



DrumBeat: March 7, 2007

Posted by [Leanan](#) on March 7, 2007 - 10:04am

Topic: [Miscellaneous](#)

[Ghawar Is Dead!](#)

The Wide-Spread Use of Advanced Extraction Techniques are Killing the Mother of All Oil Fields

...Ghawar's obituary has already been written, but the Saudis have thus far prevented the appropriate authorities from entering the house to inspect the body. We have only second hand reports of her demise. Of these accounts, the most notable is investment banker Matthew Simmons' book *Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy*. Simmons assembles a picture of declining Saudi production from publicly available technical reports written by Saudi-Aramco's own reservoir engineers in recent decades. His portrayal of the situation is dire indeed. He claims that "When Saudi Arabia peaks (enters the unavoidable state of permanent production decline) the world, categorically, has peaked." It looks like the 2006 numbers confirm Simmons' 2005 prophecy.

The writers at the Oil Drum, a data driven oil analysis website, after assessing the production data from several independent reporting agencies, claim that Saudi production is down a whopping 8% in 2006 from 2005 numbers. The decline would have been closer to 14% without the addition of the Haradh III mega-project. They assert that Saudi Arabia has now officially peaked and that the pace of production decline there is likely to accelerate. Remember, Ghawar accounts for 60% of Saudi production.

[Possible Rash Actions by New Congress Concern an Oil Industry Economist](#)

Q: *Everyone talks about "peak oil," the idea that the oil that is available to drill will start declining. Is that a problem?*

A: The problem is we actually know extremely little about how much oil is in the ground. And that is why we've had "peak oil" people since the 1880s saying we're going to run out of oil.

And they've been wrong. In the 1880s, they thought the only oil in the country was in the state of Pennsylvania, and once it ran out, we were out of oil.

[The Quiet Energy Crisis](#)

Do you think gasoline prices are too high? Do you think illegal immigration is a problem? Well, get ready for more of both, because Mexico, the #3 supplier of imported fuel to the U.S., is spiraling into a quiet energy crisis that could interrupt our oil supplies, send shockwaves through our economy, and force a million or more Mexicans to migrate across our border.

[Industries Urge EU to Reconsider Renewables Policy](#)

European margarine, paper, wood, furniture and some chemical industries urged the European Union on Tuesday not to adopt a plan to introduce binding targets for renewable energy and biofuels.

The industries are concerned about the potential impact "of current shortages and price increases of their raw material, as a result of the European Commission's narrow focus on targets for renewable energies," they said in a joint statement.

[Skills shortage threatens to stall oil and gas boom](#)

DUBAI — A significant skills shortage in the oil and gas industry is threatening to stall the oil and gas boom that is occurring. The industry has stretched its resources to breaking point, say consultants at Booz Allen Hamilton.

[Proposed second nuclear plant is called dangerous and a burden](#)

The Maryland Public Interest Research Group launched a grass-roots campaign yesterday to stop Constellation Energy from building a new nuclear reactor on the shores of Chesapeake Bay, saying the technology will burden ratepayers and provide a dangerous solution to the state's energy crisis.

[2 NREL scientists take share of Dan David prize](#)

Two solar-power innovators at the National Renewable Energy Laboratory in Golden will share this year's \$1 million Dan David Future Prize with a NASA climate scientist, according to the prize's website.

[Energy companies are proving the environmentalists right](#)

All around the GTA, gas stations were running low on fuel. Many even had to turn people away as they ran out. This drove prices up and has screwed us consumers. If we

don't act now, the oil companies are going to take us for all we're worth. Duping us with fake stories of "fires" and "refinement capacity reductions." We may be stupid enough to become wholly dependent on buying gas as an essential part of our lives, but do they really think we are stupid enough to buy that supplies are low?

Indonesia: [Minister says rising water threatens airport](#)

State Minister for the Environment Rachmat Witoelar warned Tuesday that Jakarta's Soekarno-Hatta airport would be swamped by 2050 due to human-induced global warming.

