



DrumBeat: May 11, 2007

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Topic: [Miscellaneous](#)

[The Coming Explosion in Energy prices!](#)

Oil and natural gas are finite in their supply, and should be husbanded for portable energy production, cars, planes, boats, etc. Peak oil theories are justified, China is now training 40 thousand geologists a year to confront these challenges, the US trains 500 geologists and 40,000 lawyers. What's wrong with this picture?

If these supplies are used for fixed plant energy production they are irresponsibly deployed today to the detriment of future generations. Just like the deficit spending on entitlements destroys the future prospects of their children and grandchildren by sending them the bills for today's extravagant welfare programs, these same selfish people and politicians send the future cost of oil and natural gas production to future generations as well. Global warming advocates push the increased use of natural gas, rejecting nuclear power in an ideological manner. Wasting this beautiful clean portable energy source on fixed plant electrical generation. We need practical solutions to problems, not political or ideologically devised ones. They need to be balanced to consider the broad energy requirements of a modern society (who wants to go back to the Stone Age?) and preservation of the environment. Both needs can be met if the issues are thoughtfully addressed and modern technology is brought to the table.

[Peak Oil Passnotes: Blair's Legacy, Missing Oil](#)

The U.K. was one of the world's biggest producers of crude oil. With the emphasis on 'was'. It produced over 3 million barrels a day in 1999; compare this to Iran's 4 million barrels a day, Kuwait's 2 million barrels a day and so on. This is major league work. The U.K. left it to the market to decide what the output would be; it gave huge tax breaks to private companies and allowed its precious hydrocarbon resources to be governed by the ungovernable.

Now some eight years later, the U.K. produces around 1.3 million barrels a day and all of a sudden it has become a net importer of hydrocarbons. Oh dear, what happened? The market did what it does best, suck a resource dry and then move on. The U.K. government has responded with a record number of permits given out to smaller oil companies mopping up what was left. Even if decent sized fields like BG Group's Jasmine and Buzzard can be punchy in themselves, the decline in the U.K. North Sea is unstoppable.

[Gas pipeline only addresses symptoms](#)

A gas pipeline may boost our economy and is likely worth building, but it does not resolve the more pressing issue of peak oil. Alaska needs a leader brave enough to restructure our energy supply. We need someone to lead us to sustainability. Are there any pioneers left in the Last Frontier?

[Supersonic Electric Aircraft: The Potential for Electrically Powered Commercial Aviation after Peak-Oil](#)

[Platts Survey: OPEC Oil Output Rises Slightly in April After Months of Declines](#)

The 10 members of the Organization of Petroleum Exporting Countries (OPEC) bound by the group's output agreements produced an average 26.57 million barrels of crude oil per day in April, a Platts survey showed May 10. This is up 30,000 barrels per day (b/d) from March's 26.54 million b/d and 770,000 b/d above their 25.8 million b/d production target established last month.

"But these numbers have to be viewed as worrisome for consumers," said John Kingston, Platts global director of oil. "Although the International Energy Agency (IEA) projects that OPEC only needs to supply the market with 29.3 million b/d in the second quarter to keep inventories balanced, from a full-year perspective it must supply about 30.4 million b/d," he explained, with the heaviest supply needs coming in the third and fourth quarters respectively, of 30.5 million b/d and more than 31 million p/d.

"So OPEC has to add a significant amount of supply in the market, just to keep inventories from declining further later this year," Kingston said. "And those estimates don't include any extra surge of OPEC oil that would be needed should the US Gulf of Mexico get hit by a significant hurricane in the coming months."

[Squeezing Out Every Drop](#)

In Brunei, Shell has figured out how to extract rich but scattered deposits—a technique it plans to roll out worldwide.

