

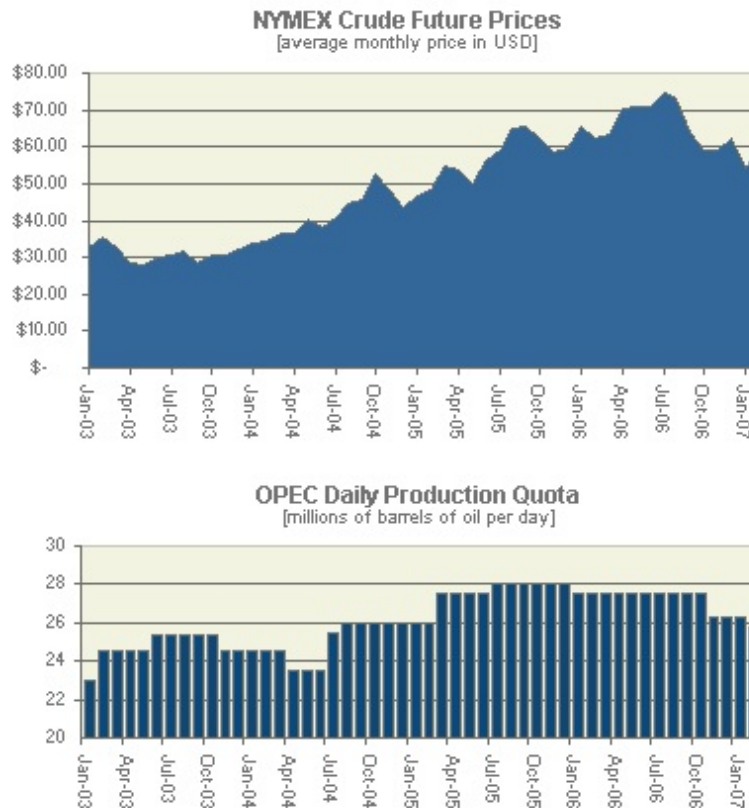


DrumBeat: March 16, 2007

Posted by [Leanan](#) on March 16, 2007 - 9:09am

Topic: [Miscellaneous](#)

[Weekly Offshore Rig Review: OPEC's Big Flex](#)



One of the key realizations that comes out of this look at climbing oil prices is that OPEC can do very little to stop, or even slow, rising oil prices. In fact, when prices reached all-time highs in 2006, OPEC officially did nothing at all (although its individual member nations were very much involved in generating the tensions that drove those new records).

Even in times of crisis, particularly in the aftermath of the 2005 hurricanes, OPEC was essentially helpless to affect the rising oil prices around the globe. Saudi Arabia's offers to pump all available crude to meet demand and cover for damaged infrastructure in the US GOM helped to soothe nerves. However, the organization ultimately made only modest increases in production that in and of themselves had little impact on prices.

[What it'll take to sink oil prices](#)

Subprime woes, slowing economic growth, even a recession - will anything bring prices back down to \$30 a barrel?

[ASPO 6: Time to React?](#)

The organising committee join me in inviting you to join us in Cork, Ireland, this September for the 6th Annual International ASPO Conference entitled 'Time to React?'

[Liquefied Natural Gas Makes a Global Debut in 2007](#)

The problem for the U.S. is that most of its natural gas imports must come from Canada. This is because natural gas markets are regional.

That opens the door for LNG because of its global market. The new Imex will let gas producers reach more favorable markets.

[Peak Oil and Beyond - Q&A with Heinberg, Campbell and Leggett - Part 1](#)

At January's Soil Association conference "One Planet Agriculture", I chaired a session called "**Peak Oil And Beyond - a Discussion Circle**", which gave delegates the opportunity to question Richard Heinberg and Colin Campbell, and later Jeremy Leggett, about peak oil and related issues. The session ran for over an hour, so rather than bombard you with it all at once, I will run it in installments over the next few days. It was a fascinating discussion, ranging over peak oil, climate change, agriculture, land reform, and much more.

[Climate disasters: three obstacles to doing anything](#)

So, why is so little being done? It is clearly not for lack of awareness of the problem, however much some persons try to deny its existence. Yet, the degree to which the political leaders of the world are ready to do something about it, and indeed the degree to which there is public pressure that they do something, is remarkably low. When there is such a clear disjunction between knowledge and action, there must be obstacles in the socio-political arena to explain this. In fact, there are three quite powerful obstacles to action: the interests of producers/entrepreneurs, the interests of less wealthy nations, and the attitudes of you and me. Each is a powerful obstacle.

