



DrumBeat: February 9, 2007

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Topic: [Alternative energy](#)

[The Desperation of George W. Bush](#)

Passing the Peak

The first reason is simply that the world's number-one oil field, Saudi Arabia's Ghawar, is in decline.

According to Jeffrey J. Brown, an independent petroleum geologist, the well-respected Hubbert Linearization Method of oil field production analysis shows that Saudi Arabia is 58% depleted and the world is 48% depleted . . . about where Texas and the lower 48 states peaked and started irreversible declines in production. "Based on the HL method and historical models," he says, "I believe Saudi Arabia and the world are now on the verge of irreversible declines in conventional oil production."

This is something that Matthew Simmons, founder and chairman of the world's largest energy investment banking company and author of *Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy*, has been saying for several years now. He has been running himself ragged traveling the globe and warning about a Saudi production collapse.

Well, in a January 31 interview on Bloomberg television, he dropped the bomb: "We have hit peak oil."

That's it. The party is officially over.

[Peak oil and Cantarell](#)

The issue here isn't that Cantarell is declining. That began a couple of years ago and had been widely anticipated. What's news is that, just as many peak oil theorists have been warning, when big fields start to decline they decline faster than anyone expects. So far, Cantarell appears to be evidence that they're right.

[Oil May Rise to \\$71.50 as Output Trails Demand, Goldman Says](#)

Crude-oil prices may rise as high as \$71.50 a barrel this year because investment by oil companies to boost output is lagging behind demand, said James Gutman, an economist

[CIBC no longer predicting \\$100-a-barrel oil any time soon](#)

A "war on carbon" by governments has prompted a strategic retreat by CIBC World Markets chief economist Jeff Rubin, who less than a year and a half ago was predicting oil would be near US\$100 per barrel by now.

..."We're still going to get \$100-a-barrel oil but I think it's going to take longer, given what's happened to demand," Rubin said in an interview.

[Venezuela oil firm overburdened with Chavez largess](#)

Venezuela's national oil company is buckling under the burden of financing President Hugo Chavez's more than \$9 billion a year in social and political ventures.

Production at Petroleos de Venezuela is declining, and any major drop in oil prices or failure to reverse declining investment and production could lead to bankruptcy of the goose that lays the golden egg for Venezuela, Moody's Investors Service warned yesterday.

[White House Budget to Cut Energy Research](#)

In President Bush's proposed 2008 budget, weapons development wins big while overall funding for research suffers.

[A rush-hour tax on urban drivers](#)

President Bush wants to give \$305 million to cities and states to come up with ways to charge drivers for traveling at peak traffic. Such "congestion pricing" has worked in a few cities such as London and Singapore. But can it succeed with toll-averse Americans?

[US moves in on Africa](#)

This week's US decision to create a new Pentagon command covering Africa, known as Africom, has a certain unlovely military logic. Like Roman emperors of old, Washington's Caesars arbitrarily divide much of the world into Middle Eastern, European and Pacific domains. Now it is Africa's turn.

[High oil prices ensure strong economies across MENA](#)

Economic growth across the MENA region is set to continue at high levels in 2007 and high oil prices will result in healthy fiscal and external surpluses for the oil-producing countries, concludes a recent report by Standard & Poor's Ratings Services – "Data Watch: Middle East and African Sovereigns In 2007." Public finances and external accounts in non-oil producers will remain relatively weak, however.

[Lukoil likes Colombian oilfield](#)

Russia's Lukoil said Thursday that it has found an oilfield in Colombia that could contain as much as 100 million barrels of oil.

[Billions lost in Kyoto carbon trade loophole](#)

Billions of dollars are being wasted in the international carbon trading system owing to a loophole in the Kyoto protocol, according to a study to be published on Thursday in the journal Nature.

[Experts foresee efficient ethanol production](#)

"The technology to produce cellulosic ethanol is not there yet," he said. However, he estimates that large-scale, economically feasible production of ethanol from cellulose could happen within 10 to 15 years.

[Water woes loom in Asia](#)

Amid this water scarcity, China has gone on to become the world's third-largest bio-ethanol producer after Brazil and the United States, pouring thousands of gallons of water to grow a ton of corn, and then using more water to turn the corn into ethanol.

[Study: Saline Aquifers Can Provide Safe Storage for CO2](#)

A new analysis by a team led by MIT has concluded that carbon dioxide injected into deep saline aquifers can be trapped as tiny bubbles and safely stored in the briny porous rock for centuries.

[Report shows Scotland can build on its lead in subsea oil and gas](#)

The UK industry has a 50% share of the worldwide market and a major period of growth lies ahead, with worldwide revenue estimated to rise from \$29bn to \$41bn (£15bn-£21bn) by 2011.

[A dirty energy cauldron](#)

The State of Energy in SA Cities report by Sustainable Energy Africa warns that South Africa's disproportionately large contribution to global warming is likely to come under international scrutiny and pressure.

[UAE 'is an ideal place to tap solar energy'](#)

European countries are mulling over plans to extract solar power from the Sahara desert as a source of renewable energy, leaving experts to ask why solar energy is not exploited in the Gulf, especially in power desalination plants.

[EU Bank: Quarrels Hindering Baltic Gas Pipeline](#)

The European Investment Bank on Thursday said that quarrels between European Union member states were blocking a funding of a disputed Russian-German natural gas pipeline.

[Advantech wins Aramco satellite oil exploration contract](#)

[Current U.S. renewable energy goal too low](#)

The head of the U.S. government's renewable energy lab said Monday (Feb. 5) that the federal government is doing "embarrassingly few things" to foster renewable energy, leaving leadership to the states at a time of opportunity to change the nation's energy future.

