



DrumBeat: June 21, 2007

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[Pentagon Forming 'Africom' Amid Threats to Resources](#)

The Pentagon is to reorganize its military command structure in response to growing fears that the United States is seriously ill-equipped to fight the war against terrorism in Africa.

It is a dramatic move, and an admission that the US must reshape its whole military policy if it is to maintain control of Africa for the duration of what Donald Rumsfeld has called "the long war." Suddenly the world's most neglected continent is assuming an increasing global importance as the international oil industry begins to exploit more and more of the west coast of Africa's abundant reserves.

[Climate change and the fight for resources 'will set world aflame'](#)

Climate change has become a major security issue that could lead to "a world going up in flames", the United Nations' top environment official has warned. From rising sea levels in the Indian Ocean to the increasing spread of desert in Africa's Sahel region, global warming will cause new wars across the world, said Achim Steiner, executive director of the UN Environment Programme (UNEP).

"People are being pushed into other people's terrain by the changing climate and it is leading to conflict," he said. "Societies are not prepared for the scale and the speed with which they will have to decide what they will do with people."

[Dave Cohen: A Paradigm Shift](#)

There has been a paradigm shift in the energy world whereby oil producers are no longer inclined to rapidly exhaust their resource for the sake of accelerating the misuse of a precious and finite commodity. This sentiment prevails inside and outside of OPEC countries but has yet to be appreciated among the major energy consuming countries of the world.

[Oil due for a slide](#)

Experienced technicians should see a fairly obvious "head and shoulders" pattern here, with the all time high from last July acting as the "head" and the current price action rounding out the right shoulder to complement the left shoulder high as current resistance. Two consecutive weekly closes above the September 2005 high would invalidate this pattern.

[Nigeria Oil Union Begins Nationwide Strike](#)

Oil production and loading will be shut down by midnight Wednesday as part of ongoing nationwide strike, a leader of one of the oil unions said late Wednesday.

"We have instructed our people (members), especially those at the Department of Petroleum Resources, to ensure that all loadings ongoing should be facilitated to ensure that production and loading should be shut down by midnight today," Bayo Olowoshile, general secretary of Petroleum and Natural Gas Senior Staff Association of Nigeria, or Pengassan, told Dow Jones Newswires.

Employees of the DPR hold the keys to the loading terminals. They're needed at the loading terminals to monitor how much crude is being loaded onto vessels for export from Nigeria.

[Venezuela sees oil majors signing accord this week](#)

A sizable group out of the six foreign oil majors negotiating with Venezuela the nationalization of multibillion dollar projects are about to sign deals, the OPEC member's energy minister said on Wednesday.

[European Union energy companies court Moscow](#)

Their ties with Kremlin-backed Gazprom are vexing EU efforts to create an energy security policy that would lessen dependence on Russia.

[Iraqi politicians agree deal on sharing oil, says Kurd minister](#)

Iraq's Kurdish leaders said last night they had struck an important deal with the central government in Baghdad over a law to divide up Iraq's oil revenues, which is seen by the Bush administration as one of the benchmarks in attempts to foster national reconciliation.

[Oil likely to top China-Iraq talks](#)

Jalal Talabani, the Iraqi president, is in Beijing for talks with his Chinese counterpart which are expected to focus on Iraq's vast oil resources.

[Altinex Says Oil Find Is 'Significant;' Shares Jump](#)

Altinex ASA, a Norwegian oil and gas company, said a test showed the Huntington field in the U.K. North Sea is a "significant" oil discovery.

[Iraq: Energy profile](#)

The northern Kirkuk field, first discovered in 1927, forms the basis for northern Iraqi oil production. Kirkuk, with an estimated 8.7 billion barrels of remaining reserves, normally produces 35° API, 1.97 percent sulfur crude, although the API gravity and sulfur content both reportedly deteriorated sharply in the months just preceding the war. Kirkuk's gravity, for instance, had declined to around 32° - 33° API, while sulfur content had risen above 2 percent.

Declining crude oil qualities and increased "water cut" (damaging intrusion of water into oil reservoirs) were likely the result of overpumping.

[Crude-oil benchmarks' ties go awry](#)

The traditional relationship between regional crude-oil benchmarks has gone awry as changes in trade flows have created new pressures on the existing pricing system. The resultant stresses are prompting both reform and opportunity.

