



## DrumBeat: May 17, 2007

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Topic: [Miscellaneous](#)

### [Russian Oil Companies Push East for New Growth](#)

Russia is scrambling to unlock the vast oil wealth of East Siberia to keep crude output in the world's largest oil producer from falling. But to succeed, Russian companies will need deep pockets.

High oil prices have helped Russian oil companies post record profits in recent quarters. Yet as output growth from Russia's main oilfields in western Siberia begins to slow, the country's oil giants are pushing eastward to tap new resources that sit under some of the world's most forbidding terrain. Without new production in regions like East Siberia, crude output in Russia, the world's second-biggest oil exporter after Saudi Arabia, will flatten or decline, industry observers say. Although Russia is the world's largest crude producer, at 9.79 million barrels a day, much of its output goes to meet domestic demand.

### [Houston Valero refinery is off line](#)

Valero's Houston refinery will be off line until sometime next week because of boiler and steam system problems, the company said Wednesday.

All of the plant's 64,000 barrels per day of gasoline and 44,000 barrels per day of distillate production is off line because of the problem. Distillate includes diesel fuel and heating oil.

...Also Wednesday, ConocoPhillips said a leak on a sulfur recovery unit at its Sweeny refinery in Brazoria County led to a shutdown of that equipment. The company would not reveal how much production has been cut back because of it.

### [OPEC doesn't see need to boost oil supply before summer, top official says](#)

OPEC doesn't see a need to boost oil supplies before the summer and will stick to its view that global oil markets are amply supplied, a top official from the group said Thursday.

"There's no need for us to do more," Abdulla Salem el-Badri, secretary-general of the

Organization of Petroleum Exporting Countries, told Dow Jones Newswires in an interview.

His remarks are the latest sign that OPEC wants to see crude oil stocks being drawn down more as a way to shore up prices.

El-Badri said U.S. gasoline stock levels are "acceptable" despite the industry's concern that inventories have fallen too low to meet the usual surge in summer demand.

### [Gas prices won't deter Memorial Day travelers](#)

Despite record fuel prices above \$3 per gallon, more Americans will travel by car over the Memorial Day holiday weekend than a year ago, according to a survey by travel agency AAA.

In a sign that energy costs will affect behavior, however, AAA said travelers are planning to stay closer to home and take shorter trips.

### [BP leader won't say budget pressures directly caused Alaska leak](#)

BP America President Robert Malone acknowledged Wednesday that budget pressures made life difficult for company workers trying to safely operate BP's pipelines in Alaska's giant Prudhoe Bay.

But Malone stopped short of conceding that cost cutting was directly to blame for the company's failure to detect the corrosion that caused two pipelines to leak, forcing the company to shut down a portion of the nation's largest oil field and sending crude prices soaring.

### [Scientists Back Off Theory of a Colder Europe in a Warming World](#)

"The concern had previously been that we were close to a threshold where the Atlantic circulation system would stop," said Susan Solomon, a senior scientist at the National Oceanic and Atmospheric Administration. "We now believe we are much farther from that threshold, thanks to improved modeling and ocean measurements. The Gulf Stream and the North Atlantic Current are more stable than previously thought."

### [Why ethanol backfires](#)

Shifting more corn to fuel production has serious consequences. Importing the sugar-based variety from Brazil makes more sense.

## [Russia draws Europe into its orbit](#)

On May 9, the Chinese People's Daily admitted, "If we look at US-Russian relations closely, it is clear that we are standing at the edge of a new cold war." It was an assessment long in coming.

## [Making a living](#)

Plenty of outsiders come, because Twin Oaks is energetic about inviting them. The community has a detailed system for recruiting new members: If you want to join, you have to spend three weeks here first, during which you might milk cows, weave hammocks and cook breakfast in the dining hall. Then you have to leave and wait 10 days to see whether the community will invite you to join; after that you have to think about it for yet another month before making a decision.

