



## The Last Drumbeat

Posted by [Leanan](#) on September 4, 2013 - 9:52pm

### [Is the idea of peak oil a false projection or impending reality?](#)

The world has recently been exposed to many optimistic estimates on the future of oil production and the media has eagerly picked up these projections. International Energy Agency estimates that by 2020, the USA is projected to become the largest global oil producer, to the extent that it is to become a net oil exporter by 2030. These perspectives are offered as an alternative to the pessimistic Hubbert curve projections that imply we are at, or near, maximum global production of oil. But if you dig into the rationales for this optimism, it is based principally on two concepts. There are new developments in the oil industry, specifically directional (horizontal) drilling and fracking, principally in the Eagle Ford play of Texas and the Bakken region of North Dakota and Montana. And, stated less frequently, the addition of other fluids to what is called oil, most importantly natural gas liquids, which are expected to increase as a result of fracking for gas. In fact, there has been little, if any, increase in the global production of conventional oil since 2005, and most of that has been in the USA.

### [Don't Place Your Bets On Peak Oil Demand Just Yet](#)

For some reason, the oil market is always spoken of in hyperbolic terms. A pending dispute between two nations can double oil prices within a matter of months. Or peak oil worries set in and prices will skyrocket as production declines. Today, the new theory is that we are at a point of peak demand, and the decline in OECD demand will lead us to a more rosy energy outlook on the horizon.

There is one thing that we should all give pause to before immediately reacting to news like this: demographics. The sheer size of the global population and the disparity in global economic wealth make the concept of peak oil demand much more difficult to realize than we can possibly imagine.

### [Another Peak Oil Fad](#)

For 70 years, environmentalists have predicted the world would see diminishing supplies of oil after reaching a peak in production. The peak never occurred and the peak oil fantasy has been put to bed, at least for the foreseeable future, by the emergence of large quantities of unconventional oil as the result of fracking.

Now, environmentalists are suggesting there will be a demand peak instead of a supply peak, where supply outstrips demand.

## ["Resiliency: How to Survive Peak Oil and Climate Change."](#)

Speaker and author Steve Hallett from Purdue University presents a provocative and humorous talk combining the research from his two books, "Life Without Oil: Why We Must Shift to a New Energy Future" and "The Efficiency Trap: Finding a Better Way to Achieve a Sustainable Energy Future."

## [So Long, Farewell](#)

Remember Peak Oil? Before fracking opened up vast amounts of gas and shale oil, before the protests against the Keystone XL tar sands pipeline, before BP's Deepwater Horizon blowout, peak oil was one of environmentalists' chief concerns. Greens said that, at some point soon, crude oil production would decline, forcing a spike in petroleum prices that would fundamentally alter life as we know it. The prediction was at once a warning and a hope: We had to prepare for an era of oil scarcity, and in those preparations lay the groundwork for a less consumption-driven lifestyle.

## [The Fossil Fuels War](#)

Only a few years ago governments, corporations, and energy analysts were fixated on the problem of "the end of cheap oil" or "peak oil," pointing to growing shortages of conventional crude oil due to the depletion of known reserves. The International Energy Agency's 2010 report devoted a whole section to peak oil. Some climate scientists saw the peaking of conventional crude oil as a silver-lining opportunity to stabilize the climate—provided that countries did not turn to dirtier forms of energy such as coal and "unconventional fossil fuels."

Today all of this has changed radically with the advent of what some are calling a new energy revolution based on the production of unconventional fossil fuels.<sup>3</sup> The emergence in North America—but increasingly elsewhere as well—of what is now termed the "Unconventionals Era" has meant that suddenly the world is awash in new and prospective fossil-fuel supplies.

## [Michael Lynch: Shale Gas Production And High Decline Rates](#)

In a classic movie scene, a skeptical Sigourney Weaver asks Ghostbuster Bill Murray what the instrument he's using actually does and he hesitates, then responds, "It's technical." This is an old ploy that has been used in public policy debates for many years; the famous physicist Vannevar Bush, when asked during World War II to justify his budget for research would respond by drawing schematics on a board, causing the Congressmen to quickly terminate the discussion.