[Petrobras Loses 188,000b Due to Orellana Protests](#)

Brazil's federal energy company Petrobras has lost 188,000b since halting oil production because of labor strikes in Ecuador's Orellana province in the Amazon, according to press reports.

[NPR: Would More Biofuel Use Threaten Food Supplies?](#) (audio)

President Bush promoted the benefits of ethanol during a recent Latin American tour. But the fuel has drawbacks, including the possibility that significant use of corn-based ethanol could mean higher costs for a food staple in many poor nations. Rob Routs, an executive director at Shell Oil, talks with Steve Inskeep.

[Correa Vows to Revise Oil Deals in Ecuador's Favor](#)

President Rafael Correa repeated here Wednesday that he is determined to revise Ecuador's contracts with foreign energy firms to ensure the state receives its due as the owner of the Andean nation's oil.

[Richard Heinberg Speaks to European Parliament](#)

On February 27 I had the extraordinary opportunity to meet with three members of the European Parliament, and to address a session of the Parliamentary Trade Committee on the subject of Peak Oil.

[The target wreckers: Two ministries appear to be set on scuppering the government's plans to combat global warming](#)

Now for the really bad news. Two government departments are actively undermining everything this bill seeks to achieve. One of them is the Department for Transport. It's not just that it is building 4,000 kilometres of new trunk roads and telling the airports to produce "master plans" for a doubling of capacity. It has also sought to frustrate any effort to quantify the impact of its policies.

[Shell Oil exec urges policy change](#)

Oil companies need the government's cooperation to develop energy alternatives, a top executive of one of the world's leading gas producers told Montgomery business leaders Thursday.

The president of Shell Oil Co., John Hofmeister, said public policy determines whether companies can afford to develop energy alternatives. Current policy, he said, does not.

[Prepare for next gas crisis](#)

We don't know when the next big gas crisis will happen, but with "peak oil" around the corner, it is a guaranteed event.

[Big Oil Faces Tough Talks on Their Stakes in Orinoco Patch](#)

Six western oil majors are sitting down with Hugo Chavez's government to plot the future of the world's largest hydrocarbons basin. But they face a stark choice: Play a supporting, not leading role, and accept less profit from operations involving Venezuela's massive tar oil reserves, or take a hike.

[11 injured in four blasts in restive northeast India](#)

Eleven people were injured in restive northeastern India in a series of blasts that left a gas pipeline in flames and one of the bombers dead, officials said.

Police suspect the United Liberation Front of Asom (ULFA) -- which has been fighting for an independent homeland for almost three decades -- of carrying out the four blasts in Assam state's eastern Sivasagar district.

[British Gas plans rooftop solar panel launch](#)

British Gas is close to launching its first venture selling household solar panels, the chief executive of its parent Centrica said on Thursday.

[Earth has warmest December-February on record](#)

The Earth has just experienced its warmest December-February since records began 128 years ago, a US government agency reported, adding fire to global warming concerns.

[Counties launch anti-global warming plan](#)

Residents of Virginia's largest county might soon see more vegetation growing on roofs and more green space in new neighborhoods as part of a multimillion-dollar initiative to combat global warming.

[Warmer, Warmer](#)

It is strange and striking that climate change activists have not committed any acts of terrorism. After all, terrorism is for the individual by far the modern world's most effective form of political action, and climate change is an issue about which people feel just as strongly as about, say, animal rights. This is especially noticeable when you bear in mind the ease of things like blowing up petrol stations, or vandalising SUVs. In cities, SUVs are loathed by everyone except the people who drive them; and in a city the size of London, a few dozen people could in a short space of time make the ownership of these cars effectively impossible, just by running keys down the side of them, at a cost to the owner of several thousand pounds a time. Say fifty people vandalising four cars each every night for a month: six thousand trashed SUVs in a month and the Chelsea tractors would soon be disappearing from our streets. So why don't these things happen? Is it because the people who feel strongly about climate change are simply too nice, too educated, to do anything of the sort? (But terrorists are often highly educated.) Or is it that even the people who feel most strongly about climate change on some level can't quite bring themselves to believe in it?