"We will need to move the airport as it will be underwater that year because of rising sea levels. We will also say goodbye to Taman Impian Jaya Ancol and the Kelapa Gading housing complex," the minister said Tuesday.

[Preserving finite energy sources for future generations](#)

We are all painfully aware that our energy sources, such as oil and natural gas, are a finite resource that we as a society have neglectfully abused and taken for granted over the decades.

[Romania to increase use of nuclear power](#)

Romanian Prime Minister Calin Popescu Tariceanu called Tuesday for the building of two more nuclear reactors to be speeded up.

"Due to the world energy crisis and rising prices, nuclear energy is being reconsidered," said Tariceanu, adding that Romania's economy was growing rapidly and needed to diversify its energy resources.

[Uganda: Fuel Supply Low in City](#)

Fuel companies are grappling with reduced supplies of petroleum products, resulting from "logistical" problems in the supply chain on the Kenyan side. Shell Uganda Managing Director Ivan Kyayonka told Daily Monitor this week that there has been a general scarcity in the industry for over a week.

[Portland striving to cut fuel consumption in half by 2030](#)

Portland commissioners are expected to pass a resolution today that requires the city to adopt a goal of cutting oil and natural gas consumption in half by 2030 to head off

predictions of a looming oil shortage.

[North Sea under Fire from Peak Oil](#)

The North Sea peaked more than eight years ago. And peak oil has disrupted the North Sea's oil production to the point that the UK is scrambling to exploit its vast reserves. But will they abandon their aging fields for greener arctic oil pastures?

[Palm oil looks for new high on India, U.S. demand](#)

Palm oil prices are holding on to last year's strong gains, despite a global flight from risky assets, and when industry analysts gather in Malaysia next week they are likely to say that the rally is far from over.

Bullish demand from India to the United States and dry weather hurting supplies in Indonesia could push prices to new highs for the product widely used as a cooking oil but also for cosmetics, soaps and, increasingly, for fuel.

[U.S. Iran Policy: It's All About the Oil](#)

When discussing "peak oil", it is also important to mention that over the past 35 years, we have discovered just one gigantic oil field anywhere in the world. For sure, there have been some discoveries in different parts of the world, but only a single world-class oil-field has been discovered in over three decades; Kazakhstan's Kashagan Oil Field in the Caspian Sea. This is despite all the technological achievements over the same period. In other words, unless we have been incredibly unlucky and there is indeed a jackpot waiting to be found, this is not a healthy sign.

[Chinese Scientists Make Future Energy Suggestions](#)

As the conventional petroleum shortage becomes increasingly acute and the crude oil prices keep soaring, the markets for non-conventional petroleum (referring only to extra-heavy oil, and the petroleum from oil sands and oil-shale) are expected to constantly expand, partly making up for the shortfall. Resources of coal and natural gas are relatively abundant in this country, and their conversion into the fuel driving transport vehicles is now technologically viable and could be competitive when prices of conventional fuels are at the high end of the range. During the period of the world's transition to a post-petroleum economy, increased use of coal and natural gas as a substitute of conventional fuel should be possible. Other optional substitutes include biomass-based ethanol, carbinol, dimethyl ether, bio-diesel, synthetic oil and hydrogen, which are also internationally seen as a direction for development. Equally significant are technological innovations with regard to transport vehicles. There is a need to develop energy-efficient vehicles, vehicles using substitute fuels or powered by

electricity, as road transport is a most important part of the transport and communication industry. Rail transit system is a major approach for public transportation and a main way of energy conservation.

[Sound waves turn natural gas into liquid](#)

Worldwide, 100 billion cubic meters of natural gas is wasted every year. Now, the Denver-based company Swift LNG aims to turn that gas into a usable liquid fuel with a thermoacoustic natural gas liquefaction technology just licensed from Los Alamos National Laboratory.