This practice is common in many energy debates as well, including the controversy over the impact of hydraulic fracturing of shales. The two technical buzz words/terms often

thrown up are 'decline rates' and 'energy return on energy invested' (EROEI), which are cited as suggesting that conventional petroleum supplies are, or will soon be, declining. Peak oil advocates were quick to seize on these concepts, but those who are merely pessimistic about supply still bring them up.

### [American energy booming despite Obama's policies](#)

Fossil fuel production on private lands has increased by 27 percent since 2003, according to the EIA. But on government lands, fossil fuel production is down 15 percent since 2003, including a 4 percent drop in 2011 alone. It is Obama's policies that are directly causing these drops in public land energy production. Immediately after taking office in 2009, Obama canceled 77 leases for oil and gas drilling in Utah. Then in January 2010, Obama issued new regulations further restricting energy development on all federal lands.

### [Crude Drops as U.S. Weighs Syria Attack](#)

West Texas Intermediate crude fell the most in two weeks as the U.S. considered limiting the scale of military strikes on Syria.

Futures dropped 1.2 percent. The Senate Foreign Relations Committee passed a resolution authorizing the "tailored" use of force. It was the first test of congressional support for President Barack Obama's plan to attack Syria in response to the alleged deployment of chemical weapons against civilians.

"As the market begins to expect a more limited involvement for the United States in Syria and a more limited potential expansion of the conflict, it's taking some of the premiums off the top," said Jason Schenker, president of Prestige Economics LLC, an Austin, Texas-based energy consultant.

### [US WCoast Products- Gasoline soars on refinery problems](#)

HOUSTON (Reuters) - Gasoline soared in West Coast refined products spot markets on Wednesday as traders said a San Francisco Bay refinery was having problems recovering from a malfunction earlier in the week.

### [Fracking Boom Seen Raising Household Incomes by \\$1,200](#)

Surging oil and natural gas production brought on by hydraulic fracturing is lifting the U.S. economy by lowering energy costs for consumers and manufacturers, according an industry-funded report.

In 2012, the energy boom supported 2.1 million jobs, added almost \$75 billion in federal and state revenues, contributed \$283 billion to the gross domestic product and lifted household income by more than \$1,200, according to the report released today from

IHS CERA. The competitive advantage for U.S. manufacturers from lower fuel prices will raise industrial production by 3.5 percent by the end of the decade, said the report from CERA, which provides business advice for energy companies.

“What really surprised me was how powerful an impact it is having to such a broad base of the economy,” John Larson, vice president of economics and public sector consulting for IHS CERA and lead author of the report, said in an interview. “It makes it to me a story that all Americans really need to come to grips with and understand.”

### [Africa's richest man plans refinery, plants worth \\$9 bn](#)

Africa's richest man announced plans Wednesday to build a refinery as well as petrochemical and fertiliser plants worth some \$9 billion, promising to reduce Nigeria's dependency on imported fuel.

### [Malaysia's Najib Raises Fuel Prices to Trim Budget Gap](#)

Malaysia raised fuel prices for the first time since 2010, joining neighboring Indonesia in curbing subsidies that have stretched government budgets and threatened investor confidence.

### [Iraq to provide oil assistance to Jordan worth \\$25m](#)

AMMAN: Iraq has announced to provide oil assistance to Jordan worth \$25 million, media reported.

The spokesperson for Jordanian minister of state for media affairs, Mohammed Al-Momani, said the Iraqi council of ministers has decided to offer the assistance in the form of crude oil, Jordan news agency PETRA reported.

### [Venezuela's leader blames right-wing saboteurs for power outage](#)

CARACAS, Venezuela — With parts of Venezuela still dark after a mysterious blackout that left the capital and 17 states without electricity, President Nicolas Maduro laid the blame on opposition sabotage as his government scrambled to respond to the power failure.

The power shutdown began midday Tuesday after an apparent failure in high voltage transmission lines in Aragua and Guarico states, which led to total outage in several of the country's most populous areas.

### [Senate committee approves Syria attack resolution](#)

WASHINGTON — The Senate Foreign Relations Committee voted to authorize President Obama to use limited force against Syria Wednesday, after adopting amendments from Sen. John McCain designed to urge Obama to "change the military equation on the battlefield."

### [What's the evidence of Syrian chemical weapons attack?](#)

But despite all the talk about conclusive intelligence, questions remain. A declassified report by the White House does not divulge all details of the evidence the United States is looking at. And it remains unclear what the "streams of intelligence" cited in the report may be and how they were collected.