The process is meant to both avoid disruptions to the community (visitors are shepherded by designated handlers) and, as far as possible, to keep people from joining hastily. After all, the choice is a sweeping one: to freeze one's assets, move to rural Louisa County, and plug into a distinctive subculture where everyone goes by a single name—often not their birth name—and Valentine's Day is replaced with another holiday, called Validation Day.

## Australia: [How the Hippies are finally changing the world through Eco Villages](#)

"An Eco Village can be a lot of different things for a lot of different people," he says. "We define an Eco Village as a place where people can live in a more sustainable way and yet, not have any impact on their quality of life. This refers to the natural environment, but also the social and community context, as well as the economic and enterprise aspect."

## [Experts say oil refineries stretched too thin](#)

Record gasoline prices have exposed the shortcomings of the aging U.S. refining system, but there are no quick fixes, a panel of energy experts told lawmakers Tuesday.

That suggests gas prices will be vulnerable to refinery outages through the summer. And one expert said gas shortages are possible.

"We may have an emergency this summer," Deutsche Bank's lead oil analyst, Paul Sankey, said.

## [Oil-Patch Dems Say Warming Bill Must not Harm Supply](#)

Nearly 20 House Democrats from largely oil-and-gas producing states penned a letter to their leadership yesterday in an attempt to make sure climate change legislation does not lower energy supplies or increase prices.

John Michael Greer: [The view from the grassy knoll](#)

I've argued before that the unfolding crisis of industrial society is not really a technical problem, to be solved by the familiar tools of science and engineering. It's a human problem, with deep roots in the mythic narratives we use to make sense of the worlds of our experience. It's worth remembering that those of us discussing peak oil are not exempt from the same difficulty. Like every other member of our species, we think with narratives, with roughly the same inevitability with which we walk with feet, and the narratives we use to make sense of peak oil can be just as misleading as the narratives other people use to ignore it.

[Between Fossil Fools and Peak-Oil Prophets](#)

There's a fine line between fools and prophets. Talisman Energy CEO Jim Buckee treads it boldly, and his recent Peak Oil proclamation is certain to ruffle some feathers.

...But he doesn't despair. Instead, Talisman has become the vanguard in what I call the Transitional Energy Economy, a movement to turn the corner from Peak Oil doom-and-gloom towards a more efficient and profitable energy horizon.

[Utilities brace for worker shortage](#)

About half the USA's 400,000 power industry workers, largely baby boomers, are eligible to retire in the next five to 10 years, according to Carnegie Mellon University's Electricity Industry Center. The industry already has shed about 40% of its workforce since 1990 in response to deregulation, the center says. As many states froze electric rates in the 1990s, utilities cut payrolls to fatten profits and offset losses from the low-priced sale of power plants, says center co-director Lester Lave. Companies shut down or scaled back training programs.

That undercut the main appeal of a utility job: stable, lifelong employment. Today, high school graduates "are looking at jobs with computers sitting in an office, rather than working with their hands," says Jim Hunter, utility director for the International Brotherhood of Electrical Workers (IBEW) union.

[Shell to Stay in Nigeria Despite Violence](#)

"Shell has been operating for 70 years in Nigeria," said Shell Chief Executive Jeroen van der Veer after Tuesday's annual general meeting of shareholders in Scheveningen, the

Netherlands.

Despite the fact that the Nigerian government skims-off 95 percent of the profits for the oil production on land, Shell wants to greatly expand production, including oil production at sea, he said.

"The world simply needs the energy from Nigeria," said van der Veer.

### [Hungry Zimbabwe faces severe wheat shortage](#)

The slow pace of planting has been attributed Zimbabwe's chronic shortages of fuel, fertilizer and electricity for irrigation.

The southern African country, once hailed as the region's breadbasket - is already facing a massive deficit of more than a million tonnes of the staple maize crop.

