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enture now held by Russian oligarchs and BP.

olossus

Oil analysts say Russia is unlikely to withhold oil, even as this becomes more feasible, as shutting down continent-spanning oil pipelines is too expensive. Also, many Siberian oil wells cannot be stopped without destroying them, as permafrost surrounding their upper portions would freeze the well bore solid.

BP is hoping a partnership with Rosneft might follow a similar arc of profit as its deal with the oligarchs.

BP made a fortune in Russia by applying Western oilfield techniques to Soviet-era wells and infrastructure, which worked well despite BP's blundering technical reputation after the Gulf of Mexico spill.

Sometimes, engineers made adjustments as simple as opening the spigot wider at the mouth of a well, because the previous owners, following the Soviet axiom that they would pretend to work for pretend pay, had never bothered to check if more oil could flow.

From the mid-1980s to mid-1990s, Russian oil output dropped by half to just over six million barrels a day, before deals like the creation of TNK-BP helped reverse the trend.

It is now at about 10 million barrels a day, about tied with the levels of Saudi Arabia, but again in decline.

But future growth from fixing sloppy late Soviet work is unlikely, and a new chapter is opening in the history of the Russian oil industry.

''The landscape going forward looks a lot less attractive than the experience of the last 10 years,'' said Peter Hutton, an analyst at RBC Capital Markets. Referring to the revival of old fields in Siberia using Western technology, he said ''TNK-BP has been able to get fairly low-hanging fruit in the brownfield revolution. Getting additional reserves is going to be a lot more difficult.''

One senior oil company executive close to BP said the partnership could similarly transfer know-how to Rosneft.

''Mr. Sechin and Mr. Dudley have known each other for years,'' he said of BP's chief executive, Robert Dudley, a former director of TNK-BP. ''There is a willingness on the part of the leadership of Rosneft to get expertise and people from BP to improve the capability of Rosneft.''

Stanley Reed reported from London.

Germany spoils party with refusal on bank aid

BRUSSELS

After E.U. summit, direct bailouts of ailing lenders look less likely

BY JAMES KANTER

Chancellor Angela Merkel of Germany dampened expectations on Friday that Irish and Spanish banks hobbled by the financial crisis could receive direct injections of aid from a newly established European bailout fund.

If her view prevails, and Germany's often does, that means European rescue loans for the troubled banks, at least in the near term, would be carried on the books of the governments in Madrid and Dublin, adding to their debt burdens. The Spanish prime minister, Mariano Rajoy, has been particularly intent on avoiding that burden.

But Ms. Merkel's comments here Friday, at the conclusion of a two-day summit meeting of E.U. leaders, made clear that Germany was among the euro zone countries not willing to let bailout money flow directly to troubled banks any time soon. And even if Germany should consent someday, the money from the bailout fund would be meant to solve the banks' future problems — not to clean up currently existing messes.

''If recapitalization is possible, it will only be possible for the future,'' Ms. Merkel said at a news conference.

Spanish and Irish hopes had been buoyed back in late June, at the previous E.U. summit meeting, when the bloc's leaders agreed on a way that direct aid to banks might be able to flow from the new bailout fund, the European Stability Mechanism. The condition: first, a central regulator for euro zone banks would need to be put in place under the aegis of the European Central Bank.

But market pressures have eased significantly since June, and with it the sense of crisis. And Germany, backed by Finland and the Netherlands, has been urging a more carefully considered approach to centralized banking regulation for the region. On Friday, Ms. Merkel said preparations to set up the single banking supervisor for Europe would probably take until 2014.

And by then, she said, ''when the banking supervisor is in place we won't have any more problems with the Spanish banks — at least I hope not.''

Her comments would not affect the availability of the special emergency pool of up to €100 billion, or $130 billion, that euro zone finance ministers have pledged for shoring up Spain's banking industry. The Spanish government recently indicated that it might seek up to €40 billion for that purpose. But until the summit this week, Spain had been harboring hopes that its banks — and not the government — would bear the burden of carrying those loans on their books and be responsible for repaying them.

