



DrumBeat: August 13, 2006

Posted by [threadbot](#) on August 13, 2006 - 9:10am

Topic: [Miscellaneous](#)

[Update by Leanan on 08/13/06 at 9:15 AM EDT]

Prudhoe Bay roundup:

[Alaska oil pinch could hit farms](#)

[BP to keep oil flowing from Prudhoe Bay](#)

[ExxonMobil declares force majeure](#)

[To pig or not to pig? — BP's big question](#)

[Back to the Brink](#)

With global oil supplies as precarious as they seemed last week, you'd think security-obsessed officials in the UK and US government would ensure that the supplies they have a modicum of control over – domestic oil and gas production – were in the healthiest possible state.

Not a bit of it. Instead, the dilapidated pipes and platforms of the UK and the US's ageing oil fields are making production ever less reliable.

The CEO of FedEx asks: [Are We Ready for the Next Oil Shock?](#)

Pure market economics will never solve this problem. Markets do not account for the hidden and indirect costs of oil dependence. Businesses focused on the highest return on investment are not always in a position to implement new solutions, many of which depend on technologies and fuels that cannot currently compete with the marginal cost of producing a barrel of oil. Most important of all, the marketplace alone will not act preemptively to mitigate the enormous damage that would be inflicted by a sudden, serious and sustained price increase.

The September 2006 issue of *Scientific American* is a special energy issue. There's nothing online yet, but it's on newstands now. Articles include:

"A Plan to Keep Carbon in Check"
"Fueling our Transportation Future"
"What to Do about Coal"
"The Nuclear Option"
"The Rise of Renewable Energy"
"High Hopes for Hydrogen"
"Plan B for Energy"

[The real price of oil](#)

Yet a growing number of Wall Street traders seem to be agreeing with the investment guru Rogers and the Iranian official. Louise Yamada, of Louise Yamada Technical Research Advisors, said that she expects oil to reach \$84 a barrel in the "short term, then keep rising." Back in July 2004, Yamada predicted that oil would reach \$67 within months. Indeed bets on futures contracts for \$100 oil tripled in the past three months: the number of options to buy crude at \$100 this year stood at 53,047 in late July, triple the amount quoted on 21 April.

[Kuwait's reserves queried again](#)

Kuwait's parliament has again called for the government to reveal how much oil the country has in its reserves, reported the Kuwait Times. Speculation has continued for months that the country has 48bn barrels of oil in reserve, about half of the official figure of 99bn. Kuwait's new Energy Minister, Sheikh Ali Al Jarrah Al Sabah, who was appointed in July, has said that he will clarify the situation shortly.

A strike by tanker drivers causes [fuel shortages in Port Harcourt](#)

And the message was clear. Fuel scarcity had actually hit the busy city. If people actually thought that the Monday experience was a child's play, then, by Tuesday morning, the problem had assumed an alarming proportion as the filling stations had remained sealed. No form of activity was taking place in them. The owners and the attendants had disappeared or apparently recoiled into their shells to avoid the teeming number of motorists and other users who were likely to accost them to find out whether or not they had the elusive black gold.

[Bomb damages gas pipeline in Pakistan](#). I think that's the fifth time in a week.

[Facing Reality in Derrick Jensen's 'End Game'](#)

[Greenland's Melting Ice Sheet May Speed Rise in Sea Level](#)

Two new scientific studies measuring Greenland's rapidly melting ice sheet and the pace of Antarctic snowfall suggest that the sea level may be rising faster than researchers previously assumed.



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