### India: [High gas rates may upset NTPC expansion plans](#)

NTPC Ltd, India's largest power generation company said the price at which analysts expect gas from new fields to be sold, at \$4.50 (Rs184.50) per million British thermal unit (mBtu), is too high.

The company has threatened to drop the expansion plans for its gas-based projects if this is the cost of gas.

### [No tax hike for schools, Kent pledges](#)

County Tax Assessor, Gerald Barber said that the spending habits of county residents, along with high gas prices, could be driving down ad valorem tax collections on new cars.

...A trend towards cheaper and used vehicles may also have caused the tax shortage, an automobile dealer said.

### ['Green' Car To Cost Lots Of Green](#)

Toyota's commitment to hybrid automobiles was on full display Thursday when the automaker unveiled its most expensive gasoline-electric vehicle yet -- the 15 million yen (\$124,000) luxury sedan Lexus LS.

### [Why gasoline prices are rising while oil isn't](#)

Last summer when oil traded at a record high near \$79 a barrel, gas at the pump went for about \$3.03 a gallon. Today, crude's about \$62.50 a barrel and a gallon of regular unleaded costs \$3.10

Doesn't seem right, does it? The price of a barrel of crude ought to be a better benchmark for what you pay at the gas pump.

In today's economy, though, that type of formula is out the window, a relic from the days when refineries kept crude stocks high during winter months and Americans didn't drive longer and longer distances to get to home, work and play.

### [Lawmakers link gas prices to investments](#)

While oil companies blame soaring gasoline prices on unexpected refinery shutdowns, Congress is questioning whether industry mergers and investment decisions have erased a supply cushion.

### [Gas prices make consumers seek new plans](#)

The soaring price of gasoline is leading many Americans to adopt new strategies to economize on fuel, especially during the summer holiday driving season that's about to begin.

### [Another spike in gas price](#)

Upset by high gas prices? You've got more power than anyone else to change how much you spend on motor fuel. It's up to individuals to decide whether they live three miles or 30 miles from work. They decide whether they drive big SUVs or four-cylinder sedans that go two or three times farther on a gallon of gas.

### [Big Oil needs to be held accountable](#)

The oil company executives use every lame and untruthful excuse possible for raising the cost of these fuels so that they can put untold millions in their private bank accounts. The latest excuse is, "Not enough refineries." So, when will even one of our gallant leaders ask the question: "If refineries are the problem, why isn't there a gas shortage?"

### [Gas prices burn off profits](#)

That extra burden from rising fuel costs — roughly 45 percent in the last two years — has affected the company's bottom line by 3 percent. "That's big and it's forced us to

reduce capital, like not replacing trucks or enlarging our fleet.”

And the recent spike in fuel prices has rubbed salt in that growing wound.

['Crazy' gas prices prompt carpooling](#) - Actually, despite the title of this article, it's about how prices *haven't* prompted carpooling.

"Even if I get a horse and buggy and trot in to work every day, I'll find a way," she said.

[Water: Vermont's answer to energy crisis](#)

But there is an answer for Vermont's energy future, with or without nuclear energy, and it would help keep Vermont the number one least polluting state in the country and the sixth most desirable tourist location in the world. The answer is hydropower. Hydro Quebec has 35,000 megawatts of hydropower. We need only 1,000 megawatts in Vermont, a drop in a mighty big bucket. It doesn't emit carbon dioxide, it is renewable (as all hydro is regardless of the size), and it is reliable 24/7.

[ONGC to quit Indo-Burma gas pipeline project](#)

The Oil and Natural Gas Corporation Limited, ONGC – Videsh Limited or OVL has walked out of the Indo-Burma gas pipeline project in the footsteps of the Gas Authority of India Limited, GAIL.

[Should petrol supplies be limited?](#)

Imagine a time when petrol supplies are strictly rationed to help combat global warming.

In such a world, a country's annual quota could mean prices sky-rocketing towards the end of the year as supplies dwindle, before crashing back down again in January.