[Statoil, Partners Reconsider Oil Output at Snohvit](#)

Statoil ASA (STO) and its project partners are reconsidering producing associated oil at the giant Snohvit gas field in the Barents Sea, just weeks after announcing oil production had been rejected as uneconomic and wouldn't be pursued.

[Canada oil output to rise 9% in 2007](#)

Canadian oil production will grow 9 percent this year, the country's national energy regulator said on Thursday, due to growing output from the Alberta oil sands and offshore oil projects.

In its 2007 production estimate, posted on its Web site, the National Energy Board said

Canadian oil output should climb to about 2.89 million barrels a day, 9.1 percent more than the 2.61 million barrel a day average in 2006.

[Ghana to double its energy generation capacity to 4000 megawatts-Kufuor](#)

President Kufuor, who dropped the hint during a courtesy call on him at the Castle, Osu, by the National Executive Council of the Association of Ghana Industries (AGI) on Wednesday said the new generation system would not be dependent on the weather.

...He said realizing that without affordable, reliable and efficient energy supply system, there could not be effective industrialization, the Government, since its inception in 2001 made energy a priority agenda.

He said, it was for this reason that it raised 40 million dollars as Ghana's equity in the West African Gas Pipeline Project, which should have come on stream last December but for the problems in the Niger Delta region.

[Ted Turner and Timothy Wirth Challenge Energy Industry on Alternatives](#)

The pair, and the event's moderator, Matt Simmons of Simmons and Co., also discussed the future of energy policy in Washington given the new makeup of Congress and the efforts by the United Nations to build consensus for new, international policies related to energy and climate change.

[Weekly Offshore Rig Review - License to Drill](#)

With today's high oil prices and the new licensing options available in the UK and Norway, the mature fields in the North Sea are garnering a level of attention that has not been seen in years.

[Activist embraces an end to suburbia](#)

Like the recently deceased Molly Ivins (who will be sorely missed), Kunstler delivers the raw, ugly truth in a series of straight shots -- but he always chases it down with a dose of wicked humor and a glimmer of real hope. It also doesn't hurt that Kunstler gives great Power Point.

[Young and green](#)

Fortunately, Vermont is in a better position to survive what author James Howard Kunstler has called "the long emergency" better than most places. There still is an

agricultural economy in place. Suburban sprawl is at a minimum and life is already conducted at the human scale that most of America has abandoned.

So, we suggest an initiative that could keep young Vermonters here, attract young people from other states to move to Vermont and create a new economic model that can stand up to a radically changed world.

[DOT: "Our Job is to Keep Traffic Moving, Not Pedestrian Safety"](#)

[Gazprom: US Companies Want to Buy Yukos Assets](#)

Large U.S. energy companies have expressed "concrete interest" in buying the assets of bankrupt Russian oil producer OAO Yukos, Russian gas monopoly OAO Gazprom said Thursday after its chief executive met with the U.S. ambassador to Moscow.

[World's largest oil firm chief touts research to make fossil fuels 'cleaner'](#)

The head of the world's largest oil company said that renewable sources can't meet the world's growing energy needs so research dollars should be aimed at both developing renewable sources and at making fossil fuels cleaner.

[Virgin's Branson offers \\$25 million global warming prize](#)

Airline tycoon Richard Branson announced on Friday a \$25 million prize for the first person to come up with a way of scrubbing greenhouse gases out of the atmosphere in the battle to beat global warming.

[Natural gas up after inventories](#)

Natural gas prices rallied on Thursday after the latest US inventories data which showed a larger-than-expected fall in stocks last week due to recent cold weather.

[UK approves world first offshore wind hybrid plan](#)

The UK government has given the go-ahead to a unique hybrid project in the Irish Sea which will generate electricity from wind and then gas when wind dies down.

[Western Australia to trial low emission vehicles](#)

[January world's hottest on record](#)

Last month was the world's hottest January on record, in further evidence that greenhouse gas emissions are causing global warming, Japanese scientists said.

['Doomsday vault' to resist global warming effects](#)

An Arctic "doomsday vault" aimed at providing mankind with food in case of a global catastrophe will be designed to sustain the effects of climate change, the project's builders said as they unveiled the architectural plans.

[Bush Ripped on Global Warming](#)

During a Senate Commerce Committee hearing, both Democratic and Republican lawmakers weighed in with harsh words for an administration that has come under fire in the 110th Congress for its stance on climate change.

[Congress eyes legislation to fight climate change](#)

The Democrat-led US Congress signalled it would take a cue from the landmark UN report on global warming and draft legislation aimed at fighting climate change.

[Carville, Matalin spar over energy issues](#)

[Gore climate documentary to be shown in Portuguese schools](#)

Ex-US vice president Al Gore's global warming documentary will be shown at public schools across Portugal as part of a campaign to tackle climate change, Prime Minister Jose Socrates said.

[Seven reasons the uranium price will hit \\$100 this year](#)

In 2006, global oil demand grew 0.9%, thanks to steady growth in China and the Middle East. The world used 84.5 million barrels of oil per day last year, according to the International Energy Agency. That's nearly 31 billion barrels, and the most oil used in a year...EVER. What's more, world demand is forecast to rise 1.6% this year to 85.77 million barrels a day.

Worldwide oil and gas reserves are becoming depleted at an ever increasing rate, with many analysts convinced that we are fast approaching Peak Oil and Peak Natural Gas.



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