

# The Week That Was: 2011-08-20 (August 20, 2011)

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### The Science and Environmental Policy Project

PLEASE NOTE: The complete TWTW, including the articles, can be downloaded in an easily printable form at the SEPP web site: [www.sepp.org](http://www.sepp.org).

Fred Singer will be traveling again, spreading the great news about the climate. Please see the tentative schedule below:

Aug 17-24 Erice (Sicily) Conference  
Aug 25 Zurich Climate Debate and Interviews OPEN  
Aug 26 -28 (Maria Alm, Austria)  
Aug 29-30 Hamburg U. – Seminar and Interviews Aug 29 at 3pm-OPEN  
Aug 31 DeBilt-KNMI Climate Debate  
Sept 1-4 Brussels -- Seminar at Fondation Universitaire Sept 1 OPEN  
Sept 5-8 Talks at Civitas and IEA Sept 5 OPEN (Institute of Economic Affairs at 5pm)  
Climate Discussion – Imperial College, U. of London  
Sept 9–12 Paris Seminars IPGP-Jussieu and at Observatory at 2pm OPEN  
Sept 13-14 Paris, Return to U.S.

For additional detail please contact [Ken@SEPP.org](mailto:Ken@SEPP.org).

#### Quote of the Week:

“Why should we have anybody spend money on a program that nobody’s thought through?”

**Number of the Week: 141,200 barrels**

#### THIS WEEK:

**By Ken Haapala, Executive Vice President, Science and Environmental Policy Project (SEPP)**

Videos from the Sixth International Conference on Climate Change (ICCC) sponsored by Heartland Institute are available on the web. Go to: <http://climateconference.heartland.org/watch-live/>

**CLIMATE SCIENCE:** There continues to be developments in climate science that challenge the findings of the UN Intergovernmental Panel on Climate Change (IPCC). A paper describing research by Lindzen-Choi is being published by the *Asia-Pacific Journal of Atmospheric Science*. The paper addresses concerns raised by critics of a 2009 work. The major finding is that the planet is not very sensitive to increases in greenhouse gases, which, no doubt, will concern the proponents of the IPCC.

The research finds that a doubling of carbon dioxide (CO<sub>2</sub>) will increase temperatures by only 0.7 deg K, which is significantly below the lowest estimates of the models used by the IPCC. The range with a 99% certainty is between 0.5 deg K and 1.3 deg K. According to Lindzen, it took about 2 years to find a journal to publish the paper. No doubt some critics will focus on the point that the paper was published in a Korean, not western, journal. But, the refusal of western journals to publish it is inexcusable. If the research holds up to the rigorous review it will receive, the scientific prestige lost to the west is Korea’s gain.

Roy Spencer posted further work on comparing NOAA’s Levitus observations of ocean warming from 1955 to 1999 to a depth of 700 meters with results from IPCC models. The models demonstrate a wide variety of behaviors, including some showing a cooling trend at lower

depths. The IPCC also uses broad error bars to show a possible statistical overlap between observations and models. As Spencer suggests, this procedure also suggests a possible great disparity between observations and models.

Spencer recognizes his work requires careful scrutiny. If the results hold up, as with Lindzen-Choi, the IPCC has grossly overestimated the sensitivity of the planet to a doubling of CO2. Roger Pielke, Sr. praised Spencer's work and has invited anyone whose analysis shows Spencer's work is flawed to post their analysis on his (Pielke's) web site.

A third development is, right now, a suggestion of what may come later. Joseph D'Aleo thinks he may have found a relation between solar flux and the East Pacific Oscillation, the North Atlantic Oscillation, and the Arctic Oscillation during the winter. He promises to produce further work after the hurricane season has concluded. Please see referenced articles under "Science; Is the Sun Rising" and "Challenging the Orthodoxy."

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**Politics:** Texas Governor Rick Perry has entered the race for the Republican nomination for President. Generally, TWTW will avoid discussing politics except to note he has made global warming an issue in the race. For that he is being attacked by various newspapers and the environmental industry. Thus far the attacks appeal to the authority of the IPCC and fail address the issues being raised. Please see referenced under "Defending the Orthodoxy" and "Environmental Industry."

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**Green Energy & Jobs:** In Europe, politicians are discovering that the citizens do not care for the rising costs of electricity that come with electricity generated from wind farms and solar. Resistance to goals of a high percentage of electricity coming from these sources is mounting. Also, governments are discovering that the green jobs they promised are illusionary.

Similar developments are occurring in the US where natural gas from shale is becoming plentiful. For example, the governor of Pennsylvania is quietly cutting out renewable energy programs. Please see articles referenced under "Questioning European Green", "Subsidies and Mandates Forever", and "Alternative, Green ("Clean") Energy."

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**NOAA** published estimates of the annual costs of weather disasters and estimates that 2011 may become the worst year yet. As society has become more prosperous, the cost of disasters will increase. It is also worth noting the most expensive year was 2005 with Hurricane Katrina estimated to cost an inflation adjusted \$145 Billion. Much of this loss in New Orleans would not have occurred if the environmental industry had not successfully stopped a Corps of Engineers project to protect the city from storm surges with a moveable barrier system built along Interstate 10. The project was stopped by a successful lawsuit filed under the National Environmental Policy Act (NEPA) Please see articles referenced under "Changing Weather."

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**Oil Discovery:** One of the more unusual stories is that Exxon and its partner, Norway's StatoilASA found a massive oil field in the Gulf of Mexico and kept the extent of the find secret. When Exxon applied for extensions of leases for the field, the Interior Department of the Obama administration turned them down. Now all parties are headed to court. The extent of the find further indicates the damage to the economy from the administration's policy of slowing down the development of oil fields and the departure of drilling rigs to friendlier, foreign waters.

What is especially inconsistent about the administration is that it has signed a deal with Brazil to help its development of deepwater wells. No doubt some of the new wells will be drilled by rigs that left the Gulf of Mexico in response to the administration's policy. Please see Articles # 1 & 2 and referenced articles under "Oil Spills & Consequences", and "Energy Issues."

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**Quote of the Week:** By 2006 the grocery discount chain, Costco, had installed some 90 charging stations for electric vehicles in California and a few other states. Once they realized no one uses them, Costco pulled the plug of the chargers. The quote comes from Dennis Hoover, a regional general manager.

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**Number of the Week:** 141,200 barrels. This was the liquid capacity of the T2-SE-A1 tanker, the workhorse of the US tanker fleet during World War II and a favorite target of German submarines. It gives a point of reference when assessing articles discuss small oil leaks from drilling platforms, etc. American Merchant Marine at War, <http://www.usmm.org/tankers.html>

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**ARTICLES:**

For the numbered articles below please see: [www.sepp.org](http://www.sepp.org).