Now, if Mr. Rajoy wants to enlist that aid, it appears he will need to be willing to add it to Madrid's debt load.

Germany is the biggest contributor to the permanent bailout fund, the E.S.M., and Ms. Merkel faced the unwelcome prospect of having to dip into that pot of money to support shaky Spanish banks before national elections in Germany in September 2013. Such aid could be an election issue because German citizens have grown weary of paying most of the bill for bailouts, and they are wary of using more funds to help Spanish banks.

In the news conference, Ms. Merkel denied that one of her goals at the meeting had been to block the prospect of any new German-financed bailouts before the elections next year. But she acknowledged that it would be hard to erase that perception.

''No matter what I'm going to say it will probably not be the right answer by your standards,'' Ms. Merkel said in response to a question about the political implications of her stance. But ''I haven't

SUMMIT, PAGE 12

sfunctional city center

Hsieh realized that Zappos, the company that he had built to $1 billion in annual sales in less than a decade, would soon outgrow its offices in nearby Henderson. Though Amazon.com bought Zappos in 2009 for $1.2 billion, Mr. Hsieh still runs the company, and he has endeavored to keep alive its zany corporate culture. That includes a workplace where everyone sits in the same open space and employees switch desks every few months in order to get to know one another better. ''I first thought I would buy a piece of land and build our own Disneyland,'' he told the group. But he worried that the company would be too cut off from the outside world and ultimately decided ''it was better to interact with the community.''

Around the same time, the Las Vegas city government was also about to move, and Mr. Hsieh saw his opportunity. He leased the former City Hall — smack in the middle of downtown — for 15 years. Then he got to thinking: If he was going to move at least 1,200 employees, why not make it possible for them to live nearby? And if they could live nearby, why not create an urban community aligned with the culture of Zappos, which encourages the kind of ''serendipitous interactions'' that happen in offices without walls? As Zach Ware, Mr. Hsieh's right-hand man in the move, put it, ''We wanted the new campus to benefit from interaction with downtown, and downtown to benefit from interaction with Zappos.'' The only hitch was that it would require transforming the derelict core of a major city.

For Mr. Hsieh, though, this was part of the appeal. Transforming downtown Vegas would ''ultimately help us attract and retain more employees for Zappos.'' For

LAS VEGAS, PAGE 10

Merkel unwilling to aid banks directly

SUMMIT, FROM PAGE 9

even thought about this,'' she insisted.

On Thursday night, E.U. leaders had agreed that the legislation to put in place a more unified banking system should be completed by the end of the year. But they tweaked language in their final report to make it clear that they did not expect the new system to enter into force by January 1.

The leaders left it to finance ministers ''to agree on the practical details, and the discussions will likely be complicated and delayed,'' Philippe Gudin, an economist at Barclays, wrote in a briefing note on Friday.

The French government and the E.U.'s administrative arm, the European Commission, had sought to hasten the legislation in order to let direct aid begin flowing to some of the euro zone's most vulnerable banks on January 1.

But François Hollande, the French president. in comments early Friday after a late-night session, was unable to give a date for the start of the system and instead said markets should take comfort that direct recapitalization of banks still should be able to go forward over the course of 2013.

Mr. Rajoy, the Spanish prime minster, said after the summit meeting that he remained convinced that direct recapitalization of his country's banks could take place once the supervision was in place. But he said Spain's finances still would be manageable even if that option was not available.

Enda Kenny, the Irish prime minister, said Friday that the details of how direct recapitalization would be worked out by finance ministers.

When agreed to in principle back in June, the creation of a single banking regulator for the euro area was supposed to be a relatively straightforward matter. But since then, Germany has balked at proposals by the European Commission and France to put all 6,000 lenders in euro zone countries under the direct supervision of the regulator.

Before any changes occur, the government in Berlin wants to ensure that the E.C.B. has capacity to do that job, while some German regional leaders are opposed to greater scrutiny of state and local banks by the E.C.B.

JOHN THYS/AGENCE FRANCE-PRESSE

Chancellor Angela Merkel of Germany in Brussels on Friday after the summit meeting.