



DrumBeat: January 18, 2007

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Topic: [Miscellaneous](#)

[Oil plunges below \\$50 for first time since '05](#)

NEW YORK - Oil prices briefly fell below \$50 per barrel Thursday for the first time since May 25, 2005, after the government reported larger-than-expected jumps in crude oil and gasoline inventories.

Light, sweet crude for February delivery fell to \$49.90 in afternoon trading on the New York Mercantile Exchange. It spent only a few moments below the \$50 threshold before climbing back to \$50.40, down \$1.84 from Wednesday's close.

"There's no doubt that this is significant," said Phil Flynn of Alaron Trading Corp. "If you're a bull, the only thing you can hold your hat on is they didn't close below \$50." Story continues below ↓ advertisement

If that happens, Flynn said the next important psychological barrier could be \$45 per-barrel oil prices.

[Rogers Says Oil Will Rise to \\$100 After 'Correction'](#)

Oil will resume its march toward \$100 a barrel after a "correction," said Jim Rogers, who predicted the start of the commodities rally in 1999.

"I'm just not smart enough to know how far down it will go and how long it will stay, but I do know that within the context of the bull market, oil will go over \$100," Rogers said in a Tokyo interview. "It will go over \$150. Whether that is in 2009 or 2013, I don't have a clue, but I know it's going to happen."

[Resilience and Civilization](#)

Thomas Homer-Dixon: One of the problems would be that I don't think the conditions are ripe for the kind of paradigm change that I'm suggesting in terms of thinking of resilience. We had this enormous blackout in 2003 and it didn't get us thinking about resilience, it got us thinking about more of the same, just improving micro managing and tinkering with the grid in various ways to make sure it never happens again. But the idea of decentralized energy production, more off-grid

production, or the ability of individual communities and households to reduce their dependence upon the grid, that wasn't raised at all. People unfortunately tend to think in sort of dichotomies about these things. For example, they think we need nothing but connectivity and the more connectivity the better (an example that comes up in Chapter 5). On the other hand, participants at a solar conference I attended tended to assume we want complete autonomy. In the end, we don't want either. This is sort of a goldilocks situation; we need the "just right" goal where you have a certain amount of connectivity but not too much. The problem is that to bring about change, this goal is going to have to be shared across the culture, and I'm not sure that it's there yet. So it's not going to be easy for a prime minister to change things all at once.

Byron W. King: [Ethanol Q & A](#)

[Statoil Terminates Work on Snohvit Oil Development](#)

New reservoir knowledge, technological advancements as well as the Norwegian government's overall management plan for the Lofoten area and the Barents Sea, were key factors when Snohvit licensees decided last summer to re-evaluate the possible development of associated oil reserves.

"The studies we have undertaken show that it still isn't possible to develop the oil reserves in a commercially viable manner", says Geir Pettersen, senior vice president for Statoil's Tromsø Patch business cluster, which includes Snohvit.

China: [Bike or car? Think twice](#)

Their prominent picture story appeared to mark something more significant than a wedding announcement: the beginnings of a mini-backlash against the motor vehicle in the Beijing print and online media. Other environmentally-friendly events have been widely publicized, such as the "Driving One Less Day a Month for a Blue Sky in Beijing" activity held on the World Environment Day, June 5.

[China to invest billions in energy-saving buildings](#)

China will invest 1.5 trillion yuan (\$193 billion) to make existing buildings more energy efficient by 2020 in a bid to save millions of tonnes of polluting coal, an official said on Thursday.

Warning that energy waste was hurting economic growth, Vice Minister of Construction Qiu Baoxing said 350 million tonnes of coal could be saved in the next 15 years if existing buildings were renovated to make them more efficient and new buildings adhered to green standards.

But he added that China was already failing to meet existing energy efficiency targets.

[Warming could cut China grain crops by over a third](#)

Rising temperatures in China could slash grain production in the world's most populous country by over a third in the second half of this century, imperilling food security, the official Xinhua agency reported on Wednesday.

[Burying UK CO2 Needs More Cash](#)

The untested technology is likely to cost at least around 25 pounds (or 38 euros) per tonne of CO2 captured and stored, more than double the cost of emitting carbon, according to a new report by Poyry Energy Consulting for the UK's Department of Trade and Industry.