**1. Exxon, U.S. Government Duel Over Huge Oil Find**

By Russell Gold, WSJ, Aug 18, 2011

[http://online.wsj.com/article/SB10001424053111903596904576514762275032794.html?mod=WSJ\\_hp\\_LEFTWhatsNewsCollection](http://online.wsj.com/article/SB10001424053111903596904576514762275032794.html?mod=WSJ_hp_LEFTWhatsNewsCollection)

**2. Exxon's Billion-Barrel Secret**

By Angel Gonzalez, WSJ, Aug 19, 2011

[http://online.wsj.com/article/SB10001424053111904070604576516752602414020.html?mod=WSJ\\_business\\_whatsNews](http://online.wsj.com/article/SB10001424053111904070604576516752602414020.html?mod=WSJ_business_whatsNews)

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**NEWS YOU CAN USE:**

***Science: Is the Sun Rising?***

**Strong Evidence for Sun's Role in the EPO/NAO/AO in Winter**

By Joseph D'Aleo, WeatherBELL, Aug 12, 2011

<http://www.weatherbell.com/newsletter-8-16-2011-e>

[SEPP Comment: Another possibility that needs rigorous examination.]

***Climategate Continued***

**Neil Wallis and the Ben Webster Article**

By Steve McIntyre, Climate Audit, Aug 16, 2011

<http://climateaudit.org/2011/08/16/neil-wallis-and-the-ben-webster-article/#more-14459>

[SEPP Comment: More on the efforts of the University of East Anglia trying to cover-up.]

***Challenging the Orthodoxy***

**The Truth About Greenhouse Gases**

By William Happer, GWPF, Aug 16, 2011

<http://www.thegwpf.org/the-climate-record/3638-the-truth-about-greenhouse-gases.html>

[http://www.thegwpf.org/images/stories/gwpf-reports/happer-the\\_truth\\_about\\_greenhouse\\_gases.pdf](http://www.thegwpf.org/images/stories/gwpf-reports/happer-the_truth_about_greenhouse_gases.pdf)

*[Princeton Professor Happer expresses his views on the current global warming mania]*

### **Lindzen-Choi 2011 published**

By Lubos Motl, Reference Frame, Aug 18, 2011

<http://motls.blogspot.com/2011/08/lindzen-choi-2011-published.html>

The paper can be found at: <http://www-eaps.mit.edu/faculty/lindzen/236-Lindzen-Choi-2011.pdf>

### **New paper from Lindzen and Choi implies that the models are exaggerating climate sensitivity.**

By Anthony Watts, WUWT, Aug 16, 2011

<http://wattsupwiththat.com/2011/08/16/new-paper-from-lindzen-and-choi-implies-that-the-models-are-exaggerating-climate-sensitivity/>

### **Deep Ocean Temperature Change Spaghetti: 15 Climate Models Versus Observations**

By Roy Spencer, His Blog, Aug 14, 2011

<http://www.drroyspencer.com/2011/08/deep-ocean-temperature-change-spaghetti-15-climate-models-versus-observations/>

### **Recommended Reading – The Post By Roy Spencer “Deep Ocean Temperature Change Spaghetti: 15 Climate Models Versus Observations”**

By Roger Pielke, Sr, Pielke Climate Science, Aug 17, 2011

<http://pielkeclimatesci.wordpress.com/2011/08/17/recommended-reading-the-post-by-roy-spencer-deep-ocean-temperature-change-spaghetti-15-climate-models-versus-observations/>

*[SEPP Comment: Pielke’s comments supporting Spencer’s ocean temperature analysis. Also Pielke invites others to post their analysis on his web site if they conclude Spencer’s work is flawed.]*

### **Global Warming, if Real, Would Be Good for Us**

By Kevin Mooney, Dakota Voice, Aug 17, 2011

<http://www.dakotavoice.com/2011/08/global-warming-if-real-would-be-good-for-us/>

*[SEPP Comment: Cites comments by Craig Idso to the American Legislative Exchange Council’ annual meeting.]*

### **CSIRO’s methane problem**

By Tom Quirk, Quadrant, AU, Aug 17, 2011

<http://www.quadrant.org.au/blogs/doomed-planet/2011/08/csiro-s-methane-problem>

*[SEPP Comment: CSIRO is Australia’s Commonwealth Scientific and Industrial Research Organisation, a proponent of unprecedented and dangerous human caused global warming.]*

### **Global Warming Link to Drowned Polar Bears Melts Under Searing Fed Probe**

By Audrey Hudson, Human Events, Aug 11, 2011

<http://www.humanevents.com/article.php?id=45447>

### **WaPo Gets its Pinocchio for Dishonest ‘Warming Attack on Perry**

By Christopher C. Horner, Big Government, Aug 19, 2011

<http://biggovernment.com/chorner/2011/08/19/wapo-gets-its-pinocchio-on-for-dishonest-warming-attack-on-perry/#more-316800>

### ***Defending the Orthodoxy***

### **Greenhouse Gases: The Measurement Challenge**

By Michael Baum, Office of the Director, National Institute of Standards and Technology (NIST), Aug 16, 2011 [H/t Anthony Watts, WUWT]

<http://www.nist.gov/director/greenhouse-081611.cfm>

“The continuing increase in the level of carbon dioxide and other "greenhouse gases" in the Earth's atmosphere has been identified as a cause for serious concern because it may radically accelerate changes in the Earth's climate.”

### **Human activities linked to warming and loss of sea ice**

HALF: Natural cycles are part of mix, scientists find; greenhouse gas has effect.

By Richard Mauer, Anchorage Daily News, Aug 15, 2011 [H/t Eric Gottshall]

<http://www.adn.com/2011/08/14/2014771/human-activities-linked-to-warming.html>

*[SEPP Comment: Supercomputers Bluefire and Franklin have spoken using one of the world's most sophisticated climate models – that has never been verified.]*

### **Worldwide map identifies important coral reefs exposed to stress**

By Staff Writers, SPX, Aug 16, 2011

[http://www.terradaily.com/reports/Worldwide\\_map\\_identifies\\_important\\_coral\\_reefs\\_exposed\\_to\\_stress\\_999.html](http://www.terradaily.com/reports/Worldwide_map_identifies_important_coral_reefs_exposed_to_stress_999.html)

### **Study: Climate change to halve trout habitat by 2080**

By Tristan Scott, Missoulian, Aug 16, 2011

[http://missoulian.com/news/local/article\\_9ec90852-c7b1-11e0-988e-001cc4c002e0.html](http://missoulian.com/news/local/article_9ec90852-c7b1-11e0-988e-001cc4c002e0.html)

*[SEPP Comment: Headline alarmists at its worst. The major decline in native trout population is from competition with non-native trout. But why make distinctions when alarmism sells?]*

### **Climate change could drive native fish out of Wisconsin waters**

By Terry Devitt, SPX, Aug 18, 2011

[http://www.terradaily.com/reports/Climate\\_change\\_could\\_drive\\_native\\_fish\\_out\\_of\\_Wisconsin\\_waters\\_999.html](http://www.terradaily.com/reports/Climate_change_could_drive_native_fish_out_of_Wisconsin_waters_999.html)

[SEPP Comment: Another invasive species issue.]