[The Sad Truth About Hybrids](#)

The hundreds of thousands of hybrid cars sold in the United States since their arrival on these shores in 1999 must be putting a dent in oil imports, right? Not quite. Or at least not yet. According to a report released by the U.S. Department of Energy's National Renewable Energy Laboratory, fuel efficient electric-gasoline cars like the Toyota (TM) Prius and Honda (HMC) Civic have saved a grand total of 5.5 million barrels of oil over the past eight years. On the other hand, the U.S. was importing 8.5 million barrels of oil *a day* in 2003 to power cars and light trucks.

[Vertical farming in the big Apple](#)

Scientists at Columbia University are proposing an alternative. Their vision of the future is one in which the skyline of New York and other cities include a new kind of skyscraper: the "vertical farm".



[AP Blog: Living on Cuba's Rationed Food](#)

AP Havana Bureau Chief Anita Snow is spending the month of June living on the "libreta," a ration book for food consumption in Cuba. Here's her story.

[Ontario: The new frontier for alternative energy](#)

A raft of subsidies and other incentives is making Ontario a hot spot for solar panel manufacturers and others in alternative energy.

[Renewable revolution is here, says UN report](#)

A gold rush of new investment into renewable power over the past 18 months has led the United Nations to conclude that clean energy could provide almost a quarter of the world's electricity by 2030.

[Mass dump of iron filings 'to remove CO2'](#)

A San Francisco-based company is poised to dump iron filings in the Pacific off the Galapagos Islands in an experiment designed to remove carbon dioxide from the atmosphere.

[Iceland Teaches the World to Dig for Energy](#)

Icelanders more than anyone else find most of the energy they need beneath their feet. In the world of renewable energy, this is geothermal energy, a way of tapping into the heat below the earth surface and turning it into heat and power.

[The green market hustlers](#)

On the opening panel of the Arctic Science Summit Week, Jeff Miotke announced, "Climate-change policy must be based on *sound silence*." It was a poignant and telling slip of the tongue.

[Crude climbs again, tops \\$69 mark](#)

Oil resumed its upward march Thursday, shrugging off steep falls a day earlier triggered by bearish U.S. data, as the market turned its focus back to a strike in Nigeria and OPEC doused hopes of an output increase.

London benchmark Brent crude was up 62 cents at \$71.04 a barrel by 8:30 a.m. ET, recouping after a \$1.42 fall on Wednesday. U.S. light, sweet crude was up 60 cents at \$69.50.

[Chevron's Tahiti Offers Clues to Stamina of Gulf Oil Boom](#)

On an oil platform, machinery is typically crammed into every inch of deck space, to the point where crews live two to a closet-sized room.

But Chevron Corp. (CVX) has left precious deck space clear as it puts the finishing touches on Tahiti, a skyscraper-sized offshore production facility, illustrating the uncertainty about what will follow the current production boom in the U.S. Gulf of Mexico.

[Western Cape hit by gas shortages](#)

A severe shortage of liquefied petroleum gas has crippled the gas trade in the Western Cape, the *Cape Argus* reported on Thursday.

...At the root of the trouble was the Chevron refinery, which supplies bulk buyers BP and Afrox in the Western Cape.

[Guyana: Labour shortage, fertilizer costs affecting sugar industry](#)

Minister of Agriculture Robert Persaud said a labour shortage in the sugar industry and high fertilizer prices are among the issues engaging his ministry. At a press conference hosted yesterday Persaud said as the second sugar crop is ready to be harvested the low level of worker turnout is a cause for concern. He said lifestyles have changed as a result

of "socio economic development in our country," adding that there is a more educated workforce and the pool of the "uneducated" and "untrained" has dwindled. One way in which the ministry is tackling this issue is through convergence on many estates; that is the increased use of mechanical means like bell-loaders, along with manpower.

...Persaud also said that the global demand for fertilizer has caused prices to increase. Countries like China and the United States (US) were said to be using more fertilizer and, in the case of the US, an ethanol boom in that country has meant that more fertilizer is demanded for corn production. Corn is used in the ethanol industry.

[Gas at \\$6 per gallon? Get ready](#)

Get ready for Congress to solve the energy problem just as it has previously solved the illegal immigration problem. A bill being debated in the Senate this week is described by some of its supporters as "far from perfect" but "a good start."

A good start, yes, to higher gas and food prices, to new taxes and to forcing consumers to pay for high-cost "renewable" energy sources — solar and wind, for example — that are to energy independence what bicycle trails are to traffic-congestion relief.