Russia insists there's no proof. Russian President Vladimir Putin said he wants to see evidence that would make the determination "obvious."

### [Jeff Rubin: Will Syria Bring an Oil Shock?](#)

Is the Middle East about to deliver another oil shock to the global economy? The U.S. military has targets picked out in Syria and President Obama is trying to convince Congress that America needs to intervene. If the U.S. does go ahead with tactical strikes against the Assad regime, oil markets will be caught in the middle. The size of the repercussions, though, is an open question.

History, both recent and more distant, offers a sense of what to expect when the world's most important oil producing region destabilizes. Syria's oil production, in terms of physical supply, is inconsequential. What's more of a concern is how Syria's neighbours react to any military intervention by the U.S. The Middle East is home to roughly a third of global oil production. The world depends on a steady stream of cheap crude flowing from the region in order to keep the global economy running smoothly.

### [Impact of war on stocks and oil](#)

NEW YORK (CNNMoney) - The threat of U.S. military action in Syria has put pressure on stock prices and sent oil higher. But if history holds, the actual start of an intervention would quickly reverse those moves.

### [Libya PM warns time running out for oil protests](#)

TRIPOLI: Libya's patience with protesters who have halted its onshore oil output is running out and action against them nearer, Prime Minister Ali Zeidan said yesterday.

"The government has been patient," Zeidan said. "To preserve national unity we saw fit to use all peaceful means to resolve this issue but at some point we may reach a point in which the state should exercise its role seriously to stop this."

Oil industry executives say Zeidan's shaky central government risked widening violence that could descend into civil war if it uses force to recapture oilfields.

### [Medvedev Confident On Russian Gas Role](#)

Russia is unconcerned about natural gas exports from the United States driving down the price European consumers pay for Russian gas, Prime Minister Dmitry Medvedev said in an interview with Germany's Handelsblatt.

### [Owen Paterson echoes David Cameron's claim that fracking boom can bring down energy bills](#)

Owen Paterson, the Environment Secretary, has held out the prospect that a fracking boom in the UK would lower energy prices – just a day after leading climate change economist Lord Stern dismissed a similar claim by David Cameron as “baseless”.

### [Taq seeks green light on Kurdish oil production](#)

Abu Dhabi National Energy (Taq), the state utility, is seeking approval to pump 30,000 barrels per day from its field in the Kurdish region of Iraq.

Although the amount would be a fraction of the capacity of more developed fields in the Kurdish area such as Taq Taq and Tawke, plans for extra output add urgency to the semi-autonomous region's case for exporting oil without the involvement of the Iraqi federal government.

### [Rupee's Plunge Prompts Refiner to Embrace Iran](#)

India is increasing imports of crude oil from Iran as policy makers risk flouting U.S. trade sanctions in their scramble to halt the slump in the rupee.

### [Nigeria: Delta youth shut down oil firm's operations](#)

Youth in Utagba-Ogbe, Ndokwa West Local Government Area of Delta State on Tuesday shut down the flare and drilling rig of Midwestern Oil and Gas Company, grounding its activities.

Six blue chip companies: Midwestern Oil and Gas, Energia, Pillar Gas, Agip, Sterling Global and Platform Petroleum are said to be producing “over 159 barrels of crude oil per day from the community.

### [Turkmenistan starts pumping natural gas from vast South Yolotan field](#)

Turkmenistan began pumping natural gas Wednesday from a vast field near the Afghan border that will help it more than double exports to China in the coming years.

Chinese President Xi Jinping joined Turkmenistan's President Gurbanguli Berdymukhamedov for the start of gas production at the South Yolotan field in the former Soviet republic in Central Asia.

### [Chesapeake New York gas lease deal expected next week](#)

NEW YORK (Reuters) - Chesapeake Energy Corp will finalize an agreement next week to drop about 12,000 acres of land leased for energy drilling in New York state, as a moratorium on fracking continues into its sixth year.

### [ConocoPhillips Continues to Plunge Deeper Into the Gulf](#)

By all accounts, the most recent lease sale in the Gulf of Mexico was a disappointment. The latest auction by the Bureau of Ocean Energy Management attracted the second-lowest amount of bids in 30 years. However, for ConocoPhillips the latest auction saw the company wade even deeper into the Gulf as it came up as the high bidder after offering \$30.58 million for a tract 200 miles off the coast of Galveston, Texas.