[Halliburton's move creates hullabaloo](#)

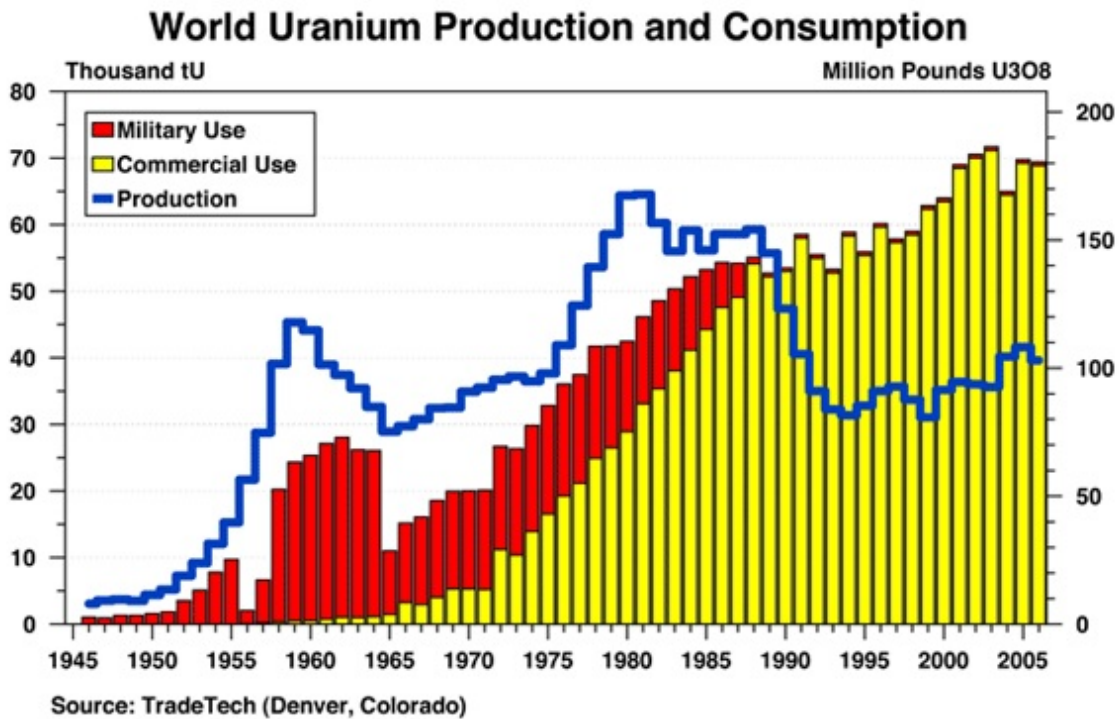
"There's not much oil in Texas anymore," said Dalton Garis, an American energy economist at the Petroleum Institute in Abu Dhabi. "Halliburton is in the oil and gas industry, and guess what? Sixty percent of the world's oil and gas is right here. If they didn't move now, they'd have to do it later."

[OPEC Chief: Members Have Upstream Projects Worth \\$100B](#)

[NOC fuel supply cut triggers shortage](#)

Shortage of petrol deepened in the Kathmandu Valley Thursday as Nepal Oil Corporation (NOC) cut down supplies sharply amid fast depletion of stocks in Amlekhgunj and Thankot depot.

[Carbon Emissions Concerns Fueling Nuclear Renaissance](#) - *Will There Be Sufficient Uranium Mined to Meet the New Demand?*



[Powering ahead in sustainable fuel revolution](#)

Plans have been given the go-ahead for a plant at Wilton on Teesside to convert 1.2 million tonnes of wheat a year into ethanol, a high-octane substance that can be blended with petrol for use in vehicles. This is the equivalent of around three billion road miles a year for an average car, or put another way, enough to keep 300,000 cars on the road for a year using a sustainable fuel.

[Oil companies running hard to stand still](#)

Despite a calm hurricane season, record prices and a forecast consensus from energy agencies that supply would continue to grow, oil production stalled last year. Were the oil companies not trying hard enough?

