



DrumBeat: May 16, 2007

Posted by [Leanan](#) on May 16, 2007 - 9:02am

Topic: [Miscellaneous](#)

Matthew Simmons: [Searing Summer of Gasoline Shortages](#)

Here is a quick run down on the possible disaster we face this summer as we head into Memorial Day with the lowest beginning-of-driving-season stocks in US history. It would have been convenient had someone found out exactly what Minimum Operating Levels really have become. I suspect we will answer this riddle this summer.

Minimum Operating Levels of petroleum inventories are when all cushions have been used up and the system is now starting to "rob Peter to pay Paul." At this stage, the risk of shortages starting to crop up is Red Alert.

[The AAPG Oil Reserves Conference, Nov 2006 - How Much Is Left?](#)

Late last year, in November 2006, the American Association of Petroleum Geologists organised a two day conference in Colorado Springs, USA which was by invitation only, described by the Oil and Gas Journal as the "AAPG Hedberg Research Conference on Understanding World Oil Resources". The theme of the conference was to discuss the world's remaining reserves of oil, and to reach some conclusions about how large reserves were. 75 specialists attended. Everyone who attended had specialist knowledge of original oil field data in specific basins around the world. The USGS were joint organisers and made a number of presentations comparing their studies with industry and state oil company experts having original data sets.

[Venezuela Private Oil Rig Ops May Drop on Nationalist Risk](#)

Venezuela's threats to "nationalize" 18 oil rigs currently operated by outside firms sent a shock wave through the local oil services industry at a time these services are in high demand around the globe.

[OPEC: World oil demand to reach 85.4 mln barrels a day in 2007](#)

The world's daily demand for oil will reach 85.4 million barrels this year, up 1.2 million from 2006, said the Organization of Petroleum Exporting Countries' (OPEC) Secretariat Tuesday in its monthly report.

[Norway government eases 2007 projected oil, gas production](#)

The Norwegian ministry of petroleum and energy has downwardly revised the country's projected oil and gas production this year, cutting its total production figure to 243 mln cubic metres of oil equivalent (cmoe) from 249 mln last year.

[Norway Has Not Yet Reached its Golden Age as a Gas Nation](#)

"Norway has not yet reached its golden age as a gas nation, and will supply natural gas to Europe for many decades to come, Tore Torvund, head of the business area Oil & Energy in Hydro, announced at the 14th European Gas Conference in Oslo on Tuesday.

While oil production from the Norwegian continental shelf is on the wane, Torvund emphasized that Norway has major gas reserves that have not yet been produced.

[Nigeria: Shell declares force majeure on 170, 000 bpd Bonny oil exports](#)

Angry Ogoni youths occupied a major oil pipeline feeding the Bonny export terminal in a protest which began on May 10, forcing Shell to cut 170,000 barrels per day of production.

[Venezuelan oil output hits 2.35 million bpd](#)

Oil production in Venezuela dropped 40,000 bpd in April, according to the International Energy Agency.

[Pakistan, Saudi Arabia may pose bigger problems than Iraq, Afghanistan](#)

Security collapse in Pakistan and Saudi Arabia could pose far greater problems for the west than either Iraq or Afghanistan, a former US general said on Tuesday, according to the Australian Associated Press news agency.

[Ibama Employees Start Strike](#)

The 6,400 employees at Brazilian environmental regulator Ibama have started their threatened strike in protest over what they deem as government interference in the organization's structure, local press reported.

President Luiz Inacio Lula da Silva published a presidential decree late last month ordering Ibama to split up the management and overseeing of nature reserves into a

new institute dubbed Chico Mendes.

[Iraqis resist U.S. pressure to enact oil law](#)

Opposition ranges from vehement to measured, but two things are clear: The May deadline that the White House had been banking on is in doubt. And even if the law is passed, it fails to resolve key issues, including how to divide Iraq's oil revenue among its Shiite, Kurdish and Sunni regions, and how much foreign investment to allow. Those questions would be put off for future debates.

[What Happens After US Withdrawal from Iraq?](#)

It seems that the question being asked behind the scenes in Washington today is not whether or not the US forces will withdraw from Iraq, but when and how, and, more importantly, who will take the place of the US troops in Iraq?

[Power industry warns on high price of moving to 'clean coal'](#)

The UK power industry has told the Government that the development of "clean coal" power stations will not take place without heavy subsidy and higher electricity prices.

[Next-Gen Energy Conference: Moore's Law for solar?](#)

Is it time for the solar power industry to focus less on tech R&D and more on delivering affordable solar energy to the masses?

[Hydrogen cars may be a long time coming](#)

President Bush's goal of putting the next generation of Americans into cars fueled by hydrogen is slipping away.

Technology, economics and human behavior are proving to be formidable obstacles to the president's dream of using hydrogen - the most abundant element in the universe - to reduce America's dependence on gasoline.

[Our view on atomic energy: As globe heats up, nation warms to nuclear power](#)

Solar, wind and other renewable energy sources are more desirable than nuclear — but they're not ready to produce the huge amounts of electricity the USA consumes. Nuclear

power isn't a perfect answer, but safely managed and regulated, it needs to be a bigger part of the nation's energy future.

[Saudi discovers 2 new fields](#)

Saudi Arabia has discovered two new oilfields near Ghawar, the world's largest field, Oil Minister Ali Al Naimi said.

Output from one of the fields was light crude with an API gravity measure of 35 degrees. The Derwaza-1 well on that field, 70 km southeast of Ghawar, produced 5,569 barrels per day of oil and 2.8 million cubic feet per day of gas.

The second field produced heavy crude with an API gravity of 27.4 degrees, the SPA news agency said.