### [Kenya on fast track to join world's exporters](#)

Kenya is ready to join the ranks of oil producing nations, with shipments slated to begin in 2016.

This means Kenya will become the first oil exporter in east Africa.

### [World panel rules for Conoco in Venezuela oil case](#)

Venezuela failed to fairly compensate ConocoPhillips for its seizure of three crude oil projects in 2007, according to a ruling from a World Bank arbitration panel.

The International Centre for Settlement of Investment Disputes in Washington concluded in a ruling issued Tuesday that Venezuela "breached its obligation to negotiate in good faith."

The panel has not yet determined what Venezuela owes ConocoPhillips.

### [PetroChina Sued Over Failure to Disclose Corruption](#)

PetroChina Co. was sued by an investor who claims the oil producer violated U.S. securities laws by failing to disclose corruption that exposed it to government investigations and penalties.

### [Regulators Still Probing JPMorgan Over Market Manipulations](#)

Through multiple sources familiar with the matter, Reuters learned that U.S. authorities are in the midst of a criminal investigation aimed at discovering whether several employees of JPMorgan tried to impede FERC's probe.

In particular, the Federal Bureau of Investigation and prosecutors from Manhattan U.S. Attorney Preet Bharara's office want to determine if those employees — including three individuals who operated out of a Houston office — gave regulators all the information they needed to investigate the bank's power market deals, the sources told Reuters.

### [Fracking Practices to Blame for Ohio Earthquakes](#)

Wastewater from the controversial practice of fracking appears to be linked to all the earthquakes in a town in Ohio that had no known past quakes, research now reveals.

### [New Drilling Rules Reflect Old Problems](#)

The Bureau of Land Management (BLM) is at a fork in the road to America's public lands. One path offers outdated, inadequate rules — the path that the agency has been following to regulate oil and gas drilling for more than three decades. Down the other path are requirements for oil and gas producers to use today's best-available practices to protect America's clean air, clean water, wild lands and human health. That path would lead toward a future where oil and gas resources are more responsibly developed, in ways that reduce threats to public health and the environment and respect the quality of life in local communities.

### [Japan's radioactive water leaks: How dangerous?](#)

TOKYO — New revelations of contaminated water leaking from storage tanks at the tsunami-ravaged Fukushima Dai-ichi nuclear power plant have raised alarm, coming just weeks after Japanese officials acknowledged that radioactive water has been seeping into the Pacific from the plant for more than two years. The government announced this week that it would contribute 47 billion yen (\$470 million) to build an underground "ice wall" around the reactor and turbine buildings and develop an advanced water treatment system. A look at the problem, and the potential risks to fish and the humans who eat them.

### [In Eastern Tennessee, The Future Of Electricity Generation Takes Shape](#)



TVA, which brought electricity and running water to much of the Southeast in the decades following the Great Depression, is facing many of the challenges that big utilities across the country face, and it has responded (or has been forced to respond) by beginning to phase out its coal-fired units in favor of gas-fired generation at modern combined cycle plants, including one at the John Sevier power station in Rogersville, Tennessee. In 2011, the TVA signed a landmark agreement with four states, several environmental groups, and the U.S. Environmental Protection Agency that calls for the retirement of 18 units at three power plants, including the huge Johnsonville Fossil Plant in Tennessee, the Widows Creek Fossil Plant in northern Alabama, and the Sevier plant. Two of the four units at Sevier have been idled, and the other two will either be equipped with modern emissions control equipment, converted to biomass-fired generation, or retired by the end of 2015.

### [Is USA's love affair with the automobile over?](#)

Driving in America has stalled, leading researchers to ask: Is the national love affair with the automobile over?

After rising for decades, total vehicle use in the U.S. — the collective miles people drive — peaked in August 2007. It then dropped sharply during the Great Recession and has largely plateaued since, even though the economy is recovering and the population growing. Just this week the Federal Highway Administration reported vehicle miles traveled during the first half of 2013 were down slightly, continuing the trend.

### [Auto sales rebound to pre-recession levels](#)

DETROIT (AP) -- For the U.S. auto industry, the recession is now clearly in the rear-view mirror.

