



## DrumBeat: November 8, 2006

Posted by [threadbot](#) on November 8, 2006 - 9:20am

Topic: [Miscellaneous](#)

[Update by Leanan on 11/08/06 at 3:56 PM EDT]

[Oil jumps on energy report](#): Inventory report shows surprise decline in gas stocks and distillates, used to make heating and diesel fuel; crude stocks up less than expected.

### [Summary of Weekly Petroleum Data for the Week Ending November 3, 2006](#)

U.S. crude oil refinery inputs averaged nearly 15.2 million barrels per day during the week ending November 3, down 124,000 barrels per day from the previous week's average. Refineries operated at 88.1 percent of their operable capacity last week. Gasoline production decreased slightly last week compared to the previous week, averaging over 8.7 million barrels per day, while distillate fuel production also declined, averaging 4.0 million barrels per day.

U.S. crude oil imports averaged 9.8 million barrels per day last week, down 306,000 from the previous week. Over the last four weeks, crude oil imports have averaged nearly 10.0 million barrels per day. Total motor gasoline imports (including both finished gasoline and gasoline blending components) last week averaged 1.0 million barrels per day. Distillate fuel imports averaged 224,000 barrels per day last week.

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### [The Emerging Natural Gas Crisis](#)

Gas production has already peaked in the US and it appears to have peaked in Canada too. Some experts claim that production in Alberta peaked in 2001 when it produced 5.1 Tcf; Alberta is the largest exporter of natural gas to the huge US market. To make matters worse as oil production is ramped up in the Tar sand regions of Canada larger amount of natural gas will be consumed locally. The extraction process consumes huge amounts of natural gas.

Jim Kunstler: [Ass Kicking Republicans](#)

I confess, what bugs me about my Democrats is that they seem to think we can just duck out of the contest for Middle East oil and keep enjoying the happy motoring fiesta - which, by the way, is not just the way we live in this country but also the basis of our economy, when you sweep aside all the bullshit. Contrary to what a lot of utopian Democrats wish, it will never be prime-time for ethanol, bio-diesel, hydrogen, or twenty

other nominees as replacements for gasoline -- at least not the way we run things now. Driving a Prius might induce raptures of eco-moral superiority, but changing the zoning laws would produce a better outcome -- and that's just too hard.

### [Australia's dry horrors 'worst for 1000 years': "a frightening glimpse of the future with global warming."](#)

CANBERRA - Australia is facing its worst drought in 1000 years.

The prediction, made at an emergency summit on Australia's mounting water crisis, is 10 times worse than earlier forecasts and prompted urgent action to secure drinking water supplies for Adelaide and rural towns.

### [Commodity Strategists: Oil May Rise 10% This Year, Lehman Says](#)

Oil prices may increase to as much as \$66 a barrel in the fourth quarter from about \$59 now, Morse, who joined Lehman from Hess Energy Trading Co., said in an interview in Seoul. Next year, crude may average as much as \$8 a barrel more than in 2006. So far this year, prices have averaged \$67.10. Lehman is the fourth-largest U.S. securities firm.

### [Analysis: Israel sees shale replacing oil](#)

HAIFA, Israel, -- The Israeli process for producing energy from oil shale will cut its oil imports by one-third, and will serve as a guide for other countries with oil shale deposits, according to one company.

### [Oil majors lag on biofuels, may lead in future](#)

LONDON (Reuters) - Major oil companies have been conspicuously absent from biofuels production so far, but they are set to play a bigger role with the advent of new technology that better fits oil industry skills.

Global biofuels output has soared in recent years amid Western governments' concerns about security of energy supply and global warming.

### [Upstream oil](#)

Historically, upstream oil and gas -- as opposed to downstream businesses such as refining and marketing -- generated the sector's highest returns on capital. Investments made in the 1970s and 1980s provided accessible reserves for conversion into cash.

Relatively light, fixed tax regimes meant leverage to the oil price.

As areas such as the North Sea enter decline, though, that is changing. Oil companies are struggling to replace reserves and expand production. The best resources are either off-limits or subject to punitive fiscal regimes.