[Bank of America Announces \\$20 Billion Environmental Initiative](#)

Bank of America Corporation announced today a \$20 billion initiative to support the growth of environmentally sustainable business activity to address global climate change. Bank of America's ten-year initiative encourages development of environmentally sustainable business practices through lending, investing, philanthropy and the creation of new products and services.

[Solar Energy Conversion Offers A Solution To Help Mitigate Global Warming](#)

Solar energy has the power to reduce greenhouse gases and provide increased energy efficiency, says a scientist at the U.S. Department of Energy's Argonne National Laboratory, in a report published in the March issue of *Physics Today*.

[Study: Renewable Energy, Efficiency Pay Off In Long Term](#)

A study released Tuesday on energy said renewable energy and energy efficiency can buy enough time to create power sources of the future, without falling back on polluting programs of the past.

[As warnings grow more dire, Nobelist emerges as leader](#)

Steve Chu keeps up with all the latest news on climate change, and he knows it's bad.

The Nobel-winning physicist can tell you the projected meltdown rates for the snowpacks of Tibet and the Sierra Nevada. Rivers drying up and millions of people on the move looking for a drink of water? That future, a fantasy just a few years ago, has entered the realm of the possible.

But Chu isn't just talking.

As head of Lawrence Berkeley National Laboratory, he is focusing all divisions of the

most intellectually diverse of the U.S. Energy Department's national labs on a campaign to stand and fight.

[Miliband outlines 'post-oil' future](#)

The environment secretary David Miliband will today outline the case for a post-oil economy, arguing that the UK needs to move away from "oil dependence".

[China abandons annual energy saving targets](#)

China has abandoned annual energy saving targets because not all its efforts to boost efficiency will bear fruit immediately, but it is still sticking to a five-year goal, a top official said on Wednesday.

[A switch to biofuels will not save the planet](#)

Ethanol may sound like the kind of "friendly" energy the world has been waiting for. But for ethanol production to rise to the levels Mr Bush is hoping for, huge amounts of the world's remaining forests will have to be cut down and turned over to corn or sugar cane.

[EU faces test in fight to curb climate change](#)

European Union leaders will seek to make history this week with a new pact to cut greenhouse gas emissions, but a row over renewable energy threatens to taint the bloc's credentials in fighting climate change.

[A Call to Action: Climate Change, extraction and energy production in the Western United States](#)

When gas prices doubled in 2005 and never came back down it caused widespread concern about peak oil, and awareness that oil is not a reliable source of fuel into the future. The nation watched as Al Gore won two Oscars for his global warming documentary film, *An Inconvenient Truth*. The scientific community has verified that our energy and transportation habits accelerate global warming.

[Massachusetts: Deep Green Resistance Gathering](#)

From April 6-8, in Deerfield Massachusetts, join us for a weekend of exploring long range strategy, direct action, oppression, peak oil, natural living, and the deep questions of how to mend our hearts and sustain our spirits in these hard times. Good fun, great

food, and the quiet woods also included.

[No War for Oil, No Oil for War](#)

Combine the strengths of the environmental and anti-war movements to defeat U.S. Middle East policy, end the Iraq War, and join the global community in the common struggle for a sustainable future.

[Saudi Arabia mulls Dominican refinery](#)

Saudi Aramco already has refineries in the United States, but Saudi officials see a Caribbean refinery as a means of accessing the U.S. market while avoiding the decades of environmental impact studies and other regulations needed to build a refinery in the United States, Nail Al-Jubeir, spokesman for the Saudi embassy in Washington, told The Associated Press by telephone.

[Announcing the CERA News Center Archive](#)

[Cambridge Energy Research Associates](#) (CERA) is introducing an information and news archive where readers can find current energy-related articles and media postings.

Compiled articles cover topics such as energy security measures, oil-related economics and utility research. One archive citation by Industrial Manufacturing reveals that recent CERA research analysis suggests that the remaining global oil resource base is actually three times as large as the "Peak Oil" theory suggests.

