



DrumBeat: March 28, 2007

Posted by [Leanan](#) on March 28, 2007 - 8:43am

Topic: [Miscellaneous](#)

[Big U.S. oil supply to offset Mideast Gulf disruption](#)

The United States could use its large Strategic Petroleum Reserve to counter a short-term disruption in Middle East Gulf oil shipments caused by tensions with Iran, the head of the U.S. Energy Information Administration said Wednesday.

"We have substantial emergency supplies" of oil to offset problems in Gulf shipping," EIA's Guy Caruso told reporters.

..."There is no need to panic" among oil traders over possible Gulf oil shipping disruptions, Caruso said.

[Great risk in our oil delusion](#)

Isn't it interesting how some assumptions about the way society works and what keeps it ticking find their way into the collective consciousness and are not challenged or interrogated? Take for example the way we consume energy. Globally, there seems to be a deep-seated, and wholly incorrect, belief that our current patterns of consumption can continue indefinitely because there is an infinite supply of oil. Over the past century and a half we have allowed oil to become vital to almost everything we do. The global consumption of oil is about 85-million barrels a day, or 31-billion barrels a year. There is an almost universal belief that this can go on forever.

The interesting bit is how self-delusionary it is. What I find extraordinary is that our most risk-averse and financially conservative institutions, our banks, do not even mention oil depletion as a risk in any risk category at all. So overriding is the belief that oil is infinite that even the most simple logic is overlooked.

[The Strait of Hormuz, Iran and the risk to oil](#)

Oil prices hit a 2007 high this week on tensions over Iran's nuclear plans and its capture of 15 British servicemen.

Analysts fear Iran could seek to impede trade through the Strait of Hormuz if it were threatened or attacked.

[Faustus and the monkey trap](#)

One of the factors that make the crisis of industrial society so difficult to deal with is the way that crisis unfolds out of the most basic assumptions we use to make sense of the world.

[Argentina ends Falklands oil deal](#)

Argentina has scrapped a deal with the UK to share any oil found off the Falkland Islands - days ahead of the anniversary of the war for the islands.

[From what was once Yukos, Russia builds state-owned oil giant](#)

President Vladimir Putin's Kremlin has turned Rosneft, the once-forlorn state oil company, into an energy giant almost entirely by giving Yukos's assets a fresh coat of paint.

[Chinese Biofuels Expansion Threatens Ecological Balance](#)

The recent agreement between China's top forestry authority and one of the nation's biggest energy giants to develop biofuels plantations in the southwest reflects rising Chinese attention to non-fossil energy sources. But the excitement may come at great environmental loss to the region's forests and biological diversity, suggesting significant trade offs associated with the renewable fuels.

[Nuclear energy renaissance ignites uranium boom](#)

Uranium prices are closing in on \$100 a pound -- a 10-fold increase in five years -- and prices could climb sharply higher yet as more governments embrace atomic energy despite dwindling supplies of yellow cake to power the reactors.

[Australia, the Saudi Arabia of uranium](#)

A ban on the opening of new uranium mines in Australia is likely to crumble within months, raising the stakes in Asia's battle to contain nuclear proliferation - and stop regional superpowers manipulating energy supplies.

[Nuclear power: the alternatives](#)

Mention the word nuclear to an environmentalist and you'll either hear an eerie silence or see an expression of horror rapidly spread across their face. And, so it seems, partly for good reason. The question the large majority of ecologists and environmental consultants constantly ask when having spent time in the region is why nuclear when so many natural alternatives exist?

[Appraising Climate And Environmental Risks By Address](#)

Climate Appraisal Services, LLC, an innovative partnership between scientists at The University of Arizona and the company's founder, will offer low-cost assessments of climate and environmental risks for any address in the continental United States.

[Where To Turn When Cheap Oil Runs Out](#)

Last week we explored global peak oil. We concluded that oil prices are going to skyrocket in just a few short years. This week I'd like to examine the state of peak oil in the United States. And, more importantly, figure out just how we're going to avoid the crash.

The death of cheap oil is going to become as widely known this year as global warming. In fact, people will be more concerned about our energy crisis than the weather.

I know last week I told you to forget about depletion, but now it is time to consider its consequences.

[Calderón pledges energy reform](#)

President Felipe Calderón says he will build political consensus to overhaul the energy industry, a move many see as crucial to promoting development and boosting economic growth in this oil- rich but poverty-plagued nation of 107 million.

[Ideology intrudes on oil production](#)

Chavez's cash cow, Venezuela's state oil company, can't keep paying the price forever. The long-term capacity of the U.S.'s No. 4 oil supplier to keep pumping crude is under threat because it is spending more on Chavez's ideological agenda than on badly needed investments, industry analysts say.

