



DrumBeat: February 13, 2007

Posted by [Leanan](#) on February 13, 2007 - 10:03am

Topic: [Miscellaneous](#)

Tags: [peak oil](#) [[list all tags](#)]

[Fears for North Sea output grow](#)

Oil and gas production in the North Sea is now expected to be about 10 per cent lower over the next few years than previously thought, according to the leading survey of the state of the industry.

The faster than expected decline in production is bad news for Britain's energy security, increasing the country's dependence on imported oil and gas, and also for the exchequer.

Thomas Homer-Dixon: [Is the Deadly Crash of Our Civilization Inevitable?](#)

My difference with Diamond is that I don't think we're going to really begin those conversations in a proper way until we face some crises or breakdowns. In other words, my impression of his argument is that collapse is something we have to avoid, in all cases and in all forms. On the other hand, I believe there is a spectrum of forms of collapse. At one end is the ideal, optimistic future where we solve all our problems and we live happily every after. At the other end is catastrophic collapse. We have tended not to fill in all the spaces in between, but that's actually where things might be very interesting. There may be some forms of disruption and crisis that will actually stimulate us to be really creative. Most importantly, they may allow us to get the deep vested interests that are blocking change out of the way.

...The key thing though -- and this is where I think that Jared Diamond's argument just doesn't give us the purchase that we need -- is that we have to keep the breakdown from being catastrophic. There has to be enough resilience in the system, enough information, enough adaptive capacity that things can be regenerated. With catastrophic breakdown, recovery is often impossible.

[Facing Flood of New Rigs, Drillers Lose Grip on Pricing](#)

Drillers have been able to play gas producers off one another the last few years, taking advantage of an historic shortage in manpower and equipment in North America. Now, producers are extracting a little payback.

[Gazprom, Interros Ready to Carve Up Power Industry](#)

Anatoly Chubais' long-held dream of free-market electricity reform looks to be in disarray after two giant business groups, Gazprom and Interros, emerged as the favorites to carve up the country's power production and form regional monopolies.

[Cypriot Pres: Lebanon, Egypt Oil Exploration Deals to Go Ahead](#)

The president of Cyprus said in a newspaper interview published Sunday that he has received assurances from Egypt and Lebanon that they will go ahead with oil and gas exploration deals with the island despite threats from Turkey.

[Good Sports](#)

I reckon, in the next few years, as a result of caps on emissions and peak oil being reached, that we can say goodbye to international sports and most national sports. The idea that you could fly people and teams all over America, all over the globe, all the time, just to play sport, is so late twentieth century. Fifty years ago it was still something of a novelty to see people flying to play sport. Now it is taken for granted.

[Obamamania - Kunstler](#)

By January 2009 we will surely be reeling from the "work out" of peak financial excess represented by the hedge fund fiesta and the reckless mortgage fiasco (from which the housing industry as we have known it will never recover). By 1/20/09 (inauguration day) the global oil crisis will be accepted as self-evident even by Cambridge Energy Research Associates (and its clients in the oil industry). By 1/20/09, we will have gone through two more global warming hurricane seasons. By 1/20/09 we will have spent several hundred billion dollars more maintaining our garrisons in the Middle East and elsewhere — and the strategic concerns that have required them will still be there.

[The Nuclear Renaissance: Is it real?](#)

Despite the condition of our economy, within the next decade, Michigan - and the rest of our country for that matter - will need more electricity . . . a lot more. And pollution free nuclear power has to be an important part of the mix.

[Senate Appropriations Panel to Assess Interior's Royalty System](#)

The Interior Department's management of offshore oil and gas royalties comes before the Senate Appropriations Committee this week as lawmakers continue to look into

the controversial topic amid charges Interior has not done enough to make sure petroleum companies make their full payments.

[Ethanol's growth and implications for grain producers](#)

In Iowa, combined corn processing capacity for ethanol and other corn products will soon be equivalent to more than half of the 2006 Iowa corn crop. If all planned plants are built, processing capacity would be equivalent to 133% of last year's crop -- within three to five years. At the national level, existing processing capacity and plants under construction or being expanded will likely boost total capacity to the equivalent of about 40% of last year's corn production -- within the next 15 to 18 months. If all planned and proposed corn-based plants in the United States were built, corn processing capacity would exceed the 2006 U.S. crop by at least one-fifth. Current returns for processing corn into ethanol are quite favorable.

