



## DrumBeat: April 6, 2007

Posted by [Leanan](#) on April 6, 2007 - 9:04am

Topic: [Miscellaneous](#)

[As work on Alberta's oil sands booms, the slide in natural gas prices has meant a retreat in the face of high costs](#)

Companies are capitalizing on Canada's vast oil-soaked sands in northern Alberta, largely seen as a stable, long-term source of reserves in a friendly country unfettered by geopolitical uncertainty.

But natural gas prices that are half or less the level reached after 2005's devastating hurricanes and the phasing out of tax benefits of Canadian investment trusts have prompted producers to pull back.

[Study: Climate change could bring new U.S. Dust Bowl](#)

The consensus of the models was that climate in the southwestern United States and parts of northern Mexico began a transition to drier conditions late in the 20th century and is continuing the trend in this century, as climate change alters the movement of storms and moisture in the atmosphere.

The reduction in rainfall could reach levels of the 1930s Dust Bowl that ranged throughout the Midwestern United States, Seager said in a telephone interview.

[Peak Oil Passnotes: Iran for All Seasons](#)

Once again the short term and ultra-violent ambitions of a tiny number of politicians could end the lives of even more innocent people, and make the oil trading community some extra billions of dollars on the way through. We have been warned.

[TXU warns it may close plants](#)

TXU Corp. says it could be forced to shut down some of its power plants if it can't settle charges by state regulators that it manipulated the Texas wholesale electric market.

## [Feds Defend LNG Fast Track as Clock Starts](#)

In an unusual burst of anger from a federal official, a U.S. Maritime Administration official lashed out against a coastal activist who had just accused his agency of rushing a decision on the BHP Billiton liquefied natural gas terminal.

## [Escalating project costs jeopardizing expansion of Middle East oil and petrochem sector?](#)

Despite an increase in industry cost estimates by two times to US\$22 bln, Saudi Aramco and Dow Chemical Co are determined to continue with building a large-scale refinery and petrochemicals complex in eastern Saudi Arabia. Industry estimates put the cost for the complex at US\$10 billion when it was first mulled over by Aramco and at US\$15 billion last July when Aramco announced that it had selected Dow to enter into exclusive negotiations on developing the project. Current estimates peg the cost of construction at as much as US\$22 billion. Governments in the Middle East are spending record oil revenues on building and expanding industries and infrastructure, leading to a shortage of contractors, raw materials, equipment and qualified labor, which in turn has driven up project prices.

## [Nigeria: How to make 'Liquid Gold' transform lives](#)

The changes that have taken place in the last couple of years in Nigeria's oil and gas sector have thrown up a number of economic opportunities.

## [Kenya: Fuel Shortage a Show of Poor Planning](#)

Western Kenya is threatened with fuel shortages because, we are told, the market is unable to meet increased demand.

Rising fuel consumption, of course, is an indicator of a growing economy. But that should provide no excuses for any shortage because with proper planning, the marketing and distribution systems should be able to anticipate demand and plan accordingly.

## [An Unconventional Solution](#)

Last time, we looked at the Government Accountability Office's (GAO) report on peak oil. More specifically, how it suggests we will increase our oil supplies. The third source for more oil it suggests is from unconventional sources--namely Canadian oil sands and the massive oil shale deposits located in Wyoming, Colorado and Utah.

## [Nuclear power wins a fan](#)

[Founding member of Greenpeace Patrick] Moore, who is chairman and chief scientist of consulting firm Greenspirit Strategies and co-chair of a pro-nuclear energy group called the CASEnergy Coalition, said nuclear power could help wean the U.S. from its reliance on foreign oil and natural gas. It could also reduce the health effects of power plant emissions and save oil and gas for better uses, such as creating plastics, he said.

### [The missing link in Mexico's declining oil production](#)

In a miraculous feat of journalistic legerdemain this morning, a lengthy, detailed front-page article in the Wall Street Journal reports on declining production at Mexico's giant Cantarell oil field, without once ever mentioning the words "peak oil."

Reporter David Luhnow manages to achieve this while at the same time providing a textbook illustration of precisely why peak oilers are so worried that maximum production is nigh.

### [Gasoline use up 2.8% since early time change](#)

In a bid to save energy, Congress moved up daylight-saving time by three weeks this year. But so far, the change appears to have backfired after Americans last month used record amounts of gasoline as they got out to enjoy the extra hour of sunshine.