[Fighting for Survival](#) - *As the sea devours them, villages make plans to relocate—but who will pay?*

An unprecedented crisis has struck many Alaska rural settlements—communities historically built close to navigable water so residents could easily gather food and hunt animals. In recent decades, permafrost has been warming, the land melting away. Ancient bluffs have crumbled. The tide has been advancing on schools, tank farms, roads and runways. Homes have been flooded, boat landing ramps washed out. In parts of the

western Alaska tundra, the earth itself appeared to be sinking.

[ConocoPhillips Seeks Venezuelan Solution](#)

ConocoPhillips Chairman Jim Mulva said Wednesday the company continues to work toward an amicable resolution with Venezuela over its oil operations in that country, but he acknowledged negotiations are sensitive and arbitration is possible.

[No fuelin' this time: Oil supply near crisis](#)

To protect our economy, we need a coherent national energy policy.

[Oil Price Not as Simple as Demand and Supply](#)

Crude market prices are continuing to seesaw - rather heavily. From a price approaching \$70 a barrel last week, it is currently hovering at around \$65. Who is controlling the oil market prices and who is pushing it?

[China: Energy Market Of The Future](#)

It seems like a weekly occurrence that another deal is struck between China and another key energy producing country. However, Americas once solid position as most oil exporters No. 1 customer has changed dramatically. Now the US is seen as a third-rate customer that is taking a back seat to China and others. The United States as a power is going down and China is going up, Hugo Chavez said. China is the market of the future....

[Nigeria: Militants promise a month of 'mayhem' in oil delta](#)

Nigerian militant group MEND who have staged 10 attacks on Western oil facilities in the delta in the last nine days, kidnapping dozens of foreign workers and curbing output from the world's eighth largest oil exporter, said on Wednesday it had instructed armed groups in the Niger Delta to unleash a month of "mayhem" to press its case for more autonomy in the oil-producing region.

[Weekly Offshore Rig Review: More Day Rates & Durations](#)

This week, we will continue our examination of the correlation (or lack thereof) between contract lengths and day rates by looking at the worldwide fleet of competitive semisubmersibles and drillships. Based on the findings from last week's rig review, we expect to see a similar pattern among the deeper water rigs whereby longer contracts

command higher day rates, given that largely the same supply and demand factors are at play among these rigs as well.

[Will NYMEX Futures Boost Uranium Stocks Even Higher?](#)

The world's soaring thirst for energy will be the biggest issue over the next few decades- not global warming, overpopulation or even the death and devastation of war (which will most likely start over the energy crisis).

And the catalyst of the energy crisis will be Peak Oil.

If you don't believe me, I understand. But I would urge you to look at the news coming out every day. You'll see a fossil-fuel driven world gasping for breath.

[Religion and peak oil: The next spirituality](#)

It may be prophetic that science fiction, that cracked but not always clouded mirror of our imagined futures, so often makes religion central to narratives about a world after industrial civilization. That fashion was set in a big way by Walter M. Miller's 1959 bestseller *A Canticle for Leibowitz*, which leapt past the then-popular genre of nuclear holocaust novels to envision a centuries-long reprise of the Dark Ages, complete with Catholic monks guarding the knowledge of the past. Miller's book covered a lot of philosophical and theological ground, but among its core themes was the argument that religion — specifically, of course, Catholic Christianity — was the wellspring of humanity's better possibilities, and would be more important than ever when progress betrayed the hopes of its votaries.

In the hothouse environment of mid-20th century science fiction, a retort from the other side was not long in arriving. It came from Edgar Pangborn, whose award-winning 1965 novel *Davy* was in large part a counterblast aimed at Miller's vision. In Pangborn's future history, the collapse of industrial society was followed by the slow rise of a neomedieval society shackled to superstition and ignorance by the Holy Murcan Church. Like *A Canticle for Leibowitz*, *Davy* covered quite a bit of intellectual ground, and Pangborn's invented Murcan religion was at least as much a scathing satire on the American Protestant religiosity of his own time as it was an attempt to imagine a religion of the future. Central to Pangborn's vision, though, was the argument that religion was the zenith of human folly, an arrogant claim to privileged knowledge about the unknowable that inevitably lashed out violently against those too sane to accept its pretensions.