[Chile torn over using Patagonia to create energy](#)

Environmentalists are fiercely opposed to a scheme for four hydroelectric dams to power growth, claiming that large dams are not the answer, and that they will ruin the area's tourism potential.

[Central Asia's coming energy power struggle](#)

Niyazov's demise highlights the broader problems of Central Asia's post-Soviet regimes, which, with the exception of Kyrgyzstan, are run by Soviet-era bosses who, while not nearly as eccentric or egomaniacal as Niyazov, tolerate little dissent or opposition.

Most of them are old, some of them are unwell. So, in the next few years, Central Asia will face leadership change on many fronts, with security apparatuses -- which, as in Turkmenistan, have been crucial to buttressing these countries' regimes -- likely to be important players.

[Higher energy prices 'inevitable', says Piebalgs](#)

Speaking exclusively to EurActiv, Energy Commissioner Andris Piebalgs says that new energy and climate-change proposals should lead to higher prices for consumers. But paying 5% more now will avoid much steeper price hikes in the future, he argues.

[Era of cheap oil over: Venezuela company official](#)

The era of cheap oil is over and prices will not go back to \$30-40 a barrel again,

according to Mr Luis F. Vierma, Vice-President (E&P) of Petroleos De Venezuela SA (PDVSA), Venezuela's national oil company.

[Energy demand remains huge and growing](#)

With the manufacturing and housing outlooks softening, analysts may have to lower energy demand expectations this year,” suggests senior analyst Phil Flynn at Alaron Trading in Chicago. But, he notes, demand’s apparent inelasticity to higher prices is confounding economists and total energy demand still will be huge. In fact, U.S. supply usually must meet demand of 99.5 quadrillion British thermal units annually. Total world consumption of marketed energy is about 425 quadrillion British thermal units.

[One Shell Nigeria Flow Station Down After Staff Evacuated](#)

Anglo-Dutch oil giant Shell said today that one of two flow stations in Nigeria from which it pulled workers at the weekend following inter-community clashes has gone down, reducing the company's crude oil output by 12,000 barrels per day.

[Nigeria: Two Killed in Attack on Ferry to Bonny Island](#)

A Dutch passenger and a Nigerian security guard was killed and eight others, including a South Korean, were injured Wednesday [17 January] in Nigeria in what appeared to be an armed robbery, an official at the Foreign Ministry said.

[Pakistan: WAPDA allowed to import coal for power generation](#)

The Planning and Development (P&D) Division has agreed to one of the major demands of the Water and Power Ministry and Water and Power Development Authority (WAPDA) to import coal for exclusive use of electricity generation, a senior government official told the Daily Times.

[Meet Ecuador's New Maestro](#)

This Monday, January 15, Dr. Rafael Correa took his place at the helm of Latin America's fifth-largest oil producer. Ecuador, situated on the continent's Pacific coast, is the second-largest supplier of crude oil to the United States, according to the US Department of Energy.

Rafael Correa is no Hugo Chavez. He obtained his PhD in economics from the University of Illinois, and has voiced his discomfort with the Venezuelan leader's characterization of George W. Bush as a sulfur-smelling devil. However, Correa has also made clear his displeasure with his country's relationship to the Yankee oil industry.

[API: Energy Bill Will Discourage Refinery Investments](#)

"HR 6 would be a step backward for U.S. energy security. Imposing taxes on the U.S. oil and natural gas industry is contrary to the goal of providing stable and cost-effective supplies of energy for American consumers and discourages the tremendous capital investments needed to meet the nation's growing energy needs."

[Eastern Connecticut conference deals with energy costs](#)

Hosted by the chambers of commerce of Eastern Connecticut and Mystic and the Connecticut Business & Industry Association, the forum was the result of a survey of Eastern Connecticut business executives who cited rising electric costs as a major concern.

[Crude Oil: A Long Term Forecast](#)

The EIA's second prediction is chuckle inducing. For crude to be just above \$59 in 2030 - not far from where it is now - means little will have changed on the whole. And how helpful of the EIA to let us know that \$59 in 2005 will translate to \$95 in 2030. That's a wonderfully benign inflation rate... just over 2% per annum between here and there.