[Attributes of best biofuel: Cost-efficient, eco-friendly](#)

Additionally, these crops are not sustainable. When crops are harvested, the embedded nutrients are removed and not replaced through the natural process of recycling dead plants back into the land to provide nutrients for the next generation. Ethanol production uses large amounts of water, which could exacerbate the water shortage worldwide, which is already occurring in some arid countries. Another factor: Farm machinery and vehicles burn fossil fuels to harvest and transport the crops. This process contributes considerable amounts of carbon dioxide, a greenhouse gas, to the atmosphere.

[A battle over biofuels](#)

While nearly 80 percent of Americans favor increased use of ethanol to ease our "addiction" to oil, there is still concern that ethanol's demand for corn will create grain shortages that drive up the cost of food.

[Brazil Ethanol Can Replace 10% World Gasoline In 20 Yrs](#)

If the right investments are made, Brazil could replace 10% of the world's gasoline with its bio-friendly cane-based ethanol in 20 years' time, according to a study conducted by a university in Sao Paulo at the request of the country's Ministry of Science and Technology.

[New Fuels Have Huge Potential To Reduce Gasoline Use](#)

New vehicle fuels and related technologies offer the greatest potential for large reductions in gasoline use and the U.S. economy's dependence on petroleum, a White

House report says.

['Elephant grass' may be the next big biomass crop](#)

If your corn is being processed into ethanol and your soybeans into biodiesel, your acreage unsuited for row crop production may soon be converted to production of miscanthus, a biomass crop that some researchers believe will help fill the shortfall in U.S. energy production.

[Britain tries to block European targets for renewable energy](#)

Britain is trying to block new European rules that would set binding targets on renewable energy generation to tackle climate change, according to leaked papers.

The European commission wants to force member states to generate 20% of their energy by 2020 from green sources such as wind power and wood chip boilers. But Britain has argued against such a binding goal, saying countries need the "flexibility" to set their own targets.

[Mandelson wants free trade in 'green' goods](#)

Trade Commissioner Peter Mandelson has called for a 0%-tariff deal on environmentally friendly technologies as part of the Doha Round, saying that such an agreement could help provide a global solution to climate change.

[Push for New Climate Treaty Intensifies, Hope Seen](#)

Intensive diplomatic efforts to agree the elements of a framework by the end of the year for a new global climate change treaty are starting to make headway, according to a European official close to the negotiations.

[China: Experts concerned about pollution targets](#)

Experts are concerned that the country's plan to reduce major pollutants by 2 per cent this year might have set the bar too high.

[Politics to complicate energy conflicts](#)

Energy-producing nations with state-owned oil and gas firms will continue to flex their muscles on the world stage, causing more confrontations, according to a panelist at

Saturday's energy symposium.

And the volatile mix of oil and nationalism will bring dire consequences to energy consumer nations such as the United States, said Nikolay Bogachev, chairman of Yamal LNG of Moscow, Russia.

[Energy critical power source within N Korea](#)

In the depths of the North Korean winter, where temperatures regularly plumb -10°C, government offices and even hospital wards in Pyongyang are so cold that people can see their breath indoors. Lights – not to mention medical equipment – constantly flicker on and off.

In the industrial areas along the east coast, the vast majority of factories and mines simply lie idle.

...“North Korea’s power plants were already 40 years out of date [when the Soviet Union collapsed] but they can’t repair them because they don’t have the energy to make spare parts, which is causing them to deteriorate further,” says Timothy Savage of the Nautilus Institute, a think-tank that has done extensive studies of the North’s energy sector. “Their whole energy system is held together with chewing gum and baling wire.”

[North Korea agrees to nuclear disarmament](#)

The North must provide a complete list of its nuclear programs and disable all existing nuclear facilities. In return, the North will get aid in corresponding steps worth 950,000 tons of heavy fuel oil — details of which will be addressed in later working group discussions.

[China's 2006 oil import dependency at 47%, up 4.1 pct points from 2005](#)

China's net oil import was up 19.6 pct year-on-year at 162.87 mln tons last year, of which net import of crude oil was at 138.84 mln tons, up 16.9 pct.

[Trouble in the Straits of Hormuz](#)

A slew of articles has recently appeared in the international media warning that the US — or more accurately the Bush administration — is preparing for an imminent and catastrophic military attack on Iran. The evidence of military preparations in the Middle East region is mounting.

