

# DrumBeat: November 13, 2006

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Topic: Miscellaneous

### [Update by Leanan on 11/13/06 at 12:50 PM EDT]

#### Oilsands threatening water reserves

A study on global warming released Monday warns that the expansion of Alberta's booming oilsands industry is threatening Canadian freshwater reserves.

"The case studies that we looked at, showed that in the tar sands, for instance ... this is supposed to be a big economic boom area, they're already pressing the limits of sustainability in water use," Langer said of Alberta's Athabasca River area, which is used extensively by oil sands plants.

..."They use a huge amount, they use two to four and a half barrels of water for every barrel of oil that comes out of there and they're expecting to use more but they're literally contributing to the global warming problem and boiling off their own water," Langer said.

The report predicts there isn't enough water in the Alberta river to balance the mounting demand from the petroleum industry with the need to preserve the Athabasca's resources.

#### Tight oil will shake up lifestyles, expert warns

North America's dependence on oil will force higher prices and lifestyle changes in years to come, a leading Canadian energy analyst warned a Denver audience in a recent speech.

"Ultimately we will get to the point where (oil) supply is unable to meet demand in an economically feasible way. That's the break point - something has to give," said Peter Tertzakian, chief energy economist for Calgary-based ARC Financial Corp.

What will give, he said, is consumer behavior that until now has been motivated by cheap and plentiful energy. Out of necessity caused by tight supplies and high prices for oil, consumers will gravitate to fuel-efficient vehicles and increasingly embrace working at home in lieu of commuting.

Chinese now visiting peak oil sites?

Aaron of peakoil.com has posted a map, apparently showing the location of visitors to peakoil.com. One surprise in Aaron's map is the number of visitors from China.

### Peak oil on the agenda: Notes from the Australian Institute of Energy annual forum

James' report below contains some minor bombshells, for instance Lloyd Taylor, former Chairman of Shell NZ, claiming that even based on the USGS data, there is a 60% of peak oil by 2015.

# Jackup Change Up

Over the course of the next several years, the offshore jackup fleet will be changing significantly as 63 new jackups join the fleet by the end of 2009. That represents a 16% increase in the overall jackup fleet size. Of those 63 new jackups, only one rig is rated for less than 300' water depths (It is rated for 295' feet). As such, the higher specification, deeper water jackup fleet will be the main area of the fleet experiencing growth. It will be growing from its current size of 199 rigs to 261 rigs, which is a 31% increase in size over three years.

# Attitude adjustment: Facing our ecological predicament

After a talk I gave last year on food and energy, one audience member remarked that it seemed to him that we face challenges so daunting that little can be done to stop a worldwide collapse of civilization. "What is the point in trying?" he seemed to be asking. As I prepare for guest lectures on peak oil and the consequences of overshoot at a local college this week, I'm asking myself: Is that person's attitude really all that unreasonable?

### Greenpeace co-founder warms to nuclear energy

Patrick Moore, who left Greenpeace 20 years ago, said he wants to build grassroots support among mayors and state lawmakers, union members and chamber of commerce leaders.

...His message is this: "Nuclear energy is safe, reliable, cost-effective, and reduces air pollution and greenhouse gas emission."

#### Oil fuels national ambitions

everything from apartments to gasoline. Russia defies international demands to give up a monopoly on oil pipelines to Europe. Venezuela sends aid to countries around the globe in an effort to expand its influence.

What all three have in common are treasuries swollen by the high price of oil.

# US ethanol boom changes landscape for corn producers

NEW YORK - A boom in ethanol use in gasoline in the United States has led to a surge in corn prices and changed the landscape for farmers now producing for both food and energy markets.

# Canada faces U.N. grilling over Kyoto abandonment

OTTAWA - This is likely to be another rough week for embattled Canadian Environment Minister Rona Ambrose, who must explain to a summit on global warming why Ottawa has effectively abandoned the Kyoto protocol on climate change.

#### Are We Ready for Change?

John Hofmeister, President of Shell Oil Company, kicked off the first half of the conference speaking about an indefinite supply of energy available in affordable ways, but not without challenges. ....Challenging part of this argument, Matthew Simmons, Chairman of Simmons & Company International, led the second half, highlighting that much of the world's usable energy resources are too mature and are now in production decline.

### Corruption, insecurity threaten Sudan peace deal

Corruption, insecurity and bad faith on the part of the Khartoum government in sharing oil profits is slowing Southern Sudan's recovery from years of civil war.

# Poland threatens to veto EU-Russia pact

Pipeline politics once again dominate EU-Russia relations as Poland threatens to veto the renewal of a 1997 agreement with Russia.

#### Ex-energy secretary sees further rise in oil prices

The long-term trend as far as oil prices are concerned is that they will rule at the

present levels or may possibly go higher.

Former US energy secretary Spencer Abraham told The Peninsula yesterday that he doubted prices would fall given the current levels of demand which was also growing at a rapid pace.

Families feel the squeeze: Higher fuel, health costs hit home

Tanzania: Port congestion may push up fuel prices

RECENT congestion by seven tankers carrying over 210,000 tonnes of petroleum at the Dar es Salaam Port threatens to push up fuel prices by an average of 20/- per litre, due to accumulated demurrage charges.

# China tax breaks in works for heavy oil

China, the world's biggest energy user after the United States, is drafting policies such as tax incentives and discounts to boost exploration for heavy oil resources such as oil sands and oil shale to meet demand.

### Not the Revolution, But an Opening

King Coal and Big Oil continue to use their power and vast wealth to keep us locked into a reliance on earth-heating fossil fuels that, if not quickly reversed, will lead to a steady escalation of catastrophic climate events and a breakdown of an already-stressed ecosystem.

#### Venezuelans Square Off Over Race, Oil and a Populist Political Slogan

CARACAS, Venezuela — "Mi negra" is an almost untranslatable term of endearment used in rich and poor households in this racially mixed country, with a definition somewhere between "My dark-skinned woman" and "My dear."

Now, it also has another meaning. In a reference to the color of oil, President Hugo Chávez's main electoral challenger chose Mi Negra as the name of a banking card he proposes that would transfer oil revenues directly to the poor.

#### GOP pressed on offshore drilling limits

WASHINGTON - The Democrats' return to power is increasing pressure on House

Republican leaders to accept a limited expansion of offshore oil and gas drilling.

Supporters of such exploration say the next Congress, with Democrats in control come January, probably will not tamper with the long-standing drilling bans that have protected most coastal waters for a quarter-century.

# Russia rejects expansion of Chevron oil link

MOSCOW (Reuters) - Russia's Energy Ministry has rejected a plan to expand the capacity of a Chevron-led oil pipeline from Kazakhstan to the Black Sea, Kommersant business daily said on Monday.

...The consortium wants to almost double capacity from 700,000 barrels per day (bpd) to 1.3 million bpd, but has faced opposition from Russia, which fears the pipeline -- the only private crude oil link on its territory -- could increase tanker traffic at the already congested Bosphorus straits in Turkey.

### Anadarko selling Gulf of Mexico oilfield

HOUSTON - Anadarko Petroleum Corp., one of the nation's largest independent energy exploration and production companies, is selling its Genghis Khan discovery in the Gulf of Mexico for \$1.35 billion to owners of the adjacent Shenzi field.

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