Tom Whipple - [The Peak Oil Crisis: Congressional Hearings - Round #2](#)

At the hearing several luminaries of the peak oil community testified that indeed the world was about to start running short of cheap, easy to find oil and that indeed there would be serious consequences for the industrialized world. This view was countered by the man from Cambridge Energy Research who testified that to the contrary, world oil production could continue to grow for decades, never really would "peak," and this was a problem for future generations. Happy motoring everyone!

[The History of PDVSA and Venezuela](#)

The fortunes of the world's most important petro-states rise and fall along with the successes or failures of their state oil companies. Whether it's Saudi Arabia and Aramco, Kuwait and the Kuwait Petroleum Company, or Russia and Gazprom, the state gets its power from the company - and vice-versa.

[John W. Simpson, 92, Dies; Pioneer of Nuclear Power](#)

Mr. Simpson was a close associate of Adm. Hyman G. Rickover, known as the father of

the nuclear Navy.

[S.F. relaxes rules on solar power installation](#)

SAN FRANCISCO - A Los Gatos businessman has successfully used state law to streamline The City's permitting process so that history and height limits do not hold up installation of solar power systems.

Schwarzenegger to sign Low Carbon Fuel Standard Executive Order today

This historic event will be webcast live at [Governor's Web site](#) at 10am (PT).

More information on the LCFS executive order can be found [here](#) and a great background article can be found [here](#).

[Survey Shows Strong Support For Offshore Wind Power](#)

Delawareans are strongly in favor of offshore wind power as a future source of energy for the state, according to a survey conducted by University of Delaware researchers.

[Geothermal Exploration Makes Neighbors Tremble](#)

Using the earth's natural heat as an energy resource is a fine idea. But not necessarily for those who live near drilling sites, as people along the border between Germany, Switzerland and France are finding out.

[IEA: Oil supply outside OPEC set to disappoint](#)

Oil producers outside OPEC will pump less oil than expected this year, the International Energy Agency said on Thursday, increasing the burden on OPEC just as the exporter group is trimming supply.

In its latest monthly report, the adviser to 26 industrialised countries forecast oil supply from non-OPEC will rise by 1.4 million barrels per day in 2007, less than the 1.7 million bpd expected last month.

"Non-OPEC supply is adjusted down significantly for 2007," the IEA said. "Norway, Mexico, Canada, Cuba and Ecuador underpin the revision, the former two following government announcements of markedly lower expectations for 2007."

[Saudi to increase oil output capacity](#)

Saudi Arabia plans to increase its crude oil production capacity nearly 40 percent by 2009 and double its refining size over the next five years to keep pace with growing global demand, the country's oil minister said Thursday.

[Nigeria militants release 6 hostages](#)

Five Chinese telecommunications workers and an Italian oil worker abducted in Nigeria's restive southern delta region have been released, militants and officials said Thursday.

A rebel group that has carried out crippling assaults against the energy industry in Africa's oil producer announced the Italian's release in an e-mail and identified him as Roberto Dieghi.

[Gazprom export sales rise by 43%](#)

Russia's controversial state-owned gas monopoly Gazprom has said that its export revenues soared 43% last year to a record \$37.2bn (£19bn).

[House Dems target special breaks for Big Oil Thursday](#)

WASHINGTON — After taking on the restaurant, drug and banking industries, House Democrats top off their first 100 hours of majority status Thursday with a swipe at Big Oil.

[Oil Lease Chief Knew of Error, Report Asserts](#)

A top Interior Department official was told nearly three years ago about a legal blunder that allowed drilling companies to avoid billions of dollars in payments for oil and gas pumped from publicly owned waters, a report by the department's chief independent investigator has found.

[Pelosi may create global warming panel](#)

House Speaker Nancy Pelosi (news, bio, voting record), intent on putting global warming atop the Democratic agenda, is shaking up traditional committee fiefdoms dominated by some of Congress' oldest and most powerful members.

She's moving to create a special committee to recommend legislation for cutting greenhouse gases, most likely to be chaired by Rep. Edward Markey (news, bio, voting

record), D-Mass., a Democratic leadership aide said Wednesday.



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