[Aviation boom doesn't bode well for climate](#)

Air travel is the preserve of a mere 5 per cent of the world's population, but this tiny minority's behaviour affects the poorest- who will probably never fly. Aviation has enormous repercussions on climate change. Let's look at a few figures. An Air

France/KLM report of 2005-2006 reckons it takes 3.1 litres of kerosene to fly one person for 100 km. This means 10 kg of co2 emissions, as per accepted calculations.

So, a person flying a distance of 10,000 km (two ways) ends up adding more than a tonne of co2.

[Glimpse into a fuel free future](#)

With the prospect of substantial urban sprawl in New Zealand cities and increasing car usage, Dr Andre Dantas (Civil Engineering), Dr Susan Krumdieck (Mechanical Engineering) and mechanical engineering PhD student Shannon Page have developed a software system to measure the impact of potential fuel shortages for a variety of future scenarios.

[IEA trims 2007 oil demand forecast slightly but warns market is tightening](#)

The International Energy Agency lowered its 2007 oil product demand forecast marginally but warned the global oil market is tightening and said the situation will not improve unless OPEC ups its output before the summer.

[BP: To Shut in Four North Sea Oil, Gas Fields June 17-27](#)

A spokesman for the company confirmed the Ula, Tambar, Valhall and Hod fields on the Norwegian continental shelf will be shut in for maintenance to coincide with installation of a new bypassing gas export line.

[UK Drivers Undeterred By High Gasoline Prices](#)

U.K. motorists appear undeterred by record-high U.K. gasoline prices, with fresh government data out Thursday showing an increase in traffic.

New Department for Transport data shows traffic on British roads increased 1.2% in the first quarter of this year compared with a year previously, led by rising traffic on country and minor urban roads.

[Cabinet endorses new fuel pricing parameters](#)

Fiji's high cost of fuel will see revised fuel pricing template parameters from June.

[European Parliament to hold conference on Caspian's hydrocarbons](#)

"Caspian's hydrocarbons are of great importance from this aspect. 233bn cu m gas and 50mln tons oil is planned to be transported through newly-commissioned Baku-Tbilisi-Erzurum gas pipeline and Baku-Tbilisi-Ceyhan oil pipeline. Oil and gas of Kazakhstan and Turkmenistan will possibly to have an access to western markets."

[Alaska village suffers fuel shortage](#)

The village of Newtok is suffering a fuel shortage hardship, having run out of both heating fuel and gasoline last month. The community has a population of over 300.

Gas was flown in by air carrier last week – 8-55 gallon drums and is being sold for \$11.83 a gallon at the Newtok Native Corporation, said residents. The local electric company, Ungusraq Power Co. bought stove oil from the school to run the generators to provide the community with electricity. Stove oil was selling for \$5.10 a gallon as of last week.

[Get Pumped](#)

As New Yorkers recently discovered, when crude oil prices jump, gasoline prices can jump even more. But though oil sheiks in the Middle East and President of Venezuela, Hugo Chavez, are convenient scapegoats, the real problem lies closer to home — our shortage of oil refining capacity.

[Gas remains a hot topic for callers](#)

"Back in 1977, when we were gas rationing, I was on the debate team and I debated the oil shortage. We weren't supposed to have gas by the year 2000. I don't drive to the north end unless I have more than one errand to run. After Memorial Day, the prices are going to drop back down to a lousy \$3.19 because that will be a good price to us once it hits \$4 a gallon. This has absolutely nothing to do with an oil shortage. This is complete and total corporate greed."

[Bad Climate “Science”](#): *The ideology goes in before the science goes on.*

In other words, we should worry about the risks of climate change; we should worry about the risks of geoengineering; and we should apply our most meticulous and careful scientific thought to characterizing these risks. But we should not consider — indeed we should remain utterly unaware of — the risks of forcing wealthier people to stop using, and preventing poorer people from starting to use, the fossil-fuel energy that played a leading and essential role in the vast improvements in human health, prosperity, and life expectancy during the last hundred years.