New car sales jumped 17 percent to 1.5 million in August, their highest level in more than six years. Toyota, Ford, Nissan, Honda, Chrysler and General Motors all posted double-digit gains over last August.

### [Chart: 2/3rds of Global Solar PV Has Been Installed in the Last 2.5 Years](#)

If you want to understand why people so often compare deployment trends in solar photovoltaics (PV) to Moore's law in computing, consider this statistic: two-thirds of all solar PV capacity in place worldwide has been installed since January 2011.

Let's put that into perspective. It took nearly four decades to install 50 gigawatts of PV capacity worldwide. But in the last 2 1/2 years, the industry jumped from 50 gigawatts of PV capacity to just over 100 gigawatts. At the same time, global module prices have fallen 62 percent since January 2011.

## [Grid Expansion Delays Won't Derail Germany's Energy Transition, Analysis Finds](#)

LONDON -- Expanding Germany's transmission grid in order to accommodate increasing amounts of renewable energy will be a crucial element of the nation's effort to meet its 2020 climate targets. But new analysis suggests that even if grid updates are heavily delayed, the nation could still successfully add large amounts of renewables, albeit with slightly higher costs.

## [A Bet on the Environment](#)

Called Mosaic, the company functions like a virtual renewable energy bank, soliciting investments for solar projects and making loans to be paid back, typically, over about 10 years. Mosaic collects a fee on every loan. It is similar to the crowdfunding platform Kickstarter, a Web site that matches creative ventures with financial supporters. In the case of Mosaic, with a minimum of \$25, investors can earn a return.

"Our goal is to build the No. 1 investment platform for clean energy," Mr. Parish said. Mosaic, he added, allows investors "to not just be passive consumers but to be creators, to be owners, to collaborate to make things happen."

## [Thousands of Fish Killed by Waste From Chinese Plant](#)

HONG KONG — Thousands of dead fish floating along a 19-mile stretch of a river in Hubei Province in central China were killed by pollutants emitted by a local chemical plant, provincial environmental officials said Wednesday.

## [Young Students Against Bad Science](#)

Your parents may have had to walk uphill, both ways, to get to school. But as ideological warfare threatens the teaching of climate science and evolution in many schools, it is clear that today's students face their own obstacles on the road to a respectable science education — and some are speaking out.

## [Why New Approaches Will Strengthen African Nations](#)

Africa is poised for the world's next green revolution. Across the continent, there has been a renewed commitment from governments, nongovernmental organizations and the private sector to move agriculture from a development challenge to a business opportunity. As a result, countries such as Nigeria are moving to once again become net exporters, rather than importers, of agricultural commodities. Agriculture has become one of the most powerful engines for Africa's economies, many of which have experienced rapid growth over the last decade.

## [Safeway stores to pay \\$600K fine for clean air violations, agrees to reduce greenhouse gases](#)

SAN FRANCISCO — Grocery retailer Safeway, Inc. will pay \$600,000 and has agreed to a nationwide reduction of greenhouse gas emissions from refrigeration equipment at its 659 U.S. stores under terms of a settlement released Wednesday.

The U.S. Environmental Protection Agency and Department of Justice said the settlement with the Pleasanton, Calif.-based retailer is the largest ozone protection case ever reached under the Clean Air Act.

### [World Bank to insist projects it funds include steps to curb air pollution](#)

The World Bank is planning "aggressive action" to help developing nations cut emissions of soot and other air pollutants blamed for causing climate change, in a shift also meant to protect human health and aid crop growth.

### [Barack Obama should practise what he preaches about climate change](#)

Grand speeches on fighting global warming are meaningless if US keeps blocking EU's efforts to cut carbon emissions.

### [Finnish study on climate change: Procrastination over mitigation measures could prove costly](#)

Forecasts about global warming and its consequences are shrouded in uncertainty. Research scientists maintain that the risks associated with climate change are high, but are unable to estimate accurately how easily temperature reacts to changes in the levels of carbon dioxide. According to Tommi Ekholm, Research Scientist at VTT Technical Research Centre of Finland, who has modelled the costs of climate change mitigation measures in his recent doctoral dissertation, it is because of this uncertainty that we need to accelerate measures to mitigate global warming rather than hold back.

