, and they know it is extremely difficult and extremely expensive."

Ness said it costs more than \$5 million to drill a Bakken well, and dozens are currently producing.

"What industry is mostly concerned with is to find - economically - what is going to work in the Bakken," Ness said. "What we have right now is one big scientific experiment going on out there."

The U.S. had some 20.9 billion barrels of proven oil reserves in 2006, the most recent year available, said John Wood, director of reserves and production for the U.S. Department of Energy's information administration.

North Dakota contributed 422 million barrels of proven oil reserves to that number two years ago, before the Bakken estimates were released, he said.

The Bakken estimates are "of major importance, not just to North Dakota, but the whole country," Wood said. He believes the state and federal estimates of recoverable oil in the Bakken are conservative.

"I think the current number will grow very substantially over time as recovery factors grow and the geology is better understood, he said.

The Bakken shale formation encompasses some 25,000 square miles in North Dakota, Montana, Saskatchewan and Manitoba. About two-thirds of the acreage is in western North Dakota, where the oil is trapped in a thin layer of dense rock nearly two miles beneath the surface.

To capture oil from the middle Bakken in North Dakota, most companies "fracture stimulate" the horizontal wells by forcing pressurized fluid and sand to break pores in the rock and prop them open to recover oil.

The middle Bakken, which ranges from a few feet thick to 80 feet, is between layers of loose shale. Its rock consists of sandstone and siltstone, with microscopic pores that contain the oil. The formation is 365 million years old, said Ed Murphy, the state geologist and director of the state Geological Survey.

"That rock is as hard as the cement in your driveway," Ness said.

Wells aiming for the middle Bakken are drilled vertically to about 10,000 feet and then "kick out" for as many feet horizontally. Ness likens it to drilling through the top of an Oreo cookie and turning sideways to get to all the creamy filling.

Part of the conference, which runs through Tuesday, will focus on sharing information on drilling technology for the Bakken, Ness said.

The state study mirrors the findings of a federal study released on April 10.

The U.S. Geological Survey estimated that up to 4.3 billion barrels of oil could be recovered from the Bakken shale formation in North Dakota and Montana, using current technology.

That report was done independently of the state study, Murphy said.

"Their numbers also include Montana, ours only includes North Dakota," he said.

The federal report found up to 2.6 billion barrels could be recovered in North Dakota, compared with the state's estimate of 2.1 billion barrels, Murphy said.

"We were quite surprised the numbers were so close," he said.

Helms said the federal study focused on the performance of wells currently working in the Bakken, while the state "went back and looked at the rock."

He said the state study partially validates a study done by Leigh Price, a USGS geologist who died in 2000 before his study was published. Price estimated the Bakken held between 200 billion and 500 billion barrels of oil.

The most recent federal study does not estimate how much oil may be in the formation - only what the agency believes can be recovered using current technology.

The state study gives an estimate of what the Bakken may hold in North Dakota, in what is known as an "in-place oil resource."

The Geological Survey said about 105 million barrels of oil have been produced from the Bakken through last year. The Elm Coulee oil field in eastern Montana, near the North Dakota border, has produced about 65 million barrels of the total, the agency said.

When the Elm Coulee field was discovered in 2000 it was "by far the biggest" onshore discovery in the U.S. in 50 years, and production and reserves have been growing rapidly since, Wood said.

"Many of the related plays in North Dakota are also looking great," he said.

About 7 billion barrels of oil are used annually in the U.S., Wood said.

Ness said North Dakota accounts for about 2 percent of domestic oil production. Even with increases from the Bakken, "we're still talking about a small impact in a big picture, but still very significant to our area," he said.

http://www.bismarcktribune.com/news/state-and-regional/article_71ddd831-683a-50d4-a259-a6cb70c47ef6.html?print=1

April 16, 2009

Deals Help China Expand Sway in Latin America

By [SIMON ROMERO](#) and [ALEXEI BARRIONUEVO](#)

CARACAS, Venezuela — As Washington tries to rebuild its strained relationships in Latin America, [China](#) is stepping in vigorously, offering countries across the region large amounts of money while they struggle with sharply slowing economies, a plunge in commodity prices and restricted access to credit.