### **Rick Perry's made-up 'facts' about climate change**

By Glenn Kessler, Washington Post, Aug 18, 2011

[http://www.washingtonpost.com/blogs/fact-checker/post/rick-perrys-made-up-facts-about-climate-change/2011/08/17/gIQAjVF5LJ\\_blog.html?hpid=z10](http://www.washingtonpost.com/blogs/fact-checker/post/rick-perrys-made-up-facts-about-climate-change/2011/08/17/gIQAjVF5LJ_blog.html?hpid=z10)

### **Climate-change science makes for hot politics**

By Joel Achenbach and Juliet Eilperin, Washington Post, Aug 19, 2011 [H/t Malcolm Ross]

[http://www.washingtonpost.com/national/health-science/climate-change-science-makes-for-hot-politics/2011/08/18/gIQA1eZJQJ\\_story.html?hpid=z1](http://www.washingtonpost.com/national/health-science/climate-change-science-makes-for-hot-politics/2011/08/18/gIQA1eZJQJ_story.html?hpid=z1)

### **Obama administration encounters opposition to international climate agenda**

By Juliet Eilperin, Washington Post, Aug 14, 2011

[http://www.washingtonpost.com/national/health-science/obama-administration-encounters-opposition-to-international-climate-agenda/2011/08/01/gIQAnRWoFJ\\_story.html](http://www.washingtonpost.com/national/health-science/obama-administration-encounters-opposition-to-international-climate-agenda/2011/08/01/gIQAnRWoFJ_story.html)

### ***Questioning the Orthodoxy***

#### **Western Pacific Hurricanes Declining?**

By Patrick Michaels, World Climate Report, Aug 19, 2011

<http://www.worldclimaterreport.com/index.php/2011/08/19/western-pacific-hurricanes-declining/>

“Is that not incredible? Over the same time period and same region, and during a time of aircraft and satellite reconnaissance, one dataset shows an increase in severe storms while two other datasets show a significant decrease?”

### **Himalayan Glacier Disappearance Overstated**

By Doug L. Hoffman, Resilient Earth, Aug 17, 2011

<http://theresilientearth.com/?q=content/himalayan-glacier-disappearance-overstated>

### **New paper “Climatic trends in major U.S. urban areas” quantifies the UHI effect and the impact on climate trend**

By Anthony Watts, WUWT, Aug 16, 2011

<http://wattsupwiththat.com/2011/08/16/new-paper-climatic-trends-in-major-u-s-urban-areas-quantifies-the-uhi-effect-and-the-impact-on-climate-trends/>

### ***Questioning European Green***

#### **UK Windpower targets are 'unfeasible'**

Plans to get more than a third of Britain's energy from wind are unfeasible, as the national grid would not be able to cope, say researchers.

By Rowena Mason, Telegraph, UK, Aug 13, 2011

<http://www.telegraph.co.uk/finance/newsbysector/energy/8700082/UK-Windpower-targets-are-unfeasible.html>

#### **Windfarms prevent detection of secret nuclear weapon tests, says MoD**

Plans for hundreds of wind turbines have been blocked over claims that vibrations will interfere with recording station

By Rob Edwards, Guardian, UK, Aug 19, 2011 [H/t GWPF]

<http://www.guardian.co.uk/environment/2011/aug/19/windfarm-secret-nuclear-weapon-testing>  
[SEPP Comment: The vibrations may interfere with the delicate instruments used to monitor underground nuclear testing.]

#### **Electricity bills could rise by £13 a year to fund infrastructure expansion**

Power transmission companies want to be able to charge households an extra £13 per year on their energy bills by 2021 to cover the cost of connecting wind farms and other new generation to the national grid.

By Rowena Mason, Telegraph, UK, [H/t GWPF]

<http://www.telegraph.co.uk/finance/newsbysector/energy/8707493/Electricity-bills-could-rise-by-13-a-year-to-fund-infrastructure-expansion.html>

#### **Solar Energy: Tough Love in the EU**

By Gary Hunt, Master Resource, Aug 17, 2011

<http://www.masterresource.org/2011/08/solar-energy-tough-love-eu/#more-16231>

[SEPP Comment Affordability and budget deficits are finally hitting politicians who have been subsidizing solar. They are discovering the green jobs they promised are in China.]

### ***Models v. Observations***

#### **Short Overview On Why Multi-Decadal Regional Climate Predictions Do Not Add Value To The Climatology Used By The Impact Assessment Community**

By Roger Pielke, Sr, Pielke Climate Science, Aug 19, 2011

<http://pielkeclimatesci.wordpress.com/2011/08/19/short-overview-of-why-multi-decadal-regional-climate-predictions-do-not-add-value-to-climatology-used-by-the-impact-assessment-community/>

[SEPP Comment: Risk assessment of climate changes must start with a knowledge of history.]

## **A New AGU EOS Article Titled “Guidelines For Constructing Climate Scenarios” By Mote Et Al 2011 Which Inadvertently Highlights This Flawed Climate Science Approach**

By Roger Pielke, Sr, Pielke Climate Science, Aug 15, 2011

<http://pielkeclimatesci.wordpress.com/2011/08/15/a-new-agu-eos-article-titled-guidelines-for-constructing-climate-scenarios-by-mote-et-al-2011-which-inadvertently-highlights-this-flawed-climate-science-approach/>

*[SEPP Comment: As Pielke suggests, this is a waste of resources.]*

## **Climate Models Not So Good For Crop Prediction**

By Patrick Michaels, World Climate Report, Aug 15, 2011

<http://www.worldclimaterreport.com/index.php/2011/08/15/climate-models-not-so-good-for-crop-prediction/#more-503>

## ***Changing Weather***

### **2011 US Natural Disasters Cost to Exceed \$35 Billion**

By Christine McEnrue, WeatherBell, Aug 18, 2011

<http://www.weatherbell.com/weather-news/2011-us-natural-disasters-cost-to-exceed-35-billion/>

## **Billion Dollar U.S. Weather Disaster**

By Staff Writers, NOAA National Climatic Data Center,

<http://www.ncdc.noaa.gov/oa/reports/billionz.html#chron>

*[SEPP Comment: Estimates from 1980 to 2010]*

## **US Sees Growing Losses From Extreme Weather**

By Staff Writers, CNBC, Aug 17, 2011 [H/t Bud Bromley]

<http://www.cnn.com/id/44179278>

## **Snow falls in Auckland for first time in decades**

By Amelia Wade, Hayden Donnell, Paul Harper and NZPA, NZ Herald, Aug 15, 2011 [H/t Pielke Climate Science.]