Chris Skrebowski, editor of the British oil industry journal *Petroleum Review*, would not agree. He has just published his annual *Megaprojects* report. The numbers show the global oil industry implemented oilfield projects providing an extra 3.2 million barrels a day to the market last year.

This is a historically high level of activity. So why was production flat, and even falling in many countries? The answer begins with "d" and gets to the heart of the debate about when global oil production will finally peak and begin its terminal decline: depletion.

[Blood and oil](#) - Elections could further destabilise the violent, oil-rich Delta region

In the past year, attacks on oil facilities have forced Nigeria to shut down a fifth of its production; over 100 foreign workers have been kidnapped in the oil-producing Niger Delta region. Higher security costs and a shrinking number of expatriates willing to take the risks of working there have sharply slowed new investment. The Nigerian government has lost billions of dollars in oil revenues. Now the multinational oil companies, such as Royal Dutch Shell, that operate in Africa's biggest oil producer are bracing themselves for more trouble. The omens are not good; in the run-up to the elections in 2003, violence in the Delta forced Nigeria to shut down 40% of its oil capacity.

[OPEC slowly understands the impact of deflation – no one can stop oil from going lower – what is the impact on the stock market?](#)

OPEC is trying its best to halt the oil price from collapsing due to softening of demand across the globe. The stealth deflation is the killer. In Japan it is manifesting itself over almost two decades. The same affects the U.S. economy since year 2000. The emerging market economies are just getting introduced to the deflation disease as people in those countries cannot pay back their massive loans against homes, cars, cell phone – you name it.

[Could crazy technology save the planet?](#)

There's the man-made "volcano" that shoots gigatons of sulfur high into the air. The space "sun shade" made of trillions of little reflectors between Earth and sun, slightly lowering the planet's temperature. The forest of ugly artificial "trees" that suck carbon dioxide out of the air. And the "Geritol solution" in which iron dust is dumped into the ocean.

"Of course it's desperation," said Stanford University professor Stephen Schneider. "It's planetary methadone for our planetary heroin addiction. It does come out of the pessimism of any realist that says this planet can't be trusted to do the right thing."

[Chinese coal-fired capacity nears 699,700 MW](#)

The total capacity of Chinese fossil-fired power plants in operation or under construction as displayed in the new McIlvaine Chinese Utility Plans database is 699,700 MW.

[Alstom and American Electric Power to Bring CO2 Capture Technology to Commercial Scale by 2011](#)

Alstom and American Electric Power (AEP) signed a Memorandum of Understanding to bring Alstom's advanced sorbent CO2 capture (chilled ammonia) process for CO2 capture to full commercial scale of up to 200 MW by 2011. This is a major step in

demonstrating post-combustion carbon capture.

[Researchers Propose Hydrogen-Augmented Fischer-Tropsch Processes; More Product, No CO₂](#)

Purdue University chemical engineers have proposed a modification to the conventional biomass- or coal-to-liquids Fischer-Tropsch process that could, by their calculations, produce sufficient fuel for the entire US transportation sector.

[Raymond James Answers the 10 Most Common Ethanol Questions](#)

Raymond James issued a very interesting report on Ethanol recently. In it they provide their answers to the ten questions they most frequently receive on the topic. The report is well worth the read, but we summarize their points below...

[Abu Dhabi: Turning to the sun in the land of oil](#)

Just on the outskirts of this Gulf city, past a refinery and a water desalination plant, the foundations are being poured for an ambitious project intended to take this big oil producer into the next energy boom.

Oil, however, will have nothing to do with it.

The sun will.

[Confronting BP: Biofuels and the Green Resistance](#)

Now that Al Gore has his "green" Oscar and George W. Bush has closed a deal in Brazil by which American will burn up the cane fields in the name of environmental salvation, it is time to get serious about the realities of biofuel. Clearly research into biofuels is necessary, but few people are aware yet how this research will be carried out, how constrained ideologically it will be, how corrupting an influence it might become on American universities, and how dangerous its products might be to the ecology of the planet. Fortunately, a movement is a foot on the campus of UC Berkeley that may create a wave of resistance to and awareness about consequences of a biofuel economy, especially one governed by oil companies.

[Carbon footprint of products to be displayed on label package](#)

The Carbon Trust is launching a green equivalent to the Fairtrade label - a consumer label which details the carbon footprint of a product and a commitment by its producer to reduce it.



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