[Saudi Aramco Signs Offshore Manifa Contract with J. Ray McDermott](#)

Saudi Aramco signed a lump-sum turn-key contract with J. Ray McDermott for the engineering, procurement, fabrication, transportation, installation and hookup of offshore platforms for the 900,000 bpd Manifa oilfield development project.

[The \\$100 Barrel of Oil](#)

Will oil go up or down \$10 per barrel in the next few years?

No one can answer that with any certainty as dozens of interrelated political and economic forces can each move prices several dollars per barrel, and divining the collective effect is impossible.

Will oil hit \$100 per barrel?

That, surprisingly, is an easier question because there is one indicator that may give you a pretty good idea: the U.S. response to Iraq's civil war.

[Turkmenistan's natural gas: mixed blessing](#)

A weekend deal with Russia for a pipeline will raise revenues for the ex-Soviet country, but some worry how those will be spent.

[IEA Warns Russia, Iran Against Pushing 'Resource Nationalism'](#)

Ministers of International Energy Agency member states warned major natural gas

producers such as Russia and Iran on Tuesday against disrupting energy markets with production-adjusting actions based on nationalism and using their rich resources as leverage over others, IEA officials said.

[Why \\$5 Gas Is Good for America](#)

The skyrocketing cost of oil is sending pump prices soaring. But it's also subsidizing research into new technologies that can change the energy game.

[Congress urged to ease pain of gas prices](#)

The average U.S. household is already spending \$1,000 more per year on gasoline than it did five years ago, two consumer groups say in testimony they planned to present to a House Judiciary Committee task force Wednesday.

That's an increase of 85 percent, and rural households have been hardest hit because they spend about 20 percent more on gas than urban residents, the Consumer Federation of America and Consumers Union said, citing Labor Department figures.

"It is time for Congress and the administration to do their part to help alleviate the pain consumers are feeling at the pump," said Mark Cooper, director of research for the federation. At Wednesday's hearing, he plans to call on the federal government to provide greater oversight over oil industry market practices, create strategic refinery and product reserves, and enact policies that promote reduced oil consumption.

[Despite cost of gas, motorists still driving](#)

For all their complaining as they pay \$3 a gallon or more to fill up their cars, few American drivers have yet to reach the point of cutting back.

....Most Americans are locked into their driving habits, and can do little to alter their fuel-buying patterns when prices rise, experts say. For example, the number of workers with commutes lasting longer than 60 minutes grew by almost 50 percent between 1990 and 2000, according to Census Department data.

['70s-style gasoline crisis possible, Senate told](#)

"We are one major incident away from a 1970s-style gasoline crisis," Paul Sankey, an oil analyst, warned the Senate Energy Committee yesterday.

[Dow, Shenhua closer to clean coal plant](#)

Domestic coal mining giant Shenhua Group and US-based Dow Chemical Company have signed a cooperation agreement and announced plans for a feasibility study, bringing the two a step closer to building a world-class coal-to-chemicals complex in Northwest China's Shaanxi Province.

[Motorists will pay for energy 'solution'](#)

It's hard to believe the news on gas prices could get any worse. But the rush to ethanol almost certainly will push prices at the pump even higher. And that's not all the bad news: The ethanol craze already is causing food prices to rise, and they will rise higher as farmers try to meet the huge, government-mandated demand for corn.

[Senate defeats climate change measure](#)

The Senate, after one of its first full debates on global warming, on Tuesday defeated a proposal requiring the Army Corps of Engineers to consider the impact of climate change in designing water resources projects.

[Ignore car fee critics, London mayor tells NYC](#)

London Mayor Ken Livingstone backed New York Mayor Michael Bloomberg's plan to adopt the British capital's traffic-fighting vehicle fee, urging him on Tuesday to ignore critics and any drop in approval ratings.

[LA wants to slash greenhouse gases](#)

Los Angeles — a city devoted to cars and polluted by the exhaust that comes with them — announced Tuesday an array of steps to sharply reduce greenhouse gases by 2030.

Some ideas appear easy, like planting trees and giving each household a couple of energy-saving fluorescent light bulbs. Others are speculative at best, like expanding the city's mostly ignored subway and hoping to slow water use at a time when the city's population is growing.

[16 cities to go green under Clinton plan](#)

Sixteen cities around the world will begin cutting carbon emissions by renovating city-owned buildings with green technology under a program spearheaded by former President Clinton's foundation.

[California to rank greenhouse gas content of fuels](#)

California on Friday will unveil a ranking of greenhouse gas emissions from motor fuels with the goal of encouraging people to use low-carbon alternatives.

Scientists will reveal the formula for calculating the amount of greenhouse gases emitted from the full cycle of fuels — from extraction and harvesting to combustion — said David Crane, an advisor to California Gov. Arnold Schwarzenegger.

[Clarion Caller](#): *An interview with renowned climate scientist James Hansen*

...The only way to keep CO₂ from exceeding 450 parts per million would be to say we'll have no more emissions from coal, and that would mean that we should not be building any more coal-fired plants until we have the sequestration technology. A molecule of CO₂ from coal, in a certain sense, is different from one from oil or gas, because in the case of oil and gas, it doesn't matter too much when you burn it, because a good fraction of it's going to stay there 500 years anyway. If we wait to use the coal until after we have the sequestration technology, then we could prevent that contribution. I don't think that has sunk in yet to policy makers, because there are many countries going right ahead and making plans to build more coal-fired power plants.

[California-Sized Area of Ice Melts in Antarctica](#)

Warm temperatures melted an area of western Antarctica that adds up to the size of California in January 2005, scientists report.

Satellite data collected by the scientists between July 1999 and July 2005 showed clear signs that melting had occurred in multiple distinct regions, including far inland and at high latitudes and elevations, where melt had been considered unlikely.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).