David Strahan: [What Stern got wrong](#)

The Stern review on the economics of climate change completely fails to acknowledge the imminent decline in global oil production.

[Labor conference on global warming fails to address energy](#)

A North American Labor Assembly on the Climate Crisis was held May 7 and 8 in New

York City. Put on by the Cornell Global Labor Institute, the event was sub-titled "Building a Global Movement for Clean Energy". A report by labor organizer and peak oil activist Jerry Silberman.

### [Say no to bigger suburbia, American journalist says](#)

Urban sprawl should be on its last legs, says an American journalist.

"Suburban development will have to come off the menu," James Howard Kunstler said in an interview this week from his home in Saratoga Springs in upstate New York.

### [Coal at crossroads as energy progenitor](#)

A lone, but powerful, holdout to this otherwise universal acceptance of upcoming federal environmental restrictions is Gregory H. Boyce, chief executive officer of St. Louis-based Peabody Energy Corporation, the world's biggest coal company. To put Peabody's coal reserves in perspective, its 10.2 billion ton coal pile stocks have nearly twice the energy content of global corporate energy leader Exxon's petroleum hoard.

### [India's energy sector requires \\$150b investments by 2012](#)

A report issued by KPMG, a leading consultancy firm in India, showed that the country's power and energy sectors such as coal, oil, gas and nuclear power will need funds of \$120-\$150 billion over the next five years, Khaleej Times reported.

### [China to fill Aoshan tanks with Mideast oil by June](#)

China will make its first crude fill into its second strategic oil storage facility at Aoshan by the end of May, signalling Beijing's determination to bolster its emergency inventories despite high oil prices.

The delivery of about 2 million barrels of Middle East crude into Aoshan comes after the world's second-largest consumer finished filling its first 33 million barrel facility, part of its target of a 100 million barrel buffer by the end of 2008.

### [Huge Chinese oil field may be bigger than thought](#)

Latest explorations indicate that China's newly found Jidong Nanpu oil field in Bohai Bay may have more reserves than previously estimated, state media reported Thursday.



### [Is China able to find another big oilfield?](#)

Q. The discovery of the Nanpu oilfield was in an old, prospected zone, and how was the discovery made possible?

A: the Bohai Bay is a prospected oil zone, and so is Jidong, or eastern Hebei province. The discovery of the Nanpu oilfield is owed to a couple of factors, namely, 1. scientific decision made; 2. technological progress scored; 3. the sound, top rate work of organizing and, 4. correct theoretical guidance.

### [Bicyclists, transit officials and environmentalists are happy about high gas prices](#)

As gas prices sail to new highs in the Twin Cities and nationwide, most observers are expecting people to complain, pay up and keep driving.

But some welcome the rising cost of fill-ups -- not just bicycle dealers, but also environmentalists seeking to reduce air pollution and transit advocates who see hordes of new passengers.

### [Greens angered by 1m flights giveaway](#)

The giveaway comes as Ryanair struggles to fill its planes amid an unexpected drop in demand across the low-cost airline industry during April. The airlines have been hit hard by the doubling in air passenger duty just as they have been taking delivery of new planes and opening up scores of new routes. What the airline industry calls "load factors" - the proportion of seats filled in each plane - have dropped across the board.

### Tom Whipple - [The Peak Oil Crisis: Alarms Are Sounding](#)

Across the world alarm bells are starting to clang. Above every gas station, a large sign is proclaiming that prices are on an unstoppable climb towards un-affordability. In Paris, the International Energy Agency has announced that the demand for oil is likely to exceed the supply later this year, unless, of course, OPEC steps up production. In the Middle East OPEC spokesmen reiterate time after time that all is well, there is plenty of oil, and there is no need to increase production.