In recent weeks, China has been negotiating deals to double a development fund in Venezuela to \$12 billion, lend Ecuador at least \$1 billion to build a [hydroelectric](#) plant, provide Argentina with access to more than \$10 billion in Chinese currency and lend Brazil's national oil company \$10 billion. The deals largely focus on China locking in natural resources like oil for years to come. China's trade with Latin America has grown quickly this decade, making it the region's second largest trading partner after the United States. But the size and scope of these loans point to a deeper engagement with Latin America at a time when the Obama administration is starting to address the erosion of Washington's influence in the hemisphere.

"This is how the balance of power shifts quietly during times of crisis," said David Rothkopf, a former Commerce Department official in the Clinton administration. "The loans are an example of the checkbook power in the world moving to new places, with the Chinese becoming more active."

Mr. Obama will meet with leaders from the region this weekend. They will discuss the economic crisis, including a plan to replenish the Inter-American Development Bank, a Washington-based pillar of clout that has suffered losses from the [financial crisis](#). Leaders at the summit meeting are also expected to push Mr. Obama to further loosen the United States policy toward Cuba. Meanwhile, China is rapidly increasing its lending in Latin America as it pursues not only long-term access to commodities like soybeans and iron ore, but also an alternative to investing in [United States Treasury](#) notes.

One of China's new deals in Latin America, the \$10 billion arrangement with Argentina, would allow Argentina reliable access to Chinese currency to help pay for imports from China. It may also help lead the way to China's currency to eventually be used as an alternate reserve currency. The deal follows similar ones China has struck with countries like South Korea, Indonesia and Belarus.

As the financial crisis began to whipsaw international markets last year, the [Federal Reserve](#) [made its own](#) currency arrangements with central banks around the world, allocating \$30 billion each to Brazil and Mexico. (Brazil has opted not to tap it for now.) But smaller economies in the region, including Argentina, which has been trying to dispel doubts about its ability to meet its international debt payments, were left out of those agreements.

Details of the Chinese deal with Argentina are still being ironed out, but an official at Argentina's central bank said it would allow Argentina to avoid using scarce dollars for all its international transactions. The [takeover](#) of billions of dollars in private pension funds, among other moves, led Argentines to pull the equivalent of nearly \$23 billion, much of it in dollars, out of the country last year.

Dante Sica, the lead economist at Abeceb, a consulting firm in Buenos Aires, said the Chinese overtures in the region were made possible by the "lack of attention that the United States showed to Latin America during the entire Bush administration."

China is also seizing opportunities in Latin America when traditional lenders over which the United States holds some sway, like the Inter-American Development Bank, are pushing up against their limits.

Just one of China's planned loans, the \$10 billion for Brazil's national oil company, is almost as much as the \$11.2 billion in all approved financing by the Inter-American Bank in 2008. Brazil is expected to use the loan for offshore exploration, while agreeing to export as much as 100,000 barrels of oil a day to China, according to the oil company.

The Inter-American bank, in which the United States has de facto veto power in some matters, is trying to triple its capital and increase lending to \$18 billion this year. But the replenishment involves delicate negotiations among member nations, made all the more difficult after the bank lost almost \$1 billion last year.

China will also have a role in these talks, having become a member of the bank this year. China has also pushed into Latin American countries where the United States has negligible influence, like Venezuela.

In February, China's vice president, Xi Jinping, traveled to Caracas to meet with President [Hugo Chávez](#). The two men announced that a [Chinese-backed development fund](#) based here would grow to \$12 billion from \$6 billion, giving Venezuela access to hard currency while agreeing to increase oil shipments to China to one million barrels a day from a level of about 380,000 barrels.

Mr. Chávez's government contends the Chinese aid differs from other multilateral loans because it comes without strings attached, like scrutiny of internal finances. But the Chinese fund has generated criticism among his opponents, who view it as an affront to Venezuela's sovereignty. "The fund is a swindle to the nation," said Luis Díaz, a lawmaker who claims that China locked in low prices for the oil Venezuela is using as repayment.

Despite forging ties to Venezuela and extending loans to other nations that have chafed at Washington's clout, Beijing has bolstered its presence without bombast, perhaps out of an awareness that its relationship with the United States is still of paramount importance. But this deference may not last.

"This is China playing the long game," said Gregory Chin, a political scientist at York University in Toronto. "If this ultimately translates into political influence, then that is how the game is played."

Simon Romero reported from Caracas, and Alexei Barrionuevo from Rio de Janeiro.

http://www.nytimes.com/2009/04/16/world/16chinaloan.html?_r=1&pagewanted=print