



## DrumBeat: June 7, 2007

Posted by [Leanan](#) on June 7, 2007 - 10:20am

Topic: [Miscellaneous](#)

### [Chris Skrebowski on spare global petroleum capacity](#) (podcast)

Chris Skrebowski, editor of the UK Petroleum Review, talks with GPM's Julian Darley about the latest spare capacity estimates for the Middle East and the world.

### [Oil hits \\$67 after Turkish raid](#)

Oil prices rose to \$67 a barrel Thursday after a raid by Turkish troops into northern Iraq revived worries over exports from the Middle East, which pumps a quarter of the world's oil.

Data showing U.S. refiners were struggling to boost summer fuel production and Cyclone Gonu's disruption of Omani oil and gas exports lent additional support to the market.

### [Al-Qaeda spark for an Iran-US fire](#)

After revelations of a US administration policy to hold Iran responsible for any al-Qaeda attack on the United States that could be portrayed as planned on Iranian soil, former national security adviser Zbigniew Brzezinski warned last week that Washington might use such an incident as a pretext to bomb Iran.

### [The Death of Conventional Oil](#)

Remember the good old days when oil was \$50 a barrel? I know that was only a few months ago--but just wait a few years from now when you're wishing the price for a barrel of sweet crude was below \$100. The reality is that peak oil is a lot closer than you think.

### Australia: [Pressure grows on petrol companies](#)

Petrol companies have been warned by Prime Minister John Howard he will give the

competition watchdog whatever powers it needs to investigate price gouging at the bowser.

### [Gas prices hinder retail rebound](#)

Sales were mixed overall as the chain stores struggled with tougher comparisons from a year ago and consumers found themselves shelling out a lot more at the gas pump.

### [On Broadway, trucks shake while residents steam](#)

Rising costs for petroleum-based repaving materials have delayed many state road projects, including work on Broadway, Gailey said. The project was pushed back to 2010, Gailey reported at a recent South Portland City Council meeting.

### [Noble and BP Make Discovery at Isabela Prospect](#)

Noble Energy has made a discovery on Mississippi Canyon Block 562 (Isabela Prospect) in the Gulf of Mexico, located approximately 150 miles southeast of New Orleans in 6,500 feet of water.

### [House GOP Plans Amendments to Counter Rahall Energy Bill](#)

U.S. House Republicans are preparing a flurry of amendments to counter provisions in an energy bill critics say would stunt domestic oil and gas production, aides close to the matter said.

The raft of amendments principally seek to foil Natural Resources Committee Chairman Nick Rahall's, D-W.Va., provisions to repeal 2005 Energy Policy Act laws designed to accelerate oil and gas production. The bill is scheduled for markup Wednesday in the Natural Resources Committee.

### [Bluster on the Hill](#)

Today's gas prices stem from high demand and low supply, not price gouging. If Congress really wanted to lower gasoline prices, it would act to reverse our current supply-demand equation.

### [Another Inconvenient Truth](#)

The point I am making is that even if we were to discover a world-class oil field today,

the supply from that will probably not reach the market for another decade and we will need to find many oil fields to feed the rapidly rising global demand. To complicate matters further, over the coming years, it is expected that more and more existing oil fields will enter a decline. So, rather than adding to the global supply in any meaningful manner, additional supplies from new fields may only just about compensate for the decline in the older fields. This is a sobering thought often overlooked by many oil-analysts and economists.

### [Food prices skyrocket](#)

"What we've done with the usage of biofuels, based on corn, is link our food prices to energy prices," said Michael Swanson, an agricultural economist for Wells Fargo, one of the nation's largest commercial agricultural lenders. "Agriculture is one of the most intense users of energy. And now you can either sell corn for feeding animals or for fueling vehicles."

### [Russia's nuclear power company finds business is good - in Iran and elsewhere](#)

The Russian nuclear power company, Atomstroyexport, has been roundly criticized for helping Iran build its nuclear program. But that project, along with the company's mouthful of a name, is not hurting its business prospects.

### [Fertilizing oceans to save the planet](#)

What if you could save the planet from global warming -- and reap vast financial rewards -- by dumping iron filings off the side of a ship? That's the tantalizing promise offered by a handful of companies that are trying to turn the cultivation of ocean-based algae into billion-dollar businesses.

### [Profiting From Climate Change: Ignore Gore the Bore, Build A 'Floatel'](#)

Who's to say that rising sea levels are a bad thing? The coast line isn't really gone. It just moves further inland, raising somebody else's property values.

### [G8 agrees "substantial" emissions cuts](#)

German Chancellor and Group of Eight host Angela Merkel said Thursday that G-8 leaders agreed on a plan calling for "substantial cuts" to greenhouse gas emissions.