### [Keystone Delays Seen Giving Time for Climate Concessions](#)

A decision on whether to approve the Keystone XL oil pipeline may slip into next year, giving opponents time to marshal efforts against it while offering President Barack Obama a chance to wring concessions from Canada.

### [Arctic Drilling Risks Threaten Inupiat Traditions](#)

Earlier this summer, I walked along the spit of land where the Chukchi Sea meets the Beaufort Sea at the top of Alaska. As our group looked out at pack-ice sculpted by wind and water currents, our local guide told us about the Inupiat whaling crew captained by his grandmother. Such crews use small sealskin boats, and when he was a young boy, he sat at the back, but as he grew in seniority, he moved up toward the front where he could shoot the harpoon. The community hosts games to strengthen people's hunting

skills, and whenever one of the 40 whaling crews gets a bowhead, they work together to pull the whale ashore and share the riches.

These traditions have nurtured families and sustained Inupiat culture for thousands of years. Even today, the traditions provide one of the community's main sources of food for the year. But these traditions depend on healthy oceans, plentiful bowheads and predictable migration routes, all of which are threatened by proposed oil and gas drilling just offshore.

### [Lessons From the Yellowstone Fires of 1988](#)

While even little children know that Smokey Bear can spot a fire before it starts to flame, whether to douse that fire or let it burn out on its own is hard for even the best trained grownups to get right.

Each strategy has its own peril.

### [Wildfires and Climate Change](#)

SAN FRANCISCO — The huge wildfire scorching one of America's most beloved national parks, Yosemite, has rained ash on San Francisco's water supply and jolted the nation.

Experts say this is just a foretaste of major fires to come, in the United States and much of the world.

### [Why Climate Change May Be Responsible for the Horrors in Syria](#)

Syria has been convulsed by civil war since climate change came to Syria with a vengeance. Drought devastated the country from 2006 to 2011. Rainfall in most of the country fell below eight inches (20 cm) a year, the absolute minimum needed to sustain un-irrigated farming. Desperate for water, farmers began to tap aquifers with tens of thousands of new well. But, as they did, the water table quickly dropped to a level below which their pumps could lift it.

In some areas, all agriculture ceased. In others crop failures reached 75%. And generally as much as 85% of livestock died of thirst or hunger. Hundreds of thousands of Syria's farmers gave up, abandoned their farms and fled to the cities and towns in search of almost non-existent jobs and severely short food supplies. Outside observers including UN experts estimated that between 2 and 3 million of Syria's 10 million rural inhabitants were reduced to "extreme poverty."

*As promised, here is a list of other peak oil forums and blogs, submitted by users. (Last updated: September 7, 2013)*

**Forums:**

- [TOD Registry](#) - Tell fellow TOD members where they can find you in the future.
- ASPO-USA: [The Energy Xchange](#)
- [The Doomstead Diner](#)
- Facebook: [Peak Oil Group](#)
- [Llamedos](#) - a LATOC successor site
- [Malthusia](#) - left-leaning peak oil forum
- [The Oil Age](#) - Another LATOC successor site
- [OilPrice.com](#)
- [PeakOil.com](#)
- [Powerswitch](#)
- The Post Carbon Institute: [Resilience.org](#) - Formerly EnergyBulletin.net
- Reddit: [r/peakoil](#), [r/energy](#)
- [Silent Country](#) - yet another LATOC sucesor.
- [The Oil Drums](#)
- Other Yahoogroups of possible interest: [AlasBabylon](#), [EnergyResources](#), [RunningOnEmpty2](#)

**Personal Blogs:**

- Ugo Bardi: [Cassandra's Legacy](#)
- Big Gav [Peak Energy](#) and [Our Clean Energy Future](#)
- Alan Drake: [Oil Free Transport](#)
- Engineer-Poet: [The Ergosphere](#)
- Heading Out: [Bit Tooth Energy](#)
- K. McDonald: [Big Picture Agriculture](#)
- Glenn Mcananama [Streetsblog](#)
- Matt Mushalik: [Crude Oil Peak](#)
- Leanan: [The Blog At the End of the World](#)
- Ron Patterson: [Peak Oil Barrel](#)
- Robert Rapier: [Energy Trends Insider](#)

- Stuart Staniford: [Early Warning](#)
- Gail Tverberg: [Our Finite World](#)



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