[http://www.nzherald.co.nz/nz/news/article.cfm?c\\_id=1&objectid=10745187](http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10745187)

*[SEPP Comment: According to the article, the last time this happened was in the 1930s – an unusually hot decade in the US.]*

## ***Changing Climate***

### **Plants and animals migrating upward as climate changes**

By Brian Vastag, Washington Post, Aug 18, 2011 [H/t Conrad Potemra]

[http://www.washingtonpost.com/national/health-science/up-and-up-plants-and-animals-migrating-as-climate-changes/2011/08/18/gIQAzlTxNJ\\_story.html](http://www.washingtonpost.com/national/health-science/up-and-up-plants-and-animals-migrating-as-climate-changes/2011/08/18/gIQAzlTxNJ_story.html)

*[SEPP Comment: With warming, cold sensitive organisms will expand their range. There is little or no evidence that their range is shrinking. We can expect that when the next ice age comes, the range of these animals will decrease significantly. The last paragraph is outrageous, implying dengue fever is new to the US. Apparently what is now dengue fever was described in the 18<sup>th</sup> Century by founding father Dr. Benjamin Rush of Philadelphia, while we were still in the little ice age. The US eliminated the fever by rigorous public health measures including killing misquotes with DDT or pouring oil on swamps and other waters that misquotes used for breeding.]*

## ***Changing Seas***

### **The role of ocean thermal expansion in Last Interglacial sea level rise**

By McKay, N. P., J. T. Overpeck, and B. L. Otto-Bliesner (2011), The role of ocean thermal expansion in Last Interglacial sea level rise, *Geophys. Res. Lett.*, 38, L14605, doi:10.1029/2011GL048280.

<http://www.agu.org/pubs/crossref/2011/2011GL048280.shtml>

[SEPP Comment: The thermal component of sea level rise during the last interglacial period was small. The key points of the study state that the Antarctic ice must have contributed 2.8 to 4.5 meters of sea level rise during the last interglacial above the current levels; yet the abstract suggests 4.1 to 5.8 meters.]

### **Tsunami observed by radar**

By Staff Writers, SPX, Aug 19, 2011

[http://www.terradaily.com/reports/Tsunami\\_observed\\_by\\_radar\\_999.html](http://www.terradaily.com/reports/Tsunami_observed_by_radar_999.html)

[SEPP Comment: May lead to a better early warming system.]

### **Agriculture Issues & Fear of Famine**

#### **Obama administration to invest \$510M in biofuels industry to power ships, jets**

By Andrew Restuccia, The Hill, Aug 16, 2011

<http://thehill.com/blogs/e2-wire/677-e2-wire/177041-biofuel-grafs>

[SEPP Comment: Investment rather than spending implies that there will be a return on the investment, very doubtful.]

### **EDITORIAL: Obama the biofool**

Administration uses military to expand subsidies for pricey green schemes

Editorial, Washington Times, Aug 16, 2011

<http://www.washingtontimes.com/news/2011/aug/16/obama-the-biofool/>

### **Litigation Issues**

#### **New York Subpoenas Energy Firms**

By Ian Urbina, NYT, Aug 18, 2011

[http://www.nytimes.com/2011/08/19/us/19gas.html?\\_r=1&nl=todaysheadlines&emc=tha23](http://www.nytimes.com/2011/08/19/us/19gas.html?_r=1&nl=todaysheadlines&emc=tha23)

[SEPP Comment: Who would have forecast the sudden drop in natural gas prices with the successful development of modern drilling techniques? The well life using these techniques was an unknown.]

### **Suing NASA and UVA**

By Paul Chesser, American Spectator, Aug 19, 2011

<http://spectator.org/archives/2011/08/19/suing-nasa-and-uva#>

### **Lawsuits Flow Over Texas Pipelines**

Surge in Oil, Gas Production Fuels Demand for New Routes, Leaving Companies to Spar With Landowners Along the Way

By Daniel Gilbert, WSJ, Aug 19, 2011

[http://online.wsj.com/article/SB10001424053111904253204576512684070410032.html?mod=WSJ\\_business\\_IndustryNews\\_DLW](http://online.wsj.com/article/SB10001424053111904253204576512684070410032.html?mod=WSJ_business_IndustryNews_DLW)

[SEPP Comment: May be behind a pay wall.]

### **Cap-and-Trade and Carbon Taxes**

#### **Emissions trading scheme is a 'failure'**

By Matthew Sinclair, Public Service, Europe, Aug 17, 2011 [H/t GWPF]

<http://www.publicserviceeurope.com/article/739/emissions-trading-scheme-is-a-failure>

### **Australian Cabinet to vote on carbon tax**

By Staff Writers, UPI, Aug 17, 2011



[http://www.energy-daily.com/reports/Australian\\_Cabinet\\_to\\_vote\\_on\\_carbon\\_tax\\_999.html](http://www.energy-daily.com/reports/Australian_Cabinet_to_vote_on_carbon_tax_999.html)

### **Convoy of discontent rolls on**

Editorial, The Australian, Aug 16, 2011 [H/t Quadrant]

<http://www.theaustralian.com.au/news/opinion/convoy-of-discontent-rolls-on/story-e6frg71x-1226115502762>

### **Gillard has a problem: Growing Convoy on the way — powers through North Queensland!**

By Jo Nova, Her Blog, Aug 19, 2011

<http://joannenova.com.au/2011/08/gillard-has-a-problem-convoy-on-the-way-powers-through-north-queensland/>

### **Vietnam to impose 'green' tax**

By Staff Writers, UPI, Aug 18, 2011

[http://www.terradaily.com/reports/Vietnam\\_to\\_impose\\_green\\_tax\\_999.html](http://www.terradaily.com/reports/Vietnam_to_impose_green_tax_999.html)

### ***Subsidies and Mandates Forever***

#### **Corbett quietly turning off the lights on renewable energy**

By Don Hopey, Pittsburgh Post-Gazette. Aug 14, 2011 [H/t GWPF]

<http://www.post-gazette.com/pg/11226/1167245-454.stm>

### ***EPA and other Regulators on the March***

#### **Report: No 'train wreck' from EPA utility rules**

By Andrew Restuccia, The Hill, Aug 18, 2011

<http://thehill.com/blogs/e2-wire/677-e2-wire/177467-crs-industry-studies-predicting-trainwreck-from-epa-rules-are-overblown>

[SEPP Comment: The Congressional Research Service accepts unsubstantiated EPA estimates of health benefits without question. EPA claims are ludicrous.]

