



DrumBeat: May 3, 2007

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Topic: [Miscellaneous](#)

[DOE Halts SPR Crude Oil Purchases](#)

The Energy Department said Wednesday it rejected as "too high" all bids for the purchase of up to 4 million barrels of crude oil to have been shipped in June to the Strategic Petroleum Reserve.

DOE also said it will "suspend direct purchases of oil for the SPR until at least the end of the summer driving season."

DOE had previously rejected all bids for purchases of up to 4 million barrels of crude for the SPR in a May solicitation for the same reason.

[Venezuela vows to eject Conoco if resists takeover](#)

Venezuela threatened on Thursday to eject ConocoPhillips from the OPEC nation if it further resists President Hugo Chavez's plans to nationalize its multibillion-dollar investments in the massive Orinoco reserve.

[Serving an industry in flux](#)

National oil companies now control an estimated 77 percent of the world's proven oil reserves and "really stand to be the major producers going forward," said Amy Jaffe, head of Rice University's Baker Institute for Public Policy, who led a panel discussion on the subject Wednesday.

The shift means that international oil companies like Royal Dutch Shell and Exxon Mobil, which have dominated the industry because of their technical expertise and access to capital, will see their role changing, she said.

[The bad boys of oil](#)

Most of the world's new production is expected to come from just a few nations. That could spell big trouble for Big Oil and consumers alike.

The 15 countries with the most potential to boost production will contribute nearly 70 percent of the world's total liquid production capacity by 2015, up from just over 60 percent today, the Cambridge Energy report says. Here's a look at the top seven, ranked by the size of their projected increase.

[Gas Prices Continue To Rise with Word of Possible Summer Fuel Shortage](#)

The US Energy Department says national gasoline inventories have fallen for eleven straight weeks and US refinery use is at less than 88% of capacity.

Continuing refinery problems have some analysts wondering if there will be enough gasoline this summer, to meet the increased demand.

[With gas prices up, station stops the pump](#)

"When I make a 5 percent profit on gasoline and my price jumps 30 to 33 percent, the profit doesn't cover the increase," McCloskey said. "I really don't know when I'll be selling gas again."

...McCloskey said part of his problem with gasoline prices is that he is an independent dealer, unlike many convenience stores that are owned by oil companies.

"I'm not branded, so I have five days to pay my gasoline bill, which basically means I have to have the money upfront," he said. "So if I don't make enough money from one load to cover the next one, I can't buy it."

[Refinery Problems Fuel Gas Shortage, Price Hikes](#)

A massive oil refinery fire in Oklahoma is to blame for empty gas pumps in Iowa.

...Hundreds of miles away, the blaze caused many unleaded gas pumps to run dry at stations in Iowa City and Fort Dodge.

[Consumers Fed Up With Gas Prices](#)

Americans are increasingly angry and concerned, according to the survey's sponsor, the Civil Society Institute, and want to see something done. The vast majority told researchers from Opinion Research Corp. that they want sharp increases in automotive fuel economy standards, as well as new windfall profit taxes on oil companies, with the proceeds used to develop alternative fuels and to reduce dependence on unstable Mideast oil supplies.

[Rising fuel, food prices nurturing inflation](#)

The rise in Canada can be traced to recent sharp increases in food commodity prices in the U.S. and globally, he said, citing, among other things, biofuel demand that is hiking prices for corn, wheat and sugar products.

[Botswana: Fuel prices shoot up after a cut in recent months](#)

Retail pump prices for petrol, diesel and illuminating paraffin have increased due to high prices for crude oil in the international markets.

[Report: What Aging Oil & Gas Offshore Workforce?](#)

Research carried out by Oil & Gas UK has exploded the commonly held belief that the UK oil and gas industry is suffering from a rapidly aging, largely male offshore workforce as a result of fewer young people, especially women, taking up jobs within the sector.

[Power struggle in the Middle East: Iranian oil and gas resources too important to be ignored](#)

Since oil is unlikely to be abundant in the future and the era of easy and low-cost oil is coming to an end, to meet that demand countries and companies have started to look around the world to find new hope. Hence an oil resource competition has started and security of supply became a major issue.

[Museveni blames Kenya for fuel shortage](#)

Ugandan President Yoweri Museveni is blaming his nation's recent diesel fuel shortage on officials from the neighboring African nation of Kenya.

Museveni said Kenyan revenue officials are "blockading" the influx of diesel fuel to his country by demanding financial guarantees from oil companies, the BBC reported Wednesday.

[US Oil, Gas Industry Look to Past Storms for Future Improvements](#)

The deadly hurricanes of 2005 have forced the U.S. offshore oil and natural gas industry to reevaluate and make changes in the way they operate their rigs to protect and preserve mining the nation's largest source of oil and natural gas.

[Eco Terror](#)

British environmental scientist James Lovelock sensed that something was seriously wrong with human consciousness. How else could his peers report horrifying things so calmly? The polar ice caps are melting, they said, 3,000 species go extinct every year, the world's large fish stocks have plummeted by 90 percent in the past century, and we're turning the planet into a microwave oven. Business as usual.

[Review: The Future of Food, a must-see documentary that exposes the biotech threat to life on our planet](#)

Curious how modern civilization might ultimately end? In previous articles, I've discussed the coming *food bubble* -- a global collapse of the food abundance we naively enjoy today. Depending on who you talk to, this collapse of the global food supply could be caused by the end of peak oil, a collapse of biodiversity followed by widespread crop blight, the depletion of freshwater tables, radical weather patterns caused by global warming, or the widespread disruption of global ecosystems through the continued use of synthetic chemicals (pesticides, herbicides, pharmaceuticals, etc.)