[The scramble for control of “black gold”](#)

The great Iraq oil robbery isn't a done deal. Even if the law is finalized by May as

expected, the major oil companies say they won't have anything to do with production in Iraq until "security" is established--and that would mean a success for the occupiers and their Iraqi puppets that the U.S. hasn't been able to achieve over the past four years since the invasion.

Still, the law underlines the importance of the scramble for oil to the U.S. empire--no matter how much George Bush and his administration deny it with claims about spreading "democracy" and making the world safe from terrorism.

[Zowie - Kunstler](#)

Beautiful as much of it may be, it is hard not to view it through a tragic lens. Most of the damage on Maui has been inflicted over the past 30-odd years — that is, since the Pepsi Generation got their mitts on the island. Certainly, there were massive prior insults, starting with the first landings of the *Haole* (foreigners, in particular Caucasians) in the late 18th century, the introduction of cattle, eucalyptus trees, the mongoose, the monoculture of sugar cane, and other intrusions that upset the island's ecology. But the boomer-hippies really iced it.

[Sri Lankan airlines raises ticket prices by making fuel surcharge permanent](#)

Falling global prices of crude are slow to trickle down to jet fuel due to high global demand and shortage of capacities.

[Dark side of the boom](#)

Teaching in the midst of the oil patch can be a blessing and a curse.

[Good golly, Ms Moly: Molybdenum is up 1000% in the past five years](#)

Sprott himself subscribes to the "peak oil" school of thought, which holds that global crude oil production is peaking, meaning more drilling for every new unit discovered. Sprott tells investors that a 5,000 foot oil well requires 50 tons of molybdenum-hardened steel to drill; a 15,000 foot well requires a magnificent 1,100 tons. Nearly 80% of all wells drilled today are deeper than 8,000 feet.

[Crude Impact](#)

That road trip you were planning for 2057 might look a tad less likely after viewing "Crude Impact," which sees disaster looming all too soon in the growing global demand for a shrinking oil supply -- especially in the U.S., where consumption and native supply levels are most out of whack. James Jandak Wood's docu is playing scattered theatrical

dates, but will probably prove most effective as a spur for education and activism on DVD.

[Surveying Student Activism for Sustainability and Social Change](#)

Everybody knows that hope for the future starts with youth. There's a ton of activity on campuses from elementary through higher-ed related to sustainability, environmental responsibility and social justice. Here are a few highlights from current student projects and campaigns...

[Matt Simmons joins Mitt Romney's presidential campaign](#)

[Endgame for Illegal Immigrants](#)

If we can't employ people on a slaughterhouse killing floor at a sub standard rate of pay, then Wendy's value menu is history. Forget peak oil, the end of cheap beef will cripple this country.

[Ten Things Wrong With Sprawl](#)

In just the next 34 years, the Census Bureau tells us, we 300 million Americans will be joined by another 92 million.(1) Where will all these people—mostly us and our direct descendants—live, work, play, worship, buy, sell, and serve? Where will 40 million additional households be located? What sort of built environment will we produce, and what will be the results for the nation's and the environment's well-being?

[Making tourism sustainable](#)

A comprehensive strategy update for the New Zealand tourism industry has climate change and peak oil firmly in its sights, Tourism Minister Damien O'Connor said today.

[Crude Awakening: Long-term, Prices Should Continue To Rise](#)

Personally I cringe every time I hear geopolitical events being used as an excuse for price increases, be it oil or gold or anything else. What's usually left unsaid is that the prices invariably fall as such events subside. Except that quite often the prices don't fall as much as they rise... While Iran may have contributed a couple of dollars to the oil price, there are greater forces at work. I'll show a couple quick charts and links and leave you to make your own conclusions.

The first is Saudi oil output in the past five years. The data from four different sources were averaged to produce the black line. Over 2006, Saudi production declined from 9.4

MM bpd to just above 8.5 MM bpd. The full article can be found at [the OilDrum](#).

[Peak oil scenario paints frightening future for all](#)

World oil production reached a peak in 2005 at 85 million barrels per day. We've been easing down the bell-shaped oil-supply curve, losing production slowly and gradually. Next year we will fall off the oil-supply cliff, with an average daily production of less than 78 million barrels.

[China's new oil find may be biggest in decade](#)

PetroChina Ltd, which found the field in Bohai Bay off China's east coast, estimated its reserves at 2.2 billion barrels, Xinhua said.

"The newly found oilfield is the largest China has discovered over the past ten years," according to unidentified company sources.