[To cool the planet](#)

CALIFORNIA'S groundbreaking global warming law, AB32, along with executive orders signed by the governor, requires California to cut its greenhouse gas emissions about 35 percent below current levels by 2020 and a staggering 90 percent below current levels by the year 2050. How in the world will California meet those aggressive goals?

[Toyota to cut hybrid costs](#)

Toyota expects to cut costs for hybrid cars enough to be able to make as much money on them as it does on conventional gasoline cars by around 2010, a top executive said on Thursday.

[World oil production has maxed out: Talisman](#)

Talisman chief executive Jim Buckee has never been one to shy away from controversy.

....So when Buckee suggests, as he did at Talisman's annual meeting Wednesday, that Peak Oil has arrived, we are not completely surprised -- even if that observation is likely to again land him in the eye of a storm.

[Hit by petro crisis, Nepal sends SOS to India](#)

The spectre of the worst fuel crisis ever loomed large over Nepal after the Indian company, the lone one exporting oil to Nepal, reduced petroleum supplies by 40 percent in a bid to pressure the importer, state-owned Nepal Oil Corporation (NOC), to clear old dues.

[IEA says Iran gasoline rationing is a clever move](#)

Iran's plans to ration gasoline and increase the price should help curb imports and raise fuel efficiency but may provoke considerable domestic opposition, the International Energy Agency (IEA) said on Friday.

[IBM starts green business arm](#)

'Project Big Green,' will target corporate data centres and includes a new global 'green team' of more than 850 energy efficiency architects from across IBM.

...'The data centre energy crisis is inhibiting our clients' business growth as they seek to access computing power,' said Mike Daniels, senior vice president, IBM Global

Technology Services.

[Argentina confronts biofuels craze](#)

Argentina's government is hopping on the biofuels bandwagon by offering tax incentives for new initiatives and saying 5 percent of the nation's fuel supply must be biodiesel- or ethanol-based in three years.

But many Argentines are worried that diverting farmland for biofuels — made from corn, sugarcane, palm oil and other agricultural products — will drive up food prices even higher.

[A Brief History of Oil \(Profits\)](#)

It seems almost quaint now, but just seven years ago, Bill Richardson, then the Clinton Administration's Energy Secretary, was quoted by *Reuters World Report* as calling oil prices "dangerously high," and saying the White House would use all options to fight soaring energy costs. The same story reported that farmers in Spain were taking their tractors on the roads to protest the cost of fuel. Saddam Hussein was threatening Kuwait again for stealing Iraqi crude. Soon, oil analysts were saying that if Hussein decided to quit shipping Iraq's oil, it could upset the world's petroleum market, possibly causing another severe hike in the price of crude. Yikes!

Of course, when these stories crossed the newswires in September, 2000, things were very different. The soaring energy costs Secretary Richardson was complaining about were \$38 per barrel for oil and \$1.58 per gallon for gas.

[Vermont could clear way for new emissions rules](#)

A Vermont judge could soon clear the way for nearly a dozen states to surmount auto industry protests and limit emissions from cars and light trucks to protect the environment, legal experts said.

[Blueprint for greenhouse gases](#)

Buy a fluorescent bulb and stop a hurricane? It's not that easy. A new climate-change report finds voluntary conservation and the use of clean energies together won't be enough to slow global warming. Rather, strict rules on greenhouse gases will need to pinch lifestyles. And the biggest price? A crimp on world economic growth.

[Risky Business: The Outlook for Investing in Nuclear Power](#)

A new report scrutinizes the nuclear industry from an investor's perspective and finds a rotting fantasy of cheap energy and huge returns.

[Positive results reported at the Kootenay Climate Change Conference](#)

Businesses and town administrations both prosper when they switch to less energy-intensive methods.

[The case for raising gasoline taxes](#)

Prices cannot be brought down because market tolerance determines the price, no matter who charges it.



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