[At a Platts Energy Podium Roundtable, US Official Emphasizes FERC's Solid Enforcement Role in Energy Markets](#)

At a Platts Energy Podium roundtable with reporters, FERC Office of Enforcement Director Susan Court emphasized the commission's enforcement efforts as members of Congress and state officials increasingly call on federal regulators to explain rising oil, natural gas and electricity prices.

[Cheap and green? Can the new public power deliver what it promises?](#)

In more than two dozen California communities, city and county governments are seeking to take control of their local electricity systems under a new state public power law.

[A looming food crisis](#)

IN TRYING to solve the nation's energy crisis, lawmakers and policymakers in Washington may be unintentionally creating a food crisis.

America remains the world's breadbasket, but if Congress and the president continue their love affair with ethanol, the corn-based "alternative" fuel, the nation's farms no longer will have the capacity to feed the world. They won't be able to supply Americans with relatively cheap food, either.

[US: Prairie State coal-fueled power plant advances](#)

Prairie State will be among the cleanest U.S. coal-fueled plants, with as little as one-fifth the regulated emission rates of existing U.S. power plants.

[Refineries not running at full tilt](#)

U.S. refiners are producing far less gasoline than they are capable of making because of planned and unplanned maintenance.

That has led to a greater reliance on imports and has made U.S. gasoline supplies vulnerable to further disruptions, such as hurricanes, during the busy summer driving season.

U.S. refineries churned out 87.6% of the gasoline that they were capable of producing last week, down from 89.2% the week before and 5.7 percentage points below a year ago, the government said Wednesday.

The drop came at a time when gasoline production is usually rising to meet summer demand. But aging refineries, continued maintenance following hurricanes in 2005 and greater complexity in refining is forcing refineries to shut down lines.

[Confronting empire](#)

THE EMPIRE tells us we're in a war on terrorism that's a generational conflict. Some of that sounds a little loony. The loony part is the war on terrorism. The rational part is the generational conflict. They can't really tell you what the war is about, but they have told you that we're involved in a generational conflict.

What it's really about, as we've said for some time, is oil. They made a rational, strategic decision some years back that we were at peak oil, or close to it, and facing the rise of what they call BRIC--Brazil, Russia, India, China, as well as others in the emerging world. That meant oil production had to double in the next 20 years, and instead of oil shocks, we would be involved in a permanent oil crisis.

[An attack on civil liberties](#)

It needs to be asked why British troops are in the Middle East in the first place. The answer is that they are in Iraq because President Bush prevailed upon Tony Blair in April 2002 to support a planned American invasion, and that invasion was focused on gaining control of the oilfields. Yet as peak oil rapidly approaches and as climate change steadily worsens, largely through the ever-increasing burning of oil as fuel, the need for

a new world energy order that replaces fossil fuels by renewable sources of energy is now paramount worldwide.

[Japan as a Global Contributor: Envisioning an expanded role in a world of militarism, global warming and multipolarity](#)

This means recognizing, and acting to halt, the reckless energy policies pursued by the US, followed by addressing the challenges posed by such high growth countries as China and India. As Michael Klare pointed out, the Pentagon alone consumes, by the most minimal estimates, 1.3 billion gallons of oil annually, more than the 150 million population of Bangladesh. At a time when Japan has relinquished much of its earlier leadership in energy efficiency, and with a government that, like the US, rejects compulsory or even economic measures to halt and reverse the increase of greenhouse gases, and which has largely abandoned earlier efforts to promote energy alternatives to oil, coal and nuclear power, it is difficult to discern the basis for Japanese leadership.

[PAEC to design own nuclear energy plants](#)

The Pakistan Atomic Energy Commission (PAEC) has decided to establish an Engineering Design Organisation (EDO) for the indigenous development of nuclear power plants (NPPs) in the country.

Dawn newspaper reported yesterday that China had offered Pakistan four to six NPPs, which would not fulfil its energy requirements. Therefore, it was decided that self-reliance in nuclear technology was the only way out of the energy crisis.

[KFC Ransacked in Pakistan Riots](#)

Hundreds of residents angered over a 16-hour power outage rioted in the southern Pakistan city of Karachi overnight, ransacking a KFC restaurant and two banks, police said Thursday.

[Pakistan: Mass madness breaks out in the suffocating blackness](#)

Vicious rioting broke out Wednesday evening in several parts of Karachi and continued into the night in protest against long spells of power outages. Bank branches and fast food franchise outlets bore the brunt of the public's anger and Shakra-e-Faisal's traffic also suffered.

