

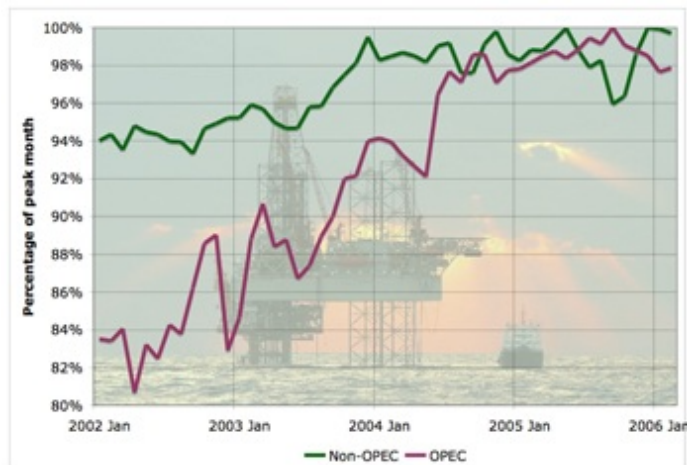


## DrumBeat: February 17, 2007

Posted by [Leanan](#) on February 17, 2007 - 10:15am

Topic: [Miscellaneous](#)

### [Can OPEC and Non OPEC Stop the Oil Price Rise?](#)



Average daily oil production, by month, as a percentage of peak month, for OPEC and the rest of the world. Runs from Jan 2002 to Feb 2006. Believed to be all liquids.

Since October 2006 world oil demand, as in previous years since 2002-2003 has fallen away from the Summer Demand Peak. During the July-August 2006 summer peak, world oil demand on a wide all liquids base probably hit at least 87.5 Mbd.

...we cannot be sure that net total oil supply can attain about 88 or 88.5 Mbd by Summer 2007. This may be very close to the limit set by Peak Oil. What we can be sure of, however, is that any geopolitical incident or event, tending to cut world oil production and export supply will have a price impact that is dramatically intensified - exactly as in July-August 2006, when Israel's war on Lebanon was considered, by most observers, as the sole cause of record oil prices, rather than structural undersupply.

### [Valero Shuts McKee Refinery In Texas After Fire](#)



An explosion rocked a west Texas refinery Friday, injuring at least 19 people and sparking a blaze that sent a huge black cloud billowing into the sky.

...The refinery was shut down after the blast, as were pipelines in and out of the facility, the company said. Smoke could be seen from 60 miles away.

### [Fighting the New Defeatism on Climate Change](#)

Let's be clear: This proto-conventional wisdom is wrong. **There's plenty we can do about global warming.**

### [In energy conservation, California sees the light](#)

Today the state uses less energy per capita than any other state in the country, defying the international image of American energy gluttony. Since 1974, California has held its per capita energy consumption essentially constant, while energy use per person for the United States overall has jumped 50 percent.

### [Biofuel dynamics mix with rural economies](#)

### [Micro-winds of change](#)

The tide is turning towards renewable energy, but is the government willing to put its money where its mouth is - and are we?

### [Bankers see busy oil and gas deal outlook for '07](#)

Investment bankers expect brisk deal activity in the energy sector in 2007, as high oil prices stir stiff competition for production reserves and as capital from private equity and hedge funds freely flows into the group.

### [Chertoff plays down al Qaeda oil supply threat](#)

U.S. Homeland Security Secretary Michael Chertoff played down a call by al Qaeda for attacks on U.S. oil supplies in the Western Hemisphere and said on Friday no special defensive measures were needed.

### [Arabs seek coherent Chinese strategy](#)

Having been busy for decades in building relations with the West, Arab countries lack strategies in dealing with new world realities in which the US alone no longer holds sway over global trends, analysts say.

### [India's building boom fuels coal rush](#)

Soaring demand for cement to feed India's construction boom is forcing the country's cement makers to import much more coal, driving up prices in South Africa as cheaper alternatives dry up.

### [Biofuel to power Indonesia's anti-poverty drive](#)

Indonesia is embarking on an ambitious biofuel programme which has already attracted more than 17 billion dollars in foreign and domestic investment and criticism from conservationists worried about the country's forests.

### [Rising Price of Electricity Sets Off New Debate on Regulation](#)

The higher rates are touching off a fresh round of national debate over unleashing competitive forces on traditionally regulated electricity markets. Opening up the markets was supposed to lead to savings for consumers. But that did not turn out as regulators predicted. The anticipated competition among energy suppliers never fully emerged as natural gas prices more than doubled in the last decade.

### [Mexico's Pemex faces drying field, no funds to update refineries](#)

The company's main Cantarell oil field in southern Mexico is drying up. There is not enough money to tap deeper reserves in the Gulf of Mexico, and much of the company's machinery is out of date. Pemex can't even refine enough gasoline to meet its national

demand, forcing Mexico to send its oil to foreign refineries, then re-import the finished fuel.

Compounding Pemex's problems is the Mexican government's addiction to the billions of dollars generated by oil sales. Pemex accounts for 40 percent of the federal government's total income. Change has been made more difficult because of Pemex's all-encompassing social welfare system and a nationalism that keeps foreign investment out.