### **New Auto Fuel Economy Standards Will Regulate Us To Death**

By Larry Bell, Forbes, Aug 16, 2011

<http://www.forbes.com/sites/larrybell/2011/08/16/new-auto-fuel-economy-standards-will-regulate-us-to-death/>

### **Strange Friends of the New EPA Trucking Regulations**

By Melody Himel Scalley, American Thinker, Aug 15, 2011

[http://www.americanthinker.com/2011/08/strange\\_friends\\_of\\_the\\_new\\_epa\\_trucking\\_regulations.html](http://www.americanthinker.com/2011/08/strange_friends_of_the_new_epa_trucking_regulations.html)

### **Issa: 54.5 MPG Fuel Economy Standard Negotiated Outside Scope of Law**

By Marlo Lewis, Global Warming.org August 15, 2011

<http://www.globalwarming.org/2011/08/15/issa-54-5-mpg-fuel-economy-standard-negotiated-outside-scope-of-law/>

### **The Dunes Sagebrush Lizard's ESA listing must be brought into the open.**

By Marita Noon, Texas Insider, Aug 19, 2011

<http://www.texasinsider.org/?p=51031>

[SEPP Comment: Controversial challenge to an endangered species listing.]

### **Green Ideology Trumps Flood Control**

By Joe Herring, American Thinker, Aug 17, 2011

[http://www.americanthinker.com/2011/08/green\\_ideology\\_trumps\\_flood\\_control.html](http://www.americanthinker.com/2011/08/green_ideology_trumps_flood_control.html)

[SEPP Comment: Did the Corps of Engineers fail in its principal obligation of protecting the public from floods?]

### ***Energy Issues***

#### **Administration launches energy partnership with Brazil**

By Andrew Restuccia, The Hill, Aug 18, 2011

<http://thehill.com/blogs/e2-wire/677-e2-wire/177421-administration-launches-energy-partnership-with-brazil>

[SEPP Comment: No doubt some of the wells will be drilled by rigs the administration drove from the Gulf of Mexico.]

#### **Help Wanted: Immediate Opening for More Coal Power Plants**

By Frank Clemente, Energy-Facts, Aug 18, 2011

<http://us1.campaign-archive1.com/?u=29bc7d5d85828d574f86c157a&id=fef2816247&e=>

[SEPP Comment: Coal is great for base load (sustained output), natural gas for peak loading (meeting varying demand).]

#### **ERCOT to Boost Texas Reliability Through Four Mothballed Plants**

By Staff Writers, POWERnews, Aug 17, 2011

[http://www.powermag.com/POWERnews/3941.html?hq\\_e=el&hq\\_m=2264757&hq\\_l=5&hq\\_v=5e66050d0](http://www.powermag.com/POWERnews/3941.html?hq_e=el&hq_m=2264757&hq_l=5&hq_v=5e66050d0)

### ***Nuclear Fears & Responses***

#### **Japan Commercially Restarts First Reactor After Inspections Following Fukushima Crisis**

By Staff Writers, POWERnews, Aug 17, 2011

[http://www.powermag.com/POWERnews/3947.html?hq\\_e=el&hq\\_m=2264757&hq\\_l=12&hq\\_v=5e660500d0](http://www.powermag.com/POWERnews/3947.html?hq_e=el&hq_m=2264757&hq_l=12&hq_v=5e660500d0)

### **Battling Bugs**

IAEA Pest Eradication Work Boosts Guatemalan Produce Exports

Staff Report, IAEA, Aug 15, 2011

<http://www.iaea.org/newscenter/news/2011/battlingbugs.html>

[SEPP Comment: One of the many benefits of radiation.]

### ***Oil and Natural Gas – the Future or the Past?***

#### **Gas boom or not, more oil rigs now**

Analyst: Crude production could surge by 3 million barrels a day

By Tom Fowler, Houston Chronicle, Aug 18, 2011

<http://www.chron.com/dispatch/story.mpl/business/energy/7702262.html>

[SEPP Comment: The drilling for natural using modern techniques has been so successful that the price has collapsed. Now rigs are using similar techniques drilling for oil.]

#### **New shale study refutes Cornell: Marcellus gas better than coal**

By Donald Gilliland, Patriot-News, Aug 17, 2011 [H/t GWPF]

[http://www.pennlive.com/midstate/index.ssf/2011/08/new\\_shale\\_study\\_refutes\\_cornel.html](http://www.pennlive.com/midstate/index.ssf/2011/08/new_shale_study_refutes_cornel.html)

### ***Oil Spills & Consequences***

#### **Collateral Damage: Lost Gulf Rigs from Obama Obstructionism (10 down, more to go?)**

By Kevin Mooney, Master Resource, Aug 18, 2011

<http://www.masterresource.org/2011/08/lost-gulf-rigs-obama/#more-16297>

### **Second Exposed Pipe Ruptures in Flood Zone**

By Jack Nicas, WSJ, Aug 19, 2011

[http://online.wsj.com/article/SB10001424053111904070604576516732060524112.html?mod=WSJ\\_business\\_whatsNews](http://online.wsj.com/article/SB10001424053111904070604576516732060524112.html?mod=WSJ_business_whatsNews)

*[SEPP Comment: Missouri River flooding continues to cause problems. The pipeline was drilled under the River but the ditch and fill method was used in the floodplain. The spill was natural gasoline leaving little or no evidence of the spill. May be behind a pay wall]*

### **Royal Dutch Shell closes oil valve after 12 day North Sea battle**

Royal Dutch Shell has finally managed to stop oil from spilling into the North Sea after a 12-day battle with the Gannet field leak.

By Rowena Mason, Telegraph, UK, Aug 19, 2011

<http://www.telegraph.co.uk/finance/newsbysector/energy/oilandgas/8712349/Royal-Dutch-Shell-closes-oil-valve-after-12-day-North-Sea-battle.html>

*[SEPP Comment: About 1,600 barrels leaked.]*

### ***Administration Control of Fossil Fuels***

#### **ExxonMobil sues US government over seizure of oil leases**

Oil major ExxonMobil is suing the US government for cancelling some of its deepwater exploration permits in the Gulf of Mexico.