In Ottawa, a parliamentary hearing on energy security broke up in turmoil last week when a distinguished professor pointed out that, unless Canada stopped selling 60 percent of its oil to the US, Canadians would soon be "freezing in the dark." In Nigeria, Chevron is evacuating hundreds of employees to forestall the possibility that they too will be hauled off to the swamps as hostages in an increasingly bitter insurgency. The Chinese just announced that their April oil imports were 23 percent higher than last April's. Iraq, Saudi Arabia, Venezuela -- everywhere you look -- there are unmistakable warnings of troubles to come.

### [Big Oil attacked over record gas prices](#)

Critics tell House panel that mismanagement, lack of competition are behind record prices; call for gas reserve, possible oil company breakup.

### [Gas pumps gulping family pay](#)

For the very poor, "people buy less medicine, they buy less food" when forced to pay more at the pump, says Mark Wolfe, executive director of the National Energy Assistance Directors Association. He notes the increase in gasoline prices comes on top of higher costs for heating and air conditioning, which have stressed some household budgets.

"Businesses that serve lower- to middle-income people, they have reason to be concerned," Wolfe says.

### [Nigerian politician's house bombed](#)

Attackers blew up the country home of Nigeria's vice president-elect with dynamite Wednesday, authorities said, as violence escalated in the country's oil-rich south before a government handover this month.

Militant groups making an array of demands, including a greater share of government oil revenues, have carried out bombings, kidnappings and protests since 2005 that have already shut down a third of production in Africa's oil giant.

### [Analysis: Shell takes hit in Nigeria](#)

Foreign oil in Nigeria suffered another setback this week when protestors attacked a remote pipeline forcing 170,000 barrels of production offline.

### [Venezuela tells oil companies: Obey or leave country](#)

Venezuela has every right to take control of its energy resources and international companies which do not accept the country's terms should leave, Venezuelan Deputy Energy Minister Bernard Mommer said.

Mommer, widely seen as the architect of renationalisation led by leftist President Hugo Chavez, said it was normal for Venezuela to strive for control over its energy resources.

“You get a globalised world of investments, but not of natural resources,” Mommer said in an interview on Tuesday. “The natural resources belong to the Venezuelan people and I don’t know one people who thinks differently.”

#### Russia: [Oil, industrial production grow 4.2%, 7.5% in 1Q07](#)

Oil output in Russia grew 4.2% in the first quarter of 2007 year-on-year to 121.2 million metric tons (about 890 million bbl) while industrial output climbed 7.5%, the federal statistics body said Thursday.

Crude sales on the domestic market in January-March grew 6.5% to 56.2 million metric tons (413 million bbl), and exports edged up 3% to 63.1 million tons (464 million bbl). In March, domestic sales rose by 5.4% to 19 million metric tons (140 million bbl) and exports by 3.2% to 22.3 million tons (164 million bbl).

#### [Biofuel Production to Trigger Corn Shortage in Guatemala](#)

Corn will be scarce in Guatemala in the coming months due to the huge demand in the United States for ethanol production, which is buying and hoarding massive amounts of the grain.

According to Granma newspaper, in the last six months, a bushel of corn (56 pounds), doubled its price on the US market, from \$4 to \$8 US because ethanol producers consumed 86 million metric tons, 5 million over the figure planned.

Although to date there is no biofuel production using grains in Guatemala, the prices have also begun to increase, up as much as 73 percent.

As a result, many producers believing prices will go even higher are making huge purchases of animal fodder, which will affect the availability of corn for human consumption.

#### [Rise of biofuel crops threatens native tribes](#)

Indigenous people are being pushed off their lands to make way for an expansion of biofuel crops around the world, threatening to destroy their cultures by forcing them into big cities, the head of a U.N. panel said Monday.

#### [Iraq is on the verge of collapse - report](#)

Iraq's government has lost control of vast areas to powerful local factions and the country is on the verge of collapse and fragmentation, a leading British think-tank said

on Thursday.

Chatham House also said there was not one civil war in Iraq, but "several civil wars" between rival communities, and accused Iraq's main neighbours -- Iran, Saudi Arabia and Turkey -- of having reasons "for seeing the instability there continue".



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