



DrumBeat: November 17, 2006

Posted by [threadbot](#) on November 17, 2006 - 9:30am

Topic: [Miscellaneous](#)

[Update by Leanan on 11/17/06 at 1:28 PM EDT]

[Global oil production – "Rate of Conversion" is the key](#)

We should all be aware that the "rate of conversion" might be reaching a peak irrespective of demand, price, netback, crude quality and the speculated global endowment of resources. This "peak" has already occurred in many oil and gas productive basins which have had an historical transparency in term of access, ready markets, favorable fiscal terms, security and perceived political risk.

[Oil tumbles to lowest level since June 2005](#)

LONDON (Reuters) - Oil briefly dropped below \$55 Friday to its lowest level since mid-2005 amid fund selling across commodity markets on worries of an economic slowdown in the world's largest energy consumer, the United States.

High U.S. oil inventories heading into winter, and selling pressure ahead of the expiry of the front-month U.S. crude contract at the close of trading Friday, fueled the selling.

[Russia Vows to Develop New Markets, Deepen Energy Security](#)

Russia flexed its economic muscles on the eve of a meeting of Pacific Rim leaders in Hanoi Friday, pledging to seek out new export markets in the region and use its vast reserves of oil and gas to contribute to the region's energy security.

[Peak Oil is Simple](#): Gristmill gives TOD props, but points out that, *"Our choice is far closer to binary than most oil geeks are willing to acknowledge."*

Now, it is the nature of engineers, data nerds, lefty wonks, and other too-smart-for-their-own-good types to have a somewhat naive view of politics. They tend to think that the main determinant of political action is the established empirical facts. Establish the facts; policy ensues. That's why winning the empirical argument is so overwhelmingly important for them.

Of course, it's not so. The range of possibilities in the political world -- the real world, not the world of policy wonkery -- is, at least most of the time, much narrower than the range of possible oil production scenarios.

Byron W. King: [Association for the Debunking of Peak Oil, part 2](#)

But if you do not want to send your bucks to CERA, I will provide a summary of some of CERA's previous statements on Peak Oil. This is purely in the spirit of allowing CERA to have a forum that includes its nonpaying clients. I will offer here some other details on what CERA has said about Peak Oil in the past.

[Attempt to discredit theory falls short of making its case](#)

The CERA study uses extremely optimistic projections of conventional oil still to be discovered. It assumes technological leaps will occur to develop unconventional petroleum sources. It does project that a peak will occur, but not for another 25 years or so.

Abiotic oil lives on... [Oil: Off the Deep End](#) - "Running out of oil might be a less rational fear than running out of air to burn it with."

Richard Heinberg: [Fifty Million Farmers](#)

There was a time not so long ago when famine was an expected, if not accepted, part of life. Until the 19th century—whether in China, France, India or Britain—food came almost entirely from local sources and harvests were variable. In good years, there was plenty—enough for seasonal feasts and for storage in anticipation of winter and hard times to come; in bad years, starvation cut down the poorest and the weakest—the very young, the old, and the sickly. Sometimes bad years followed one upon another, reducing the size of the population by several percent. This was the *normal* condition of life in pre-industrial societies, and it persisted for thousands of years.

[Congress seen passing price-gouging law](#)

The head of the Federal Trade Commission predicted Thursday that Congress would pass a gasoline price-gouging law despite her warnings that the country doesn't need one and it might cause fuel shortages.

[Ford expects to keep doubling China sales](#)

[Emergence of a gas OPEC remains unlikely despite NATO warning](#)

Warnings from NATO that Russia is seeking to create a gas version of OPEC seem to be an overblown fear. While Russia has the necessary large resources base to exert some influence over price through production programming, market dynamics and the practicalities involved make this a highly unlikely development.

[BP next in line as Kremlin targets Western oil companies](#)

MOSCOW - BP PLC, which entered the Russian energy market three years ago with the blessing of President Vladimir Putin, has become the latest foreign producer to feel the icy power of the Kremlin as the state increases its control of oil resources.

The company's joint venture TNK-BP, Russia's third-biggest oil and gas producer, has been hit with back-tax bills, threatened with license annulments and last week prosecutors opened a criminal investigation against a TNK-BP executive.

[Lukoil to Spend \\$27 Billion to Boost Overseas Output](#)

Lukoil, based in Moscow, expects to raise non-Russian production of crude and natural gas to the equivalent of 800,000 barrels a day by 2017, Lukoil Overseas Holding Ltd. chief Andrei Kuzyaev said at an energy conference in Moscow today. The company pumps about 110,000 barrels a day outside Russia now.

[Annan Faults 'Frightening Lack of Leadership' for Global Warming](#)

Secretary General Kofi Annan on Wednesday put the blame for global warming on “a frightening lack of leadership,” saying the poorest people in the world, who do not even create much pollution, bear the brunt of rising temperatures.

Gore: [The truth? 'Nuclear is not the answer'](#)

[British Energy Ousts Head of Nuclear Operations; Output Reduced](#)

British Energy Group Plc, the country's largest power producer, ousted the head of nuclear operations and said production will miss forecasts by at least 8.2 percent a year because of faulty reactors.

Israel - [Ministry won't meet alternative energy target](#): Actual production will be 0.14% - 15 Megawatt, instead of the 2007 target of 214 MW.

[Biofuel plant to boost UK wheat prices](#)

[Senate backs India nuclear deal](#)

The US Senate has overwhelmingly voted to pass a controversial deal to share civilian nuclear technology with India.

[Happy Birthday, JODI!](#)

[Newfoundland projects \\$39.8-million deficit after Terra Nova shutdown](#)

Newfoundland is running a \$39.8-million deficit, Finance Minister Loyola Sullivan said Thursday, presenting a contrast from the rosier picture the government portrayed in its spring budget. Not even peak oil prices this summer could have offset the drop, largely driven by Terra Nova's delay in resuming production, Sullivan said.

[Alternative Energy, Part 2: The Perfect Storm](#)

The overall energy supply and demand balance has fundamentally changed, Jeff Lipton, managing director of investment banking at Jefferies & Co., told TechNewsWorld. "The demand picture is dramatically different, with countries like China and India now becoming significant consumers of energy and commodities -- and their growth is only going to continue."

From *Discover* magazine: [Can Coal Come Clean? How to survive the return of the world's dirtiest fossil fuel](#)



"Solving the climate problem altogether—completely rebuilding our energy

infrastructure—is something like a \$400-billion-a-year program. The U.S. share is maybe \$100 billion. That's not that much compared with defense outlays. It's small compared to Iraq. If we really got scared, we could do a lot in a hurry."



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