By Rowena Mason, Telegraph, UK, Aug 18, 2011

<http://www.telegraph.co.uk/finance/newsbysector/energy/oilandgas/8709794/ExxonMobil-sues-US-government-over-seizure-of-oil-leases.html>

### **Liberals standing athwart history, yelling 'Stop!'**

Editorial, Washington Examiner, Aug 18, 2011

<http://washingtonexaminer.com/opinion/2011/08/liberals-standing-athwart-history-yelling-stop>

### **Chu vows to ‘chart a path’ for safe gas drilling**

By Ben Geman, The Hill, Aug 18, 2011

<http://thehill.com/blogs/e2-wire/677-e2-wire/177419-chu-vows-to-chart-a-path-for-safe-gas-drilling>

*[SEPP Comment: More controls in the making, less gas.]*

### ***Alternative, Green (“Clean”) Energy***

#### **Green Jobs, Red Faces**

Editorial, IBD, Aug 19, 2011

<http://www.investors.com/NewsAndAnalysis/Article/582154/201108191845/Green-Jobs-Red-Faces.htm>

### **Sun Sets On the President’s Policies**

Editorial, IBD, Aug 18, 2011

<http://www.investors.com/NewsAndAnalysis/Article.aspx?id=582016&p=1>

### **Campaign advice for ‘all of the abovers’**

Wind power can be more expensive and dirty than we think

By David Schnare, Washington Times, Aug 16, 2011

<http://www.washingtontimes.com/news/2011/aug/16/campaign-advice-for-all-of-the-abovers/>

### **Citing a Lack of Usage, Costco Removes E.V. Chargers**

By Jim Motavalli, NYT, Aug 17, 2011

<http://wheels.blogs.nytimes.com/2011/08/17/citing-a-lack-of-usage-costco-removes-e-v-chargers/>

### **Hansen, WG3 and Green Kool-aid**

By Steve McIntyre, Climate Audit, Aug 13, 2011

<http://climateaudit.org/2011/08/13/hansen-and-ipccs-green-kool-aid/#more-14360>

[SEPP Comment: Not all believe renewable are the answer. Even James Hansen compares them to the Easter Bunny.]

### **Review of Recent Scientific Articles by NIPCC**

For a full list of articles see [www.NIPCCreport.org](http://www.NIPCCreport.org)

### **On Determining Changes in Intertidal Marine Species Ranges**

Reference: Helmuth, B., Yamane, L., Lalwani, S., Matzelle, A., Tockstein, A. and Gao, N. 2011. Hidden signals of climate change in intertidal ecosystems: What (not) to expect when you are expecting. *Journal of Experimental Marine Biology and Ecology* 400: 191-199.

<http://www.nipccreport.org/articles/2011/aug/17aug2011a4.html>

### **Modeling the North American Monsoon**

Reference: Cerezo-Mota, R., Allen, M. and Jones, R. 2011. Mechanisms controlling precipitation in the northern portion of the North American monsoon. *Journal of Climate* 24: 2771-2783.

<http://www.nipccreport.org/articles/2011/aug/16aug2011a2.html>

The implication of their results, in the words of Cerezo-Mota *et al.*, is that "precipitation in Arizona-New Mexico would not be correctly represented by a regional model driven by these GCMs." Thus, they write that RCMs driven by the "most commonly used" GCMs "would not give realistic simulations of the current climate of the region and therefore would not offer a realistic projection of climate change of the NAM."

### **Sea Urchin Larvae Living in Periodically Low-pH Seawater**

Reference: Yu, P.C., Matson, P.G., Martz, T.R. and Hofmann, G.E. 2011. The ocean acidification seascape and its relationship to the performance of calcifying marine invertebrates: Laboratory experiments on the development of urchin larvae framed by environmentally-relevant pCO<sub>2</sub>/pH. *Journal of Experimental Marine Biology and Ecology* 400: 288-295.

<http://www.nipccreport.org/articles/2011/aug/16aug2011a5.html>

Hence, it would appear, as Yu *et al.* conclude, that "the effects of small magnitude in these urchin larvae are indicative of a potential resilience to near-future levels of ocean acidification."

[SEPP Comment: Using atmospheric CO<sub>2</sub> levels up to 1000 and 1450 ppm]

### **The Future of Earth's Coral Reefs**

Reference: Pandolfi, J.M., Connolly, S.R., Marshall, D.J. and Cohen, A.L. 2011. Projecting coral reef futures under global warming and ocean acidification. *Science* 333: 418-422.

<http://www.nipccreport.org/articles/2011/aug/17aug2011a3.html>

[SEPP Comment: According to Science, a decline in the alkalinity of the ocean is acidification.]

### **Environmental Industry**

#### **Rick Perry: Just Another Climate Denier**

By Heather Taylor-Miesle, Dir NRDC Action Fund, Aug 17, 2011 [H/t Timothy Wise]

[http://www.huffingtonpost.com/heather-taylormiesle/rick-perry-climate-change\\_b\\_929870.html](http://www.huffingtonpost.com/heather-taylormiesle/rick-perry-climate-change_b_929870.html)

<http://www.nrdcactionfund.org/>

[SEPP Comment: The National Resources Defense Council states its political preferences.]

## **Green groups challenge EPA on biomass climate exemption**

By Ben Geman, The Hill, Aug, 15, 2011

<http://thehill.com/blogs/e2-wire/677-e2-wire/176897-green-groups-challenge-epa-on-biomass-climate-exemption>

*[SEPP Comment: Apparently some green groups dislike the idea that biomass burning may involve burning wood.]*

## **Other Scientific News**

### **Ethane levels yield information about changes in greenhouse gas emissions**

By Staff Writers, SPX, Aug 18, 2011

[http://www.terraily.com/reports/Ethane\\_levels\\_yield\\_information\\_about\\_changes\\_in\\_greenhouse\\_gas\\_emissions\\_999.html](http://www.terraily.com/reports/Ethane_levels_yield_information_about_changes_in_greenhouse_gas_emissions_999.html)

"After carbon dioxide, methane is the second most important greenhouse gas." *[SEPP Comment: The researcher forgot the most important greenhouse gas – water vapor.]*

### **Spacecraft Sees Solar Storm Engulf Earth**

By Tony Phillips, NASA, Aug 18, 2011 [H/t Hans Schreuder]

[http://science.nasa.gov/science-news/science-at-nasa/2011/18aug\\_cmemoie/](http://science.nasa.gov/science-news/science-at-nasa/2011/18aug_cmemoie/)

*[SEPP Comment: A brief movie of the solar wind engulfing the earth.]*

### **Solar Flares: What Does It Take to Be X-Class?**

By Karen C. Fox, Goddard Space Flight Center, SPX, Aug 17, 2011

[http://www.spacedaily.com/reports/Solar\\_Flares\\_What\\_Does\\_It\\_Take\\_to\\_Be\\_X\\_Class\\_999.html](http://www.spacedaily.com/reports/Solar_Flares_What_Does_It_Take_to_Be_X_Class_999.html)

