



## DrumBeat: October 11, 2006

Posted by [threadbot](#) on October 11, 2006 - 9:17am

Topic: [Miscellaneous](#)

[Update by Leanan on 10/11/06 at 9:29 AM EDT]

### [One More Reason Prices Are Falling](#)

#### **Floating oil factories allow tankers to load at sea, avoiding political instability and saving billions**

Nigeria is a rough place to do business. In the past year, rebels seeking a greater share of the country's energy wealth have bombed Royal Dutch Shell's pipelines and kidnapped its workers. The oil giant was forced to shut down half of its production there, most of which is situated in the Niger River Delta, a steamy swampland populated by farmers, fishermen, and angry militias.

Far out at sea, the situation is much safer. Since late last year, Shell has been extracting oil from its massive Bonga field, a \$3.6 billion project located in 3,200 feet of water. The field now yields more than 200,000 barrels a day, thanks to a high-tech facility called a floating production, storage, and offloading vessel, or FPSO. It looks like an oil tanker and can hold up to 2 million barrels in its belly, but its primary purpose is to load up tankers out at sea, rather than piping the crude to an onshore terminal. The oil streaming in from Bonga and other deepwater sites like it helps explain why oil prices have settled down to under \$60 from a July high of \$78.

[Update by Leanan on 10/11/06 at 9:23 AM EDT]

### [Eco-Kremlin: Russia targets energy giants](#)

MOSCOW - Western firms developing Russia's rich oil and gas fields are facing sweeping allegations of environmental abuses. But critics say the charges are a thinly veiled Kremlin power play to renege on 1990s-era contracts now seen as unfavorable for Russia.

### [Oil up after OPEC confirms output cut](#)

Oil prices rose Wednesday after the president of OPEC confirmed that the organization will cut global crude production by 1 million barrels a day to prop up the market.

"The cut itself is agreed," OPEC President Edmund Daukoru told reporters in Abuja, Nigeria, adding the cut would begin at the end of the month. He said members were "nearing consensus" on how to share out the cuts.

### [EIA: OPEC September Oil Output down 80,000 B/D At 27.64 Million B/D](#)

Crude oil output from the 10 members in OPEC's quota system averaged 27.64 million barrels a day in September, 1.3% below the agreed output ceiling and 80,000 barrels a day lower from a month earlier, the U.S. Energy Information Administration said Tuesday.

### [Shell says 60 oil workers kidnapped in Niger Delta, flow station shut](#)

Armed youths in Nigeria's restive Niger Delta seized a flow station run by oil company Shell and took 60 workers hostage, causing a production loss of some 12,000 barrels of oil per day, the company has said.

### [Canada's Harper says new clean air act coming](#)

### [Indonesia cancels ExxonMobil's Natuna gas contract](#)

Indonesia has terminated a contract with ExxonMobil Corp to drill a major offshore gas field in the Natuna Sea off the west coast of Borneo, in a move that may alarm foreign investors.

ExxonMobil however said that the contract stood firm as it was extendable and they were still working to develop the field.

### [American Secret? India Becomes The Gasoline Gusher](#)

### [Saudi to Halt Gasoline Imports with Low-Octane Fuel](#)

Saudi Arabia, where high crude prices have caused oil demand to soar, may be able to temporarily stop importing over 500,000 barrels a month of gasoline when it starts selling a lower-octane grade at retail pumps from January.

### [Germany's E.ON Ruhrgas Welcomes Gazprom's Decision on Shtokman Development](#)

German utility giant E.ON Ruhrgas AG said on Wednesday, Oct. 11, that it welcomes

Gazprom's decision to develop the vast Shtokman gas deposit on its own and to export the greater part of gas to Europe via the Nord Stream gas pipeline.

Bodman: [U.S. will accept Venezuelan oil charity](#)

U.S. Energy Secretary Sam Bodman on Tuesday said he would not turn down charitable donations of cheap heating fuels this winter, even if it comes from a Venezuelan leader who called President Bush "the devil."