The leaders failed to overcome U.S. resistance to committing to specific numerical targets to curb global warming, but did refer to the European Union goal of cutting emissions by 50 percent by 2050.

### [Climate Change Battle Could Spell New Disasters](#)

On energy supply, a focus on small-scale distribution is the answer to fighting climate change and poverty both at once, say non-governmental and UN organisations.

### [Brazil: Biofuel Gold Rush Continues](#)

President Luiz Inacio Lula da Silva's call for Brazil to become a “green Saudi Arabia” over the next few years has investors giddy and environmental and workers organizations panicked.

### [OPEC Official Looks West for Investment](#)

In an unusual admission, OPEC's new secretary-general said oil-producing countries may have to attract more foreign investment to meet world oil needs. But his call is at odds with the rising barriers faced by Western oil companies hoping to tap the cartel's vast reserves.

### [Columbus is Dead #3: The Imminent Threat](#)

The Neocons know that with the end of the age of cheap oil there comes an end to this age of general affluence with its common conveniences. The trucks and trains which ship everything to our stores' shelves will stop rolling so frequently. Things about our society that many of us take for granted will seize-up, as food and other basic stuffs are no longer readily available to most people.

Neocons are counting on this to be the case. There'll be a general deployment of their private corporate armies to put down any potential movements by people towards practical local autonomy.

### [The Way It Is: The Era of Energy Trades War for Comfort](#)

The noise is sharp, ominous and growing louder. It is not the deep roll of thunder; it is almost like the snapping of dry sticks. That sound is, in fact, the sound of thin ice cracking, and when it comes to our nation's energy policy, we've been skating on thin ice for along time.

### [Russian Oil Pipeline Shutoff to Lithuania: Wider Ramifications](#)

Moscow's closure of the oil pipeline to Lithuania in July 2006 "looked, sounded, and felt" (see EDM, August 3, 18, 2006) like political and economic retaliation against the privatization of Lithuania's Mazeikiai refinery by Poland's PKN Orlen, which had prevented a Russian takeover. The Russian government cited the need for "emergency repairs" on the Russian stretch of that line, a northbound spur from the westbound Druzhba pipeline. However, Russia failed to carry out any repairs ever since and ignored Lithuania's and the European Union's requests for information.

### [Peace is greatest crop of them all](#)

In the grounds of a 10-acre community garden that is virtually unknown to the rail commuters and residents who pass it every day, an ecological revolution has begun to bloom.

### [Post-Petroleum Gardening](#)

I came across a great book that's had me thinking a lot about why we garden. In my case, I don't garden because I have to. I do it because it's rather magical -- and much cheaper than therapy. But considering the impending peak oil phenomenon, gardening simply for the sake of gardening really is something of a luxury. Someday -- maybe someday soon -- growing a lot of our own food may well be a necessity.

### [Nigerian president calls for addressing power shortage situation](#)

Nigeria's President Umaru Yar'Adua said his administration will take measures to handle power shortage problem across the country.

In a meeting with key stakeholders in the power sector, he said the country is bedeviled by crippling energy crisis, with power outages more regular than supplies.

### [Energy crisis threatens manufacturing growth](#)

The government Wednesday expressed concern over the lingering energy shortage and termed it as a potential threat to the country's economic growth, especially of large-scale manufacturing (LSM), which followed 8.8 percent growth this year against the set target of 13 percent.

Jahangir Khan Tareen, the Federal Minister for Industries, Production and Special Initiatives while talking to reporters blamed the energy shortage (gas and electricity) as the sole reason for decline in large-scale manufacturing.

### ['Green power' could help solve many problems](#)

Outsourcing, global warming and terrorism are very different problems, but "green power" could wean the West and the developing world off cheap oil and its accompanying problems, *New York Times* Pulitzer Prize-winning journalist Thomas L. Friedman said Wednesday.

### [Cambodia's Oil Prospects Uncertain - PM](#)

Prime Minister Hun Sen said Cambodia's petroleum prospects are uncertain, going back on earlier comments that his country could begin tapping its oil reserves by 2010.

"Oil under the sea is still a dream. It is better to think of how to keep the current economy growing," he said in a speech broadcast on national radio.

### [Shell Confident Nigerian Production Will Return by Year-end](#)

Royal Dutch Shell has high hopes for Nigerian oil production following a seemingly democratic presidential election two months ago, said a company official.

### [The Peak Oil Crisis: Twin problems](#)

Someday soon, the poor countries of the world will be importing so little oil that increasing demand will leave only the rich bidding against the richer, prices will move up again and still fewer will be sharing in the last years of the oil age.