### **Breathing new life into Earth**

By Jennifer Chu for MIT News, SPX, Aug 18, 2011

[http://www.terraily.com/reports/Breathing\\_new\\_life\\_into\\_Earth\\_999.html](http://www.terraily.com/reports/Breathing_new_life_into_Earth_999.html)

### **Mapping Antarctic Ice In Motion**

By Felicity Barringer, NYT, Aug 18, 2011

<http://green.blogs.nytimes.com/>

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## **BELOW THE BOTTOM LINE:**

### **Aliens may destroy humanity to protect other civilisations, say scientists**

Rising greenhouse emissions may tip off aliens that we are a rapidly expanding threat, warns a report for Nasa

By Ian Sample, Guardian, UK, Aug 18, 2011 [H/t Bud Bromley]

<http://www.guardian.co.uk/science/2011/aug/18/aliens-destroy-humanity-protect-civilisations>

*[SEPP Comment: The report was prepared independently of NASA, although a NASA employee participated on his own time.]*

### **Sen. Charles Schumer touts tax incentives for manure energy**

By Staff Writers, AP, Aug 12, 2011

[http://www.syracuse.com/news/index.ssf/2011/08/sen\\_charles\\_schumer\\_touts\\_tax.html](http://www.syracuse.com/news/index.ssf/2011/08/sen_charles_schumer_touts_tax.html)

### **Researchers Suggest Link Between Obesity & Global Warming**

Researchers at the Robert Gordon University have completed a study that addresses the link between climate change and obesity.

By Staff Writers, Scotland Food and Drink, Aug 16, 2011 [H/t WUWT]  
<http://www.scotlandfoodanddrink.org/news/article-info/2617/scots-researchers-suggest-link-between-obesity-and-global-warming.aspx>  
[SEPP Comment: Save the planet – don't eat!]

### Are humans to blame for shark attacks?

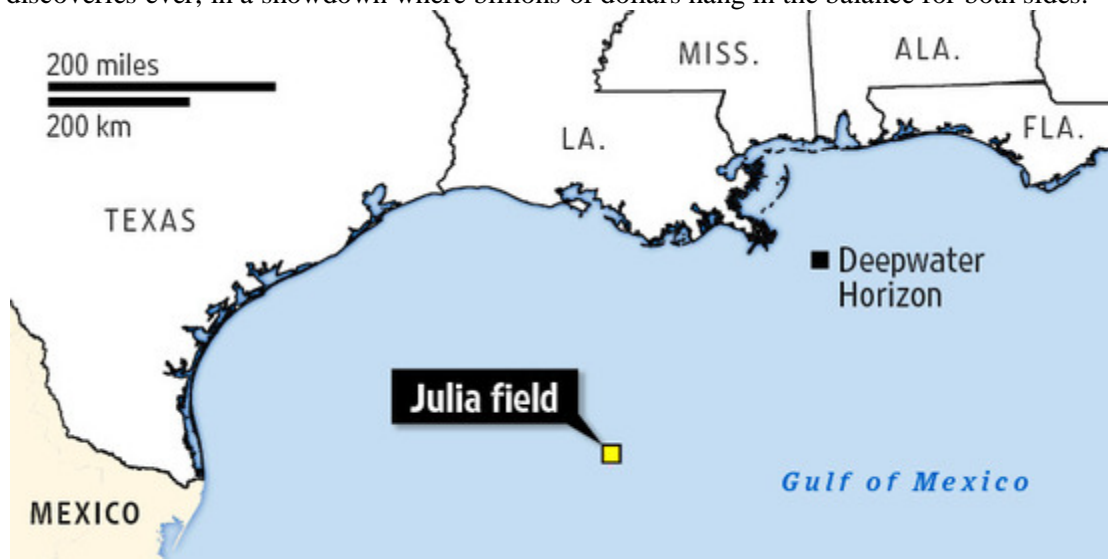
By Staff Writers, AFP, Aug 18, 2011  
[http://www.terradaily.com/reports/Are\\_humans\\_to\\_blame\\_for\\_shark\\_attacks\\_999.html](http://www.terradaily.com/reports/Are_humans_to_blame_for_shark_attacks_999.html)  
[SEPP Comment: They would not occur if humans stayed out of the water.]  
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## ARTICLES:

### 1. Exxon, U.S. Government Duel Over Huge Oil Find

By Russell Gold, WSJ, Aug 18, 2011  
[http://online.wsj.com/article/SB10001424053111903596904576514762275032794.html?mod=WSJ\\_hp\\_LEFTWhatsNewsCollection](http://online.wsj.com/article/SB10001424053111903596904576514762275032794.html?mod=WSJ_hp_LEFTWhatsNewsCollection)

Exxon Mobil Corp. is fighting with the U.S. government to keep control of one of its biggest oil discoveries ever, in a showdown where billions of dollars hang in the balance for both sides.



The massive Gulf of Mexico discovery contains an estimated one billion barrels of recoverable oil, the company says. The Interior Department, which regulates offshore drilling, says Exxon's leases have expired and the company hasn't met the requirements for an extension. Exxon has sued to retain the leases.

The court battle is playing out at a time in which the Obama administration has made an issue of unused leases, which deprive the Treasury of valuable taxes. It also comes as regulators are being careful not to be seen as lax in their dealings with large energy companies in the wake of last year's BP PLC spill.

The stakes are high: Under federal law, the leases—and all the oil underneath—could revert to the government if Exxon doesn't win in court.

The loss of the leases would be an enormous black eye for Exxon. The company hadn't previously disclosed the size of the discovery in what is called the Julia field until it was mentioned in the suit Exxon filed against the Interior Department last week in federal court in Lake Charles, La.

The Texas behemoth faces the sobering prospect that it may have made the largest discovery ever in the Gulf of Mexico only to lose it. Tens of billions of dollars of oil could slip through its hands because it failed to follow federal rules for getting a lease extension while it moved forward with plans to get the oil out of the ground.

Exxon spokesman Patrick McGinn said the company expected to get the extension, which he said was traditionally granted as a matter of course. "You state your case and you got it. [This] was unexpected."

This high-stakes standoff is likely to spark a political, as well as legal, showdown between the federal government and the nation's largest oil company. It has also roped in Norway's [Statoil](#)ASA, which owns 50% of the Julia find. Statoil said it filed its own suit Monday in the same Louisiana federal court against the Interior Department to preserve the leases. Exxon is the field's operator and lease holder.

A spokeswoman for the Interior Department said, "Our priority remains the safe development of the nation's offshore energy resources, which is why we continue to approve extensions that meet regulatory standards."