Each of these explanations sounds like bad news to me. Any one of them could conceivably pose a major threat to the future of our global food supply. And yet the real news is even worse: **We're facing all of these threats at once!**

[Caterpillar jumps on the green bandwagon - The industrial giant finds that sustainability plays in Peoria](#)

This is not, in other words, a company where you will find a bunch of tree-huggers. Even so, here are the headlines that jump out when you open Caterpillar's just-off-the-press 2006 Sustainability Report:

Rapid population growth.

Limited natural resources.

Strained ecosystems.

No simple solutions.

[Brighter, cleaner outlook for U.S. diesels](#)

Nissan's plans for a new Maxima is just one example of a move to cleaner, fuel-efficient diesel vehicles that could offer motorists a surprising solution to the problem of high gasoline prices, analysts say.

[Quiz: What do you know about green business?](#)

How much do you know about the business of being green? Take our Going Green Quiz.

[Senate may vote in May to slash gas use - But environmentalist objects to bill classifying liquid coal as a biofuel](#)

The U.S. Senate may vote this month on legislation that aims to drive down gasoline demand by boosting the fuel economy of cars and trucks and increasing the use of nonpetroleum fuels like ethanol.

The Senate Energy Committee Wednesday sent to the full chamber a bill that targets gasoline demand - the biggest chunk of U.S. petroleum use. It also seeks to lower greenhouse gas emissions spewed into the atmosphere.

[Saudi Aramco Production on the Decline](#)

Saudi Aramco, the world's largest state-owned oil company, said its 2006 crude-oil production decreased by 2.2 percent as reserves remained under 260 billion barrels for the fifth consecutive year.

After its annual review in 2006, Saudi Aramco said on its Web site that average production fell to 8.9 million barrels per day from 9.1 million bpd.

[Mexico's Pemex posts 1st-qtr net loss](#)

Mexican state oil monopoly Pemex posted a first-quarter net loss of 10.1 billion pesos (\$915 million) on Wednesday, hurt by decreased export volumes, a lower export price for Mexican crude and higher costs.

Tom Whipple - [The Peak Oil Crisis: Week Twelve](#)

The fundamental problem in keeping the refineries working is that they are simply being pushed too hard. Twenty years ago US refineries were run at an average 78 percent of rated capacity and all was well. Now they need to be operated at close to 95 percent of capacity to keep up with increased summer demand. Moreover, there is a growing shortage of the experienced personnel needed to overhaul our refineries and they are becoming more complex as a result of the need to process more of the heavy sour crude oil that is an increasing share of what is available for import.

[Exxon Mobil Says Peak Oil Unlikely in the Next 25 Years](#)

The Exxon Mobil thesis is that Hubbert's methodology worked when he applied it to the U.S. as an oil province, because the U.S. was extensively explored during the time period that covered Hubbert's career. "Hubbert's 1956 prediction turned out to be right; lower-48 U.S. production peaked in 1970," just as he said it would, according to Exxon Mobil. But Exxon Mobil criticizes attempts to extend the application of what it characterizes as Hubbert's "simple approach" to the entire world. And due to a misunderstanding of the Hubbert approach and its misapplication to a poorly defined world resource base, "a popular view has emerged that the world faces an imminent decline in global liquids production resulting from depletion of resources."

[Economic growth to end soon - forever](#)

What Bakhtiari is saying essentially is that, quite soon, world economic growth ends - forever. Of course, there will still be some parts of the world, such as those endowed with exportable amounts of the remaining oil, where sky-high oil prices will bolster foreign earnings and stimulate local economic activity.

However, all "western" nations, (with the exception of Norway and Canada) are net oil importers. For these nations, decreasing energy levels in their economies will mean decreasing economic activity.

[18 workers kidnapped in Nigeria](#)

Gunmen kidnapped at least 18 people in less than 24 hours in three attacks, seizing people from an offshore oil vessel, a power plant construction site and a bar, officials and witnesses said Thursday.

[Russia cuts off oil in battle over war statue](#)

In a development that echoed Moscow's disputes with Ukraine and Belarus, the state-owned Russian Railways suddenly halted oil deliveries to Estonian ports. It claimed that it needed to carry out maintenance work and denied that it was imposing sanctions. Russia ships around 25 million tonnes of fuel oil, gas oil and petrol through Estonian ports.

[Fixing climate carries big costs](#)

The latest International Panel on Climate Change report, "Mitigation of Climate Change," examines fixes — or "mitigation" in climate lingo — to global warming, both technological and economic. The report will underline the environmental and financial benefits of quick action to cut emissions, says report co-author John Drexhage of

Canada's International Institute for Sustainable Development.

But fixes also come with costs explored in the report. If governments, for example, impose fees on carbon dioxide emissions, it would raise the price of electricity for businesses and homeowners alike.

[A holiday at the end of the Earth: tourists paying to see global warming in action](#)

Bored with your usual holiday? Try watching bits of the world as they start to heat up!

The effects of climate change are leading to a distinctive new form of 21st-century travel: global-warming tourism.

[Power station harnesses Sun's rays](#)

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It is Europe's first commercially operating power station using the Sun's energy this way and at the moment its operator, Solucar, proudly claims that it generates 11 Megawatts (MW) of electricity without emitting a single puff of greenhouse gas.

[Fewer Valentine's roses as Norway goes 'carbon neutral'](#)

Fewer roses on a wintry Valentine's Day, less room for kids in smaller cars and costlier holidays in the tropics: life in Norway will be less glamorous but more climate-friendly as the country aims to be the world's first "carbon neutral" economy by 2050.

[Green lobby pushes renewable energy](#)

There's no shortage of ideas for high-tech measures to combat global warming: develop clean biofuels made of corn or palm oil, build more nuclear power stations or bury harmful carbon emissions in underground vaults.

But those are the last solutions many environmentalists want to hear about.



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