This situation could change for the worse, even before the end of the year, as knowledgeable observers are starting to issue stronger warnings. This week at an energy summit, Guy Caruso, the head of the EIA, called on OPEC to increase production immediately; otherwise the world faces higher prices and shortages due to increasing demand. The normally optimistic Caruso noted that with potential outages from Nigeria, Venezuela and Iraq, there are few reasons to think global oil prices will fall anytime soon. "Most of the price risk is on the upside."

### [Your World-Saving, Bill-Cutting Home Starts Here](#)

27,022 kilowatt-hours. That's how much energy the average U.S. home uses in a year. Scroll around above to see where it all goes, then click through for tips and projects (also listed below). This diagram, based on data from the Department of Energy, can help homeowners spot the best ways to boost efficiency. The numbers may surprise you. Refrigerators and air conditioners tend to be the villains in an electric bill, but they don't dominate total energy usage. Why? The big picture includes not just electricity, but also

fuel for heating, which is the typical home's true energy hog.

On the other hand, the spread of widescreen TVs, iPod chargers and other electronics is boosting electricity usage. That carries a hidden cost: Power plants consume about 3.3 kilowatt-hours' worth of fuel for every 1 kwh that reaches a home outlet. The rest of the energy is lost along the way. That plasma TV that eats 166 kwh per year? It accounts for nearly 550 kwh of energy generation at the plant.

### [Coal Futures: Will this energy standby truly last for centuries—or just decades?](#)

With the price of gasoline so volatile of late, it is not hard to accept the argument that the world may be entering the period of "peak oil," a time in which the extraction of oil from the ground becomes limited by geological constraints on the amount globally available. Resource analysts differ in their assessments. Some believe the peak in oil production from conventional sources (which is to say, easily exploited ones) has already arrived. Others project that this key turning point may not come for another decade or more.

But one thing is for sure: The notion of peak oil has been on lots of people's minds. Books and Web sites are full of the topic. Now a new study from a European organization called the Energy Watch Group proposes another daunting prospect: that the world might soon have to grapple with a peak in the production of coal, too.

### [Oil Is Not Well](#)

Who are the major producers of oil in the world? The unsettling answer is Saudi Arabia and Russia. They produce about 9 million barrels of oil a day. And who are the world's major producers of natural gas. Again the answer is unsettling, Iran and Russia. There are students of geopolitics with a special knowledge of energy resources who worry about this. One, the economist Philip K. Verleger, Jr., believes that with regard to Russia and its energy reserves, we are in the second round of the Cold War.

### [Japan Gas Row; Co-Development an Option](#)

The relatively small size of gas reserves under the East China Sea disputed by China and Japan, and the failure to make progress in the row so far, show just how much both sides feel they need to get their hands on the gas even if the political cost is high.

How much gas and other hydrocarbons lie under the disputed waters, and surrounding areas, is an open question.

### [China Recovers Natural Gas Hydrate from South China Sea](#)



China has successfully recovered samples of natural gas hydrate, otherwise known as "flammable ice," from the South China Sea, the Ministry of Land and Resources said.

### [Centuries of oil left in Alberta](#)

Alberta's massive oilsands make the province second only to Saudi Arabia in reserves, the Alberta Energy and Utilities Board said yesterday.

With reserves of 173-billion barrels of bitumen and 1.6-billion barrels of crude, the province will keep pumping out oil for the next 378 years at current production levels, the AEUB said.

### [‘Nigeria Loses \\$2.5bn to Gas Flaring’](#)

An environmental expert, Prof. Oladele Osinbajo has declared that the nation loses an average of \$1.73billion and \$2.43billion annually from flaring of associated gas.

Osinbajo, the Director of Basel Convention Regional for Africa for Training & Technology Transfer in Hazardous Waste Management of the University of Ibadan , quoting the World Bank, stated that the nation holds the world record for gas flaring.

### [Shell spends N381bn to tackle gas flaring](#)

Shell says it has spent a total of \$3-billion (N381-billion) in tackling the problem of gas flaring in the Niger Delta as the 2008 deadline given by the Federal Government draws near.

### [London cops check fuel tankers for bombs](#)

Gasoline tankers and chemical trucks entering London are being stopped at roadblocks to check for bombs, police revealed Wednesday, but officers said the operation is not in response to any indication of a specific plot.

### [Bush calls for calm in missile dispute with Russia](#)

President George W. Bush on Thursday urged Russia not to "hyperventilate" over US plans for a missile defence shield as leaders of the world's wealthy nations struggled to reach a deal on combating climate change.



[Climate change wreaks havoc on Asian water resources](#)

Asia is expected to face a serious shortage of fresh water due to climate change, with more than one billion people forecast to be hit by the crisis, a US State Department report warned Wednesday.

Melting glaciers in the Himalayas -- which contain the largest store of water outside the polar ice caps, and feed seven great Asian rivers -- may lead to increased flooding in the short term and reduced water supply in the long term, the report said.



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