Byron W. King: [False Reporting of Peak Oil](#)

As is the case with much of what gets published in *The New York Times*, some of the information in the article is true. But then again, to the well-trained and highly polished Peak Oil mind, the article has a lot of disinformation in it about what is the long-term state of the oil patch. In a not-so-subtle manner, the *Times* article appears to diminish the credibility of the Peak Oil argument. Specifically, the *Times* article focuses on allaying any Manhattanite fears of future scarcity of conventional oil by suggesting that "new technology" will locate and extract immense volumes of oil with which mankind will, to all intents and purposes, power its way into a brighter future. It is as if we can now all kick back, pop a beer, wipe the sweat from our collective brow, and say, "Whew, we dodged that Peak Oil bullet."

[Uncertainties plague global gas industry](#)

Growing nationalism in major gas producing countries, lack of progress on key pipeline

projects in Asia and uncertainties surrounding gas-handling and internal transmission issues in China and India overall paint a disturbing picture for the global natural gas industry.

[Chavez wants to pass Saudis](#)

Chavez wants to prove that Venezuela — not Saudi Arabia — holds the largest oil reserves in the world.

[Success derails biofuels bandwagon](#)

A global, government policy-fuelled rush to produce biofuels is backfiring as it pushes up costs and makes the environmentally-friendly alternative fuel far less competitive.

[Calls for OPEC-style gas cartel become louder](#)

Gas exporting countries meeting in Doha in April will discuss forming an OPEC-like group Iran's oil minister Kazem Vazeri-Hamaneh says. This follows calls by Iranian leader Ayatollah Ali Khameni for Russia and other natural gas producers to establish a gas cartel.

[The Disastrous Local and Global Impacts of Tropical Biofuel Production](#)

As ADM, one of the world's largest food companies, seeks to increase profits, the continuing push into the tropics by it and other biofuel producers will only accelerate a potential ecological catastrophe. Vast tracts of Malaysian and Indonesian forest have already been lost, and the increasing demand for palm oil for biodiesel will cause further losses of tropical forests in these and other equatorial countries.

This deforestation will likely be devastating. And yet, despite the global push for biofuels, the potential damage – increased soil erosion, huge carbon dioxide emissions, biodiversity loss, and desertification – is largely being ignored.

[Canada will stay top U.S. oil supplier for 20 years](#)

Canada - which in 2005 replaced Saudi Arabia as the single-largest supplier of energy to the U.S. - will continue that position over at least the next two decades, thanks to the multi-billion dollar oilsands developments in Alberta.

[Report: Oil sands costs up 55 percent](#)

Capital costs per peak flowing barrel of Canada's oil sands are up 55 percent, squeezing returns on investments, a report released Tuesday said.

[Giving up oil](#)

Like eternal sunshine or perpetual motion, a world beyond oil is something that sounds delightful but implausible. Society has become so addicted to the black stuff that the habit seems permanent. But if that turns out to be true then all the bold talk about tackling change means little. Technologies such as carbon capture and fuel efficiency may reduce the harm that oil use causes - but any gains will be wiped out by economic growth around the world.

[Reserves are depleted, except in Russia](#)

BP suffered a one billion barrel decline in its oil and gas reserves last year, according to figures in its annual report, a loss only partially made up by its Russian arm, the joint venture TNK-BP which was the only oil province in which BP added substantial fuel to its tank.

[Has the theory of peak oil peaked?](#)

Sure looks that way from the available evidence. It's comforting that, yet again, the doom and gloom crowd gets it wrong. Now, onto dealing with carbon emissions ...

[World Oil Outlook: Markets Tighten, Consumption To Increase](#)

World oil markets have tightened in recent weeks in response to a series of production cuts by members of OPEC, as well as the return of cold winter weather in North America. Although some OPEC members advocated additional cuts when prices had not firmed by January, Saudi Arabia noted that oil inventories had been falling.

[In California, It Pays To Go Green](#)

The builders at a California subdivision aren't just putting up homes; they're building little power plants. Solar panels are standard on every roof.



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