### [Iran's Achilles heel: its dependence on oil revenues](#)

As the world's fourth largest oil exporter, Iran has profited mightily from the tripling of global oil prices over the last four years. Its economic stability is dependent on oil revenues, so it is here that Iran's rulers are vulnerable.

### [World Must Spend Extra \\$3 Trillion on Energy by 2030, IEA Says](#)

The cost of satisfying the world's thirst for energy through 2030 has swollen by \$3 trillion in a year because of higher industry costs, especially in oil and gas, the International Energy Agency said.

### [Marathon Oil approves \\$3.2 billion expansion](#)

Marathon Oil Corporation said today its board of directors has approved a \$3.2 billion expansion of the company's refinery in Garyville, La., in a move that will nearly double the plant's crude oil refining capacity by 2009.

### [Public warned over European energy crisis](#)

The Irish public must take climate change seriously if the country is to survive a potential European energy crisis, a top diplomat warned today.

EU Ambassador to the US John Bruton told the Seanad Irish people need to urgently realise the scale of the environmental problem and make sacrifices.

### [Radical change needed to ensure North Sea oil's future](#)

BRITAIN will remain a major petroleum economy for many years to come, said the head of the industry's biggest operators body yesterday - but raising the £300 billion of cash needed to produce its remaining reserves will depend on a radical overhaul of the industry, which needs an urgent shift in the regulatory and tax regime.

Malcolm Webb, the chief executive of the UK Offshore Operators' Association, told a conference in Aberdeen that, to ensure the North Sea's vital remaining reserves can be

fully exploited, the money will have to come from private industry, but warned that attracting that "is not a given".

[From the Wilderness](#) is closing:

What is important to me is that we try to make our obligations good. Sadly, in my present condition and position I may not be able to have much impact on that. FTW is closing its doors with many angry people who have not received their orders and vendors who never got paid for what they shipped us. I did everything I could possibly think of to prevent that, including considering returning to the States with all the risks and personal anguish that would entail.

Byron King: [Peak oil and global warming](#)

The intellectual content of the Association For The Study Of Peak Oil And Gas (ASPO) conference was truly like taking a drink of water from a fire hydrant. I mean it. There was so much there that I was learning something new with almost every presentation.

[Total makes double strike in North Sea](#)

Total, the French oil and gas giant, yesterday said it had made two "significant" finds in the UK section of the North Sea.

The Paris-based company said one discovery at Jura West, some 160 kilometres east of Shetland, could begin production in 2008.

The discoveries will enable Total to keep its production platform in its Alwyn field going until "well after 2010", it added.

Prop 87 Goes Down: [Big Oil trumps Clinton, Hollywood in California](#)

LOS ANGELES (Reuters) - California voters rejected a ballot measure to tax state oil production and fund the development of alternative energy after one of the most expensive referendum campaigns in U.S. history, according to results early on Wednesday.

The statewide initiative, called Proposition 87, was defeated 55 percent to 45 percent with 90 percent of Tuesday's votes counted -- despite support from Bill Clinton, Al Gore and such Hollywood stars as Julia Roberts and Brad Pitt.

[Fresh OPEC output cut possible in December: Qatar](#)

ABU DHABI (AFP) - OPEC could cut oil output further next month if prices continue to fall, Qatari Energy Minister Abdallah al-Attiyah was quoted as saying.

"The oil market is not currently stable" despite the oil cartel's decision last month to reduce output, and "OPEC could decide on another production cut" at a mid-December meeting in Nigeria, Attiyah to the official WAM agency.

[Total's Q3 net profit tops forecasts, ups dividend](#)

[Drilling Deep in the Gulf of Mexico](#)

As oil consumption grows and access to most oil-rich regions becomes increasingly restricted, companies are venturing farther out to sea, drilling deeper than ever in their quest for energy. The next oil frontier — and the next great challenge for oil explorers — lies below 10,000 feet of water, through five miles of hard rock, thick salt and tightly packed sands.



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