[Richard Heinberg's Museletter #180: Iran: We Will Know Soon...](#)

Perhaps the most ominous bits of recent news concern Russia: for the past few weeks that nation has been delaying delivery of nuclear fuel to Iran, and is now withdrawing all 2000 of its technicians at the Bushehr nuclear plant. This is predicated on the excuse that Iran is in arrears on payments for Russian fuel and services, despite the fact that 90 percent of the bills have been paid. Speculation is swirling that Russia, anticipating a near-term US or Israeli air bombardment, is moving its trained personnel out of harm's way, and minimizing nuclear material on site so as to reduce the release of deadly radiation from the attacks.

[Is Al Qaeda Targeting Offshore Oil Platforms on East Coast?](#)

This week Al Qaeda issued a threat over the internet, saying "cutting oil supplies to the United States ... would contribute to the ending of the American occupation of Iraq and Afghanistan." The group also called for attacks on petroleum facilities in Canada, Mexico and Venezuela.

[Peak oil -- the German techno-thriller](#)

Energy Bulletin alerts us today to a 750-page German novel on peak oil, "Burned Out," reported to be a techno-thriller à la Michael Crichton, by the German science fiction writer Andreas Eschbach.

[Researcher: Original Oil Crisis Caused by Chaos](#)

A political historian at the Massachusetts Institute of Technology says that the energy crisis of the 1970s in the West was the product of a "perfect storm" of unfortunate events, not a grand conspiracy, according to a report from the MIT News Office. Meg Jacobs, an associate professor in the university's history department, told an audience at a campus symposium on 19 March that a combination of political, global, and social incidents coalesced to produce a chaotic chain reaction, not the least of which was an enormous mismatch between the public's perception of the situation and the harsh realities of the marketplace. This lesson must be heeded, she said, to avoid a needless replay of such a calamity occurring.

[Oil prices rise after hitting 69 dollars in London on Iran rumour](#)

World oil prices soared on Wednesday after spiking to 69 dollars per barrel in London late on Tuesday following an unsubstantiated rumour that Iran had attacked an American ship, traders said.

[Economist: Biofuels may cause a rise in food prices](#)

Increased production of biofuels such as ethanol may help farmers' bottom lines and address climate-change concerns, but eventually could lead to a sharp rise in food prices worldwide, a senior economist for former President Bill Clinton said Monday.

[Senators look to boost biofuel use five-fold](#)

Top lawmakers on the U.S. Senate Energy Committee on Tuesday unveiled legislation to boost U.S. biofuels use more than five-fold by 2022, about five years later than the target set by the Bush administration.

[Venezuela PdVSA Says Orinoco Takeover Won't Hurt Output](#)

Venezuela does not anticipate any production problems at four heavy oil projects when the state firm takes over operations on May 1, said a director at Petroleos de Venezuela S.A.

Industry watchers and union officials have warned that the ongoing oil nationalization could leave the country long on equity control but short on talent, especially given contentious salary issues. Day-to-day operations will be at risk of accidents and declining output, they add.

The map illustrates the proposed Cabello Port area, which is a 1300-foot-long pier extending from the Santa Cruz Channel. The pier is shown in green, with a yellow circle indicating the 'Proposed area to be avoided (2 NM)' and a blue circle indicating the 'Worst credible intentional pool fire (1.42 NM)'. The pier is situated between Santa Cruz Island and Anacapa Island. The map also shows the 'Northernmost Coastwise Traffic Lane', 'Separation Zone', and 'Southernmost Coastwise Traffic Lane'. Other features include 'Platform GAGE', 'Platform GLEDA', 'Platform GAS', 'Platform GIRA', 'Port Hoonema', 'Ormond Beach Generating Station', 'Ormond', and 'Malibu'. The map is labeled 'LOS ANGELES COUNTY' and 'Santa Cruz Channel'.

A traditional data center has huge racks of servers, housed in a huge room, in a huge building with a huge energy bill.

"Compared to the traditional model, this is a fraction of the initial cost, and probably 60 to 70 percent more efficient to power and cool than the traditional data center," Barton said.

Prime Minister John Howard warned Wednesday that British climate change guru Nicolas Stern's environmental solutions would damage Australia's economy.

One in 10 people in the world, mostly in Asia, live in coastal areas at risk from rising seas and more powerful storms that may be caused by global warming, an international study showed on Wednesday.

The researchers urged governments to make billion-dollar policy shifts to encourage more settlements inland rather than in coastal regions from China to Florida that may suffer ever more storm surges and erosion.

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The U.S. Gulf Coast, which is still rebuilding almost two years after Hurricane Katrina, faces a renewed threat of powerful storms this year, private forecaster AccuWeather said on Tuesday.

After a quiet hurricane season last year, Florida and other Gulf Coast states likely will be hit with fewer storms than during the active 2005 season, which spawned the massive hurricanes Katrina and Rita, AccuWeather said.

But the storms forecast for the region will pack a punch.



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