The Interior Department, which oversees offshore oil development and collects royalties, has been trying to show that it has become a tougher, but still fair, regulator of the Gulf of Mexico's oil riches. Its reputation was battered during the massive Deepwater Horizon well blowout and oil spill last year, when BP sought—and the government approved—last-minute changes to the well design, which some investigators say contributed to a chaotic environment aboard the drilling rig. The government was roundly criticized for weak oversight of safety rules.

Now the department must decide whether to fight Exxon in court or settle and allow it to develop the oil. Turning the leases over to another company would mean further delays to the tax royalties that would go to government coffers. At current prices, potential royalties paid to the government over the lifetime of a one billion-barrel field would be about \$10.95 billion.

The oil industry, led vocally by Exxon, has said that developing oil fields in the deepest reaches of the Gulf takes time to do safely. And by threatening to take away a massive discovery, the industry says that the government is sending the message that oil companies need to be in a rush to produce.

The possibility that Exxon could lose this oil will likely send shock waves through the industry. "This is unprecedented," said Amy Myers Jaffe, associate director of the Energy Program at Rice University in Houston. "The question is: Do our offshore rules allow for flexibility? You don't want to let companies sit on a discovery... We definitely don't want to send the industry a message that you need to be in a rush or we'll take the oil away from you."

Exxon's lawsuit said the government has granted "thousands" of extensions over time. It said the government's denial of its extension relied on legal interpretations that it "had never before applied and had never before articulated." Statoil asserted in its lawsuit that no request for an extension for a deep-water development "had ever previously been denied." The Interior Department couldn't comment on this.

The Exxon discovery is believed to be the largest in the Gulf of Mexico since BP found the Thunder Horse Field in 1999, and it could be larger. The find also cements the Gulf of Mexico as a rich exploration area with large amounts of undiscovered oil that may keep oil companies active for years to come.

"This is very deep water, very complex structures and difficult-to-produce oil," said Exxon's Mr. McGinn.

The dispute over Exxon's plans for the Julia field began in October 2008—about a month before its 10-year leases expired—when it applied for a five-year "suspension of production."

Such extensions are "fairly common," said Elmer P. Danenberger III, a former federal official who oversaw U.S. offshore-drilling rules until he retired in 2009.

"I can honestly say that people who manage that program are really strict, which they need to be or it will be abused. If you don't have a commercial discovery and a plan for moving ahead at the end of the lease term...that's it."

In February 2009, the government denied Exxon's request for an extension and after a brief appeal denied it again that April. Exxon said in a letter at the time that it was "committed" to producing the oil, but the government said it didn't present a specific plan. The government contended this didn't meet legal requirements and denied the application.

More appeals followed, but Exxon lost its final appeal in May. The final decision hinged on whether Exxon had a concrete "commitment" to produce the oil in December 2008, when its lease expired. The director of the Office of Hearings and Appeals at the Interior Department ruled that it didn't.

Exxon is known in the industry for moving slowly and studying all options exhaustively before committing billions of dollars. But even if it loses this court case, all might not be lost. The Julia field consists of five leases—or square blocks in the Gulf of Mexico—and only three are being disputed. The other two aren't set to expire until 2013.

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## **2. Exxon's Billion-Barrel Secret**

By Angel Gonzalez, WSJ, Aug 19, 2011

[http://online.wsj.com/article/SB10001424053111904070604576516752602414020.html?mod=WSJ\\_business\\_whatsNews](http://online.wsj.com/article/SB10001424053111904070604576516752602414020.html?mod=WSJ_business_whatsNews)

HOUSTON—The only thing that surprised the energy industry more than Exxon Mobil Corp.'s mammoth oil find in the Gulf of Mexico is that it kept its size quiet for so long.

The company is notoriously closemouthed. As spokesman Patrick McGinn put it Thursday, Exxon just doesn't "talk much"—even as it became known publicly this week that it discovered possibly one billion barrels of recoverable oil that it could lose it in a court battle with the government.

Such discoveries tend to leak out. Dozens of company personnel usually know, and in this case there were perhaps dozens more from Exxon's 50% partner in the find, Norway's Statoil ASA.

But for reasons both technical and legal, the fact that Exxon had made perhaps the largest discovery ever in the Gulf, and one of the largest in the company's century-long history, wasn't revealed until it sued the Interior Department in a Lake Charles, La., federal court last week over leases for the oil.

The find was made in 2007, and Exxon and Statoil did disclose it in January 2008, calling it significant. But the possibility of one billion barrels wasn't spelled out.

"It's very unusual for the company to keep quiet on something of this magnitude," said Fadel Gheit, an analyst with Oppenheimer & Co. who has followed Exxon for decades. It is the kind of news shareholders eagerly wait for, especially as Wall Street has been wary of Exxon's embrace of natural gas, a commodity that produces much lower returns than oil.



Exxon shares have lagged behind peers—rising 17.9% over the past year compared with 21% for Chevron Corp., which has developed large, new oil fields in recent years. "This is good news and shareholders want that. They deserve it," Mr. Gheit said. Exxon shares fell 4.3% to \$70.94 Thursday amid a broader stock-market selloff.

It isn't all good news, though. Exxon and Statoil are suing the government because offshore-drilling regulators say the companies failed to follow federal rules and denied their application for lease extensions for the find. If Exxon should lose in court, the leases, and the oil in the ground, would revert to the government. The government would then seek a new company to begin producing oil from the find, which could translate into royalties of about \$13 billion over the field's lifetime at current prices.

Known for its conservative approach to the high-stakes game of oil exploration, Exxon had kept mum on two 2009 and 2010 discoveries in the Hadrian prospect until it could resume drilling in the area after the end of a months-long exploration moratorium. Last June, after it found a third prospect that confirmed the area contained 700 million barrels of recoverable oil and gas, it announced the finds with great fanfare.

But Exxon's reluctance to talk openly about the huge 2007 find, known as the Julia field, was also a result of circumstances. The oil that Exxon found there is in a deeply buried layer of rock known as the Lower Tertiary, which is far from shore and requires large investments in pipelines and remote platforms. So Exxon may not have known for a while how much oil it could get out of the ground, or whether it had the technology to do so, say analysts who have talked with the company. "It's a relatively complicated structure. It's not like you can rush it," said Paul Cheng, a Barclays Capital analyst.

Then there is the added complexity of the legal battle. The oil was discovered shortly before Exxon's leases on the area were to expire in 2008. Exxon requested an extension of the leases, but the government said the plan to develop the find was too vague and denied the extension in 2009. The plan involved extracting the oil through a production platform that Chevron planned to build for a neighboring field.

That led to a series of appeals and legal wrangling that continues. The courtroom drama is muddying the picture on how quickly those reserves can be tapped, analysts say. "This is going to create more uncertainty," said Blake Fernandez, an analyst with Howard Weil.

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