Average daily gasoline demand for the three weeks after the time change rose 2.8% from the same period a year ago and was the highest ever for the period, according to the Energy Department.

Some observers say the surge is linked to the earlier start for daylight-saving time, which began March 11 instead of the customary first Sunday in April.

### [Total, Shell Chief Executives Say 'Easy Oil' Is Gone](#)

The days of so-called "easy oil" are over, making it harder to meet demand without complicated and expensive projects, the heads of two of Europe's largest oil companies said today.

### [Experts: Energy security fears overblown](#)

"Each of (the) fears about oil supplies is exaggerated, and none should be a focus of U.S. foreign or military policy," write professors Eugene Gholz and Daryl G. Press in the policy analysis from the libertarian Cato Institute in Washington.

Much of the fears are centered on the concepts of peak oil, instability among oil-producing nations, competition for a finite resource from countries such as China and

India, and supply disruptions in producing countries. Those who back these theories, the writers say, support U.S. efforts to stabilize -- or, alternatively, democratize -- the politically tumultuous oil-producing regions or call for U.S. military presence to enhance stability in those regions.

### [OPEC defends oil production levels](#)

The OPEC oil group faced calls for increased output to help dampen rising crude prices on Thursday, but leading members stressed that geopolitical rather than supply concerns were driving the market.

### [Panel: Global warming a threat to Earth](#)

An international global warming conference approved a report Friday warning of dire threats to the Earth and to mankind — from increased hunger to the extinction of species — unless the world adapts to climate change and halts its progress.

Agreement came after an all-night session during which key sections were deleted from the draft and scientists angrily confronted government negotiators who they feared were watering down their findings.

### [Coping with water scarcity](#)

In Tucson, Ariz., local consultants, small businesses, and nonprofits are leading water harvesting workshops that often have waiting lists — a healthy demand that's further boosted by a state tax credit for rainwater harvesting. The nonprofit organization that I direct, Watershed Management Group, teaches individuals how to install cisterns and shape landscape to harvest water. In dryland regions such as southern Arizona, harvested rainwater is sufficient to meet all residential landscaping needs. In a state where residents use 40 to 60 percent of their municipal water supply on outdoor uses, that's quite significant.

### [The politics and reality of the peak oil scare](#)

For this reason Peak Oil Theory tends to come as part of a package which is about more than the production and consumption of oil. It also expresses fears about how society will be affected when the oil runs short. In essence, Peak Oil Theory is both about the economics of oil and a pessimistic vision of the future. In many cases Peak Oil is a theory that catastrophe is about to hit humanity. In the first half of this article, I ask if our future is inevitably pessimistic.

### [Rigs On The Run: Energy](#)

The shallow waters of the Gulf of Mexico, once a hotbed for natural gas exploration, are starting to look a little empty.

In recent months, dozens of jack-up drilling rigs, which sit atop retractable legs that stand on the seafloor, have shipped out of the area. Left behind is the lowest number of the rigs seen in the Gulf in 28 years.

The rigs, which generally operate in 400 feet of water or less, are leaving for more favorable contracts in the Middle East, West Africa and Latin America, where rig supplies are tight and demand is high.

### [Solar 'competitive with coal' by 2010](#)

The cost of the cheapest solar power could be on par with that of electricity from coal plants by 2010, according to Photon Consulting.

The Boston, Massachusetts-based firm predicts that solar electricity will cost \$0.18/kWh in Germany, \$0.13 in California and \$0.12/kWh in Spain by 2010 – while industry leaders will be able to bring that latter price down to \$0.10/kWh, equivalent to the retail cost of electricity from a new coal-fired power plant.

### [Cheap, Efficient Solar Power: What's Needed Now to Get There?](#)

If solar power is going to play a significant role in the energy equation of the future, there must be advances in technologies to store that power and more investment by manufacturers, concludes a new federally funded study by University of Massachusetts Amherst scientist Erin Baker.

### [High fuel blends said crucial for ethanol](#)

About half of the gasoline sold across the United States is blended with 10 percent ethanol, but that percentage needs to increase for ethanol to go from being merely an additive to a true alternative, said Don Endres, chairman and chief executive officer of Brookings-based VeraSun Energy Corp., one the nation's largest ethanol producers.



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