[PetroChina to Explore Arctic Shelf with Rosneft, Gazprom](#)

Russia's remote oil-rich Arctic Continental Shelf may welcome joint exploration by PetroChina, Russia's Rosneft and Gazprom, the first two largest oil and gas companies in Russia, a Russian media outlet reported. According to the media, PetroChina is expected to provide capital and essential equipment, in exchange for the right to exploit Arctic oil and gas and the related agreement would be signed in the second quarter of this year.

[New Cold War with Russia Over Oil and Gas](#)

A new Cold War is under way, but unlike the conflict of the Reagan era it is not a fight for military supremacy but rather for gaining control, directly or through commercial proxy, of energy resources.

[Vietnam predicted to import coal from 2015](#)

Vietnam is forecast to have to import some kinds of coal, mainly fat coal used for metallurgy, from 2015, local newspaper Vietnam Economic Times on Tuesday quoted the country's Industry Ministry as reporting.

The ministry predicted that Vietnam would have to import 5.9 million tons of some kinds of coal in 2015, 15.4 million tons in 2020, and 54.4 million tons in 2025, to serve increasing demand for the fossil fuel of its energy-thirsty industries, including metallurgy and thermoelectricity.

[Russia, Qatar eye OPEC-style natural gas cartel](#)

Leaders of natural gas-rich Russia and Qatar said Monday they would explore the creation of a natural gas cartel to represent the interests of producer countries to influence the global market.

[Oil's Geopolitical Price](#)

But while winter's grip will soon be broken and the supply concerns in regard to the shutdown can be overcome, the geopolitical landscape is as unpredictable as ever, which has oil traders everywhere attempting to price in that risk. The result is much higher prices.

[Gunmen in Nigeria release 24 hostages](#)

Gunmen on Tuesday released 24 Filipino sailors taken hostage in Nigeria's lawless southern oil-producing region, which has been roiled by weeks of stepped-up violence and kidnappings, officials said.

[Shell says California refinery ops back to normal](#)

Shell Oil Co. said on Sunday operations were back to normal at its 156,000-barrel-per-day San Francisco Bay area refinery in Martinez, California, after emergency flaring on Friday.

[Canada sets 1.28 billion dollars to fight climate change](#)

The money will be contained in his Conservative government's upcoming budget, and distributed to provincial governments to use to stem carbon emissions linked to global warming, Harper said at a press conference.

[With eye on legacy, Blair mulls climate change with Merkel](#)

Prime Minister Tony Blair heads to Berlin for talks with German Chancellor Angela Merkel, with moves towards securing a new deal on tackling climate change top of the agenda.

[In Congress, a shift over fuel economy](#)

Lawmakers who have opposed stricter emissions standards find themselves pressured to combat climate change.

[Brazil's Lula to challenge Bush on environment](#)

Brazil will challenge President Bush to cut emissions of carbon gases that cause global warming when he visits Latin America next month, President Luiz Inacio Lula da Silva said on Monday.

[Activist: Oil crisis requires drastic changes in Madison](#)

Local activist Jan Sweet envisions a city without cars, or at least a compromise - a hybrid city, which would function like a hybrid car and conserve oil.

[Oil prices prove to be a tricky economy indicator](#)

At the time it was widely believed this particular oil crisis was different from previous crises, being driven by surging demand – particularly from emerging economies such as

India and China – rather than due to a supply shock.

On top of these demand-driven concerns were the Cassandras who were vehemently arguing that the world was on the edge of a precipice and that "peak oil" – the peaking of world production – was at hand or even past.

These two factors were supposedly set to drive oil prices ever higher.

[Biofuel is NOT “Carbon-Neutral”](#)

Biofuel today is produced, overwhelmingly, from oil palms and sugar cane, and overwhelmingly, these plantations stand where tropical rainforest recently stood. Over a year ago, a well-documented essay entitled “Worse Than Fossil Fuel,” was published in the London Guardian by George Monbiot, an environmental activist and professor at Oxford-Brookes University in the U.K. In this article, Monbiot states “Between 1985 and 2000 the development of oil-palm plantations was responsible for an estimated 87 per cent of deforestation in Malaysia. In Sumatra and Borneo, some 4 million hectares of forest has been converted to palm farms. Now a further 6 million hectares is scheduled for clearance in Malaysia, and 16.5m in Indonesia.”



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