Residents of the affected areas came out on to the streets and burnt tires and other materials. In some areas, the protesters broke traffic lights and damaged fast food restaurants by pelting them with stones. The police resorted to shelling and aerial firing to disperse the crowds.

[Power riots in Pakistan keep police on toes](#)

Police in Pakistan's commercial hub of Karachi braced Thursday for possible widespread unrest after overnight riots triggered by frequent power cuts.

[Ghana's oil won't be a curse – Prez Kufuor](#)

President J.A. Kufuor has given hints of immediate measures to ensure that Ghana will be the exception to the African paradox of oil, poverty and conflict.

[Ghana: Massive heckling halts energy crisis debate](#)

“The erratic rainfall pattern warned all of us in the energy industry that we needed to respect the engineers’ advice and not take more from the lake than what the engineers advised. I was saying the same thing at the time. It was because they destroyed the reservoir capability in 1997 that we had the problem in 1998 that we are having now; it was because they mismanaged it.”

[4Gas, Petrogas to jointly develop LNG terminal](#)

Rotterdam-based liquefied natural gas (LNG) terminal developer and operator 4Gas and local energy company PT Petrogas plan to build an LNG terminal in East Java following the signing of an agreement by the two firms on a feasibility study for the project.

[Department of Energy Includes Global Resource Corporation's Technology as Possible Answer to U.S. Energy Independence](#)

Global Resource Corporation announced today that they were recognized by the United States Department of Energy as a company that may one day unlock billions of barrels of energy from domestic United States deposits. Patent pending gasification technology, developed by engineers at Global Resource, is applied to various materials to unlock energy in the form of oil and gas, and this technology, when commercialized, may succeed in satisfying domestic energy consumption.

[The Peak Oil Crisis: Approaching The Cliff](#)

Last weekend across southern South Dakota the pumps went dry. Gas terminals from Sioux Falls to Yankton to Sioux City were empty. “There is simply not enough fuel coming down the pipeline into the delivery system” said a BP station owner. Eventually

the tankers were sent to Nebraska to find gas. A minor glitch in the distribution? Possibly, but more likely a harbinger of more serious problems to come.

[Science Panel Finds Fault With Estimates of Coal Supply](#)

The United States may not have nearly as much coal as is popularly believed, and mining the remaining resources may be more dangerous for workers and the environment than current operations, the National Academy of Sciences said in a report Wednesday.

[al-Badri: Ecuador to join OPEC in near future](#)

OPEC Secretary-General Abdalla al-Badri said Tuesday that he expected Ecuador to soon join the Organization of Petroleum Exporting Countries, after Quito officially requested to become a member.

[OPEC could curtail oil investment if biofuel boom materialises](#)

OPEC has warned it could curtail investment in oil production because of a forecast long-term boom for biofuel but cautioned that an oil shortage could emerge if biofuels ran into problems.

"We are not worried about introducing another source of energy, especially if it helps fight climate change," Abdullah al-Badri, secretary general of the Organisation of Petroleum Exporting Countries, told AFP in an interview.

But he added that "some data show a very high quantity of biofuels in the long run, by 2030," which could mean that "our demand will be lower than we are forecasting."

[Main risks to crude supply lie in Iran, Nigeria, Gulf of Mexico](#)

NAB is forecasting West Texas Intermediate (WTI), the basis for the light sweet crude futures contract on the New York Mercantile Exchange (NYMEX), to climb from an expected average of 64.30 usd a barrel in the current quarter to 66.00 usd over the following three months.

WTI prices are then expected to ease to 63.50 usd a barrel in the December quarter and further to 59.00 usd in the first quarter of 2008.

[Russia's oil output edges up](#)

The production of oil and gas condensate edged up 3.2 percent to 202.65m tonnes in January-May 2007 compared to the same period a year earlier, the press office of the Russian Industry and Energy Ministry reported today. Daily oil production reduced from 1,313m tonnes per day in May against 1.339m tonnes per day in April 2007.

[Gunmen driven from Nigerian oil facility](#)

Troops attacked and overran a Nigerian oil-transfer facility Thursday where gunmen were holding some two dozen workers and soldiers hostage, leaving a dozen of the gunmen dead, the military said.

[General Strike Over Rising Fuel Price Takes Hold in Nigerian Cities](#)

Shop shutters stayed bolted and young men played soccer on roads that were usually choked with traffic as the first day of an indefinite general strike and fuel shortages brought cities across Nigeria to a hush on Wednesday.



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