### [Mexico: Fiscal remedy is near](#)

The aim of the reform package, Carstens announced at the annual meeting of the National Governors' Conference (Conago), is to wean the federal government off using revenue from the state-owned Pemex oil monopoly to fund operating costs. The government's dependence on oil revenues has been close to 40 percent of total income.

### [Smaller Footprints, Cooler Stuff and More Cash](#)

If we want to build a society which is both prosperous and sustainable, we're going to need to innovate ways of delivering the material goods which underpin that prosperity at a small fraction of the ecological cost they exact today. We must learn to live large while leaving tiny ecological footprints.

### [Ministry: No Imminent Threat of Gas Production Halt](#)

There is no imminent risk of a halt to production at gas wells in Argentina's Neuquen basin, which provides neighboring Chile with the fuel, the latter country's energy and mines ministry said in a statement, citing Argentine producers.

The area has faced union conflicts lately and it was rumored that production activities could be halted.

### [Oil Program Ad Labeled 'Propaganda' From Chavez](#)

In a TV commercial, former Rep. Joseph Kennedy stands aboard an oil tanker moving across the Boston skyline and promises that millions of gallons of discounted heating oil are on their way to poor, shivering families, courtesy of "our good friends in Venezuela."

What he doesn't mention is that those "good friends" include Venezuelan President Hugo Chavez, a socialist and staunch U.S. critic who famously called President Bush "the devil" in a speech last year at the United Nations.

### [Sachs warns of global warming disaster](#)

The world faces a global warming disaster if the United States and China do not take decisive action to cut greenhouse gas emissions, a leading economist said at the U.N. Friday.

### [UNEP head says Europe complacent on climate change](#)

European nations are not doing enough to fight climate change and should show more leadership before they criticize the United States and Asia, the head of the U.N. Environment Program (UNEP) said on Saturday.

### [Relearning how to live as voluntary peasants](#)

Part of The Farm's original vision was to build a village for a thousand people using alternative energy systems that were economically and ecologically responsible. We believed that we could design a graceful standard of living which would be attractive to large numbers of First World people, while also being within reach of all Third World people.

### [A new ally in the energy crisis: Termites](#)

Researchers at universities and private companies are scanning the DNA of the microbes that live inside the guts of termites and wood-eating beetles in an effort to decipher the processes these creatures employ for turning wood into food. The same processes and enzymes could be used, researchers believe, into transforming wood scraps into transportation fuel at human factories.

### [Greenhouse gases hit new high](#)

Greenhouse gases widely blamed for causing global warming have jumped to record highs in the atmosphere, apparently stoked by rising emissions from Asian industry, a researcher said on Friday.

### [Alberta Launches Review of Oil, Gas Royalty Regime](#)

The province of Alberta on Friday launched a wide-ranging review of its energy royalty regime, which could result in changes in the tax structure for Canadian oil and gas producers.

## [Senate Democrats Ask GAO to Examine 'Royalty in Kind' Program](#)

A pair of Senate Democrats yesterday asked the Government Accountability Office to study the Interior Department's "royalty in kind" program to assess the merits of expanding the oil and gas royalty collection system.

Sharon Astyk: [Enough with the freakin' bathroom metaphor already!](#)

## [Market led to shortages, not lower prices](#)

Energy use in New England is increasing steadily, nowhere faster than in New Hampshire. Yet no major power plants are under construction in the region.

The region's wholesale electric energy pool manager, ISO-New England, projects that shortages could occur by next year. It predicts that energy demand by 2015 will require 4,300 megawatts of new generation capacity, the equivalent of about nine large new power plants.

## [Future shock: Asia is running out of gas](#)

When crude oil surged past US\$70 a barrel in mid-2006, Southeast Asian governments were forced to confront an inconvenient truth that might almost have come from the hand of former US vice president Al Gore: income levels could not be sustained unless new energy sources were found, and quickly.

## [No easy way out](#)

We didn't leave the Stone Age because we ran out of stones, and we won't leave the Oil Age because we've run out of oil. Instead, humanity moves progressively "down" the carbon chain (wood to coal to oil to gas to nukes and hydrogen) for the sheer reason that each step we take brings us higher efficiency and less pollution — a total win-win.

## [Iran's Dire Oil Straits](#)

Among the parties with a keen interest in the nuclear standoff between Iran and the UN Security Council are foreign investors. Iran is an energy bonanza in their eyes: Its underdeveloped oil and gas fields, the world's second largest, need outside expertise, capital, and technology. A number of development projects are under way, but investors remain skittish over Iran's uncertain political prospects.

## [Researcher Ben Anthony: Oilsands Gasification Will Help Unleash Energy Riches](#)

According to the British-educated chemist, Canada is on the brink of transforming its lower-grade hydrocarbons into useful energy on a very large scale thanks to projects now under way in Alberta's oilsands.

### [North Korea Passing the Nuclear Spotlight](#)

In return for shutting down the main nuclear reactor within 60 days, North Korea will get 50,000 tons of fuel. They will gain another 950,000 tons of fuel after taking more steps toward nuclear disarmament.

But the decision by North Korea to suspend and potentially dismantle their nuclear program isn't that surprising. The eventual collapse of the program was evident. And all the signs stemmed from the country's dire energy situation.



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