### [Beyond Fossil Fuels](#)

Thirty years of research at the private and government level, here and abroad, have produced a range of new technologies that can help turn abundant energy sources — wind, biomass, solar, even water itself — into alternative fuels. These fuels, in turn, can help keep our cars running and our power plants humming, while reducing both our reliance on unstable Middle Eastern oil producers and our contributions to dangerous climate change.

### [Department of Energy Funds cyanobacteria sequencing project](#)

The United States Department of Energy (DOE) has devoted \$1.6 million to sequencing the DNA of six photosynthetic bacteria that Washington University in St. Louis biologists will examine for their potential as one of the next great sources of biofuel that can run our cars and warm our houses.

### [Paint the train green](#)

A traveller going to Paris and back on Eurostar generates 10 times less carbon dioxide than someone making the same journey by air.

### [Locked-in fuel oil price no bargain now](#)

When James Schwartz signed a contract last summer locking in home heating oil for the winter at \$2.79 a gallon, it seemed like a safe bet. Crude oil prices had surged and gasoline was above three bucks a gallon. Could \$3 fuel oil be far behind?

But crude has dropped nearly 25 percent from its mid-July peak of \$78.40 a barrel. And other heating-oil customers in the Baltimore area are paying as little \$2.12 a gallon to heat their homes — 24 percent less than Schwartz is paying.

[As Oil Ebbs](#): The nation still needs a sane energy policy.

### [Rate hike will fuel PGW debate](#)

The Philadelphia Gas Works is a slow-motion crisis that everyone sees coming - and no one seems capable of stopping.

### [Suspicion Surrounds Retreat In Gas Prices, Poll Finds](#)

Three out of 10 Americans think the recent fall in gasoline prices is a result of domestic political factors, including White House and Republican Party efforts to influence the November elections. That's nearly as many as the 35 percent who attribute the recent price decline to market forces or supply and demand, according to the poll of 1,204 adults conducted from Thursday to Sunday.

The survey also showed that suspicions about the steep drop in gasoline prices over the past two months aren't limited to the nation's liberal strongholds. Sixteen percent of people who identified themselves as conservative Republicans, 26 percent of white evangelical Protestants and 29 percent of Southern residents think the plunge in prices is linked to the coming election or other political reasons.

### [Bad weather shuts down Alaska pipeline](#)

Oil production at Prudhoe Bay was cut to 10 percent of normal output after a power outage, and more weather related problems forced the trans-Alaska oil pipeline to temporarily go offline.

The pipeline was down for about 10 hours Tuesday after flooding in Valdez likely knocked out fiber-optic communications at five valves on the pipeline.

### [The Flying Elephant](#)

Over just the last three years we've seen some staggering upward jerks in the fuel price. And it is common sense to believe that a finite resource, a limited resource that is becoming expensive, will become even more expensive in the future. In this scenario, an airline won't be able to feed elephantine aircraft massive quantities of fuel. Airlines will need to be smaller, and more flexible. Aircraft will have to be fuel efficient above all, and that implies excellent power-to-weight-to-cost ratios.

### [Price soars for scarce pellets](#)

Dingmans Ferry, Pa. — Roxane Sanford just wants to turn the heat on in her home. But that's not as easy as it sounds for this pellet stove owner.

Sanford has spent the past two months putting her name on waiting lists for pellet fuel — some lists are 500 names long — and calling chain stores from New Jersey to Scranton, Pa., only to be told they have no idea when the next shipment will arrive and to "call back tomorrow."

### [The trouble with ethanol](#)

I went to see Tad Patzek give a seminar on the U.C. Berkeley campus yesterday titled "Agriculture, Biofuels and the Earth," because I wanted a firsthand look at one of the more controversial figures in the emerging world of biofuels. The Berkeley chemical engineering professor is the co-author (along with retired Cornell professor David Pimentel) of two studies that cast doubt on the energy efficiency of corn-based ethanol and other biofuels. The studies have been widely cited both by anti-biofuel right-wingers who want to stop subsidies of all forms of alternative energy, and by left-wing critics who believe that a rush to biofuels will result in the destruction of tropical rain forests, the proliferation of genetically modified monocultural crops across the planet, and assorted other ecological disasters. If you've got a problem with biofuels, Patzek and Pimentel have your back.



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