



DrumBeat: June 23, 2007

Posted by [Leanan](#) on June 23, 2007 - 9:41am

Topic: [Miscellaneous](#)

[Chavez: Big oil firms to leave Venezuela](#)

Some major oil companies have rejected Venezuela's terms for the takeover of their multi-billion dollar projects and can leave the OPEC nation, President Hugo Chavez said Friday, days before a deadline for them to strike nationalization deals.

[India to form crude oil reserve of 5 mmt](#)

Government has decided to make a strategic oil reserve of five million metric tonne (MMT) at a cost of Rs 2,400 crore to meet the demand of the oil sector and has created a special purpose vehicle (SPV) for the purpose.

[The Biggest Bang for Your Petrobuck](#)

Washington is finally tackling fuel-economy reform. But any payoff is years away. How best to save money on gas right now? The answer may surprise you.

[Branson admits 'green' car being run on petrol](#)

Sir Richard Branson's biofuel company car, used to highlight his green credentials, is being run on unleaded petrol.

Virgin admitted yesterday that the £33,000 car - a Saab 9-5 BioPower - was often filled with ordinary petrol rather than bioethanol fuel, made from sugar cane or other crops.

[And all on 0.006C per year!](#)

Below is a list of events, subjects, disasters, worries and crises that have been linked to climate change. It's called "A complete list of things caused by global warming." From African devastation to disappearing cod and on to increasing melanoma and the rise of yellow fever, it's all a result of climate change.

[Darfur conflict heralds era of wars triggered by climate change, UN report warns](#)

The conflict in Darfur has been driven by climate change and environmental degradation, which threaten to trigger a succession of new wars across Africa unless more is done to contain the damage, according to a UN report published yesterday.

[Mayors make environmental moves](#)

Cities in 36 states are going "green," mainly by running cars on alternative fuel and installing energy-efficient streetlights and traffic signals, says a survey by the U.S. Conference of Mayors out today.

['Saudi Arabia of renewable energy' off Scotland's coast](#)

IT HAS been described as the "greatest untapped source of energy Scotland has ever had", capable of generating enough electricity for every home and business in the country several times over.

But while the Pentland Firth has been too deep and too dangerous to exploit, the race is now on to develop machines that will harness this "underwater hurricane" and fundamentally change Scotland.

[Canary in a Data Mine](#)

For the past week or so, I've been delving deeply into data on the world's oil production as part of some special side projects I will announce in the not-too-distant future.

What I have found has been, shall we say, less than encouraging. But crucially important information all the same.

[Black gold rising to the top?](#)

The question is if WTI oil reaches an all time high of around \$80 again. Nobody can look into the future so it is difficult to tell. What we can do is to take a look at the technical situation of WTI. Supported by the fundamentals, WTI could try to attack that level again.

[Energy tax could be revived](#)

Senate Democrats, flush from passage of their first major energy legislation since their

party took control of Congress after the 2006 elections, vowed Friday to resurrect a \$28.5 billion tax package that would hit up the oil companies to pay for alternative energy and coal projects.

[Price Threshold Language Stricken from Interior Appropriations Bill](#)

The Senate Appropriations Committee yesterday voted 15-14 to remove a provision from the Interior spending measure that sought to force oil and gas companies to renegotiate offshore leases instituted without price thresholds.

[PG&E pipeline in delta offers insurance against disaster for company, customers](#)

McDonald Island sits atop an underground reservoir packed with enough fuel to supply all PG&E customers for more than one month. Right now, only one pipeline connects the reservoir to the outside world. If it breaks in an earthquake or flood, the gas would be trapped. Buying replacement gas could cost up to \$1 billion.

[Ethanol won't be the fuel of the future](#)

Possibly, one of the side benefits of the quest for alternative fuels will be the message sent to oil suppliers that they have competition and that they might lower the price of gasoline at the pumps.

[Citgo trial on dirty air tests federal law](#)

A jury will resume deliberations Monday in a criminal air pollution case that accuses Citgo Petroleum Corp. of knowingly breaking federal air quality laws at its Corpus Christi refinery.

[Diesel efficiency with an American twist](#)

DaimlerChrysler introduced advanced diesel technology in Canada in the seemingly most sensible way. It started small, very small, bringing forth its Smart ForTwo car in 2004 with a 40-horsepower, 0.8-liter, three-cylinder, direct-injection diesel engine.

The thing got the U.S. equivalent of 65 miles per gallon on the highway. It sipped less fuel than anybody's gas-electric hybrid car in city traffic. You could park it in a third of the space required by a full-size family sedan. And if you could live with a top cruising speed slightly north of 60 miles per hour, you were golden -- quite literally, considering the money you saved at the gas pump.

[Tax Reform Stirs Controversy in Mexico](#)

Both congressmen warned that unless the tax-driven public solvency plan of Petroleos Mexicanos is modified, the initiative will not be as comprehensive as is required.

In their opinion, the change must secure larger investment in Pemex's modernization and hydrocarbon production. They warned they won't yield an inch in this regard because the firm's finances cannot continue being squeezed.

[U.K.: Sad sight of a superferry laid up due to soaring jet fuel bills](#)

The boat was taken off the water at the beginning of this year, sparking rumours that rising oil prices were forcing ferry companies to abandon their faster vessels.

The HSS uses jet fuel and uses twice as much fuel as conventional ferries - making it much more costly.

[Tankers thirsty for gas](#)

Supply issues had 75 tankers waiting several hours for gasoline, diesel or other fuel Friday morning in Sioux Falls, but an industry marketer said consumer prices won't be affected.

[Natural gas essential for energy-deficient Pakistan](#)

Visiting Pakistan Foreign Minister Khurshid Kasuri has said that his country requires natural gas on an urgent basis to tide over the current energy crisis, and could not understand public objections to the Iran-Pakistan-India (IPI) gas pipeline, which would go a long way in ameliorating the shortfall.

[Nicaragua Fixing Energy](#)

Nicaragua's energy service will be stabilized by the first trimester of next year, President Daniel Ortega affirmed, and reiterated the country will resort to thermal plants to face the current power deficit.

According to the president, along with the generators to be supplied by Cuba, Venezuela, and Taiwan, the country is likely to receive others by Iran, where he traveled last week.

[Nigeria: Nation Shut Down](#)

The nationwide strike is causing oil exports to decline. There is a nationwide fuel shortage because the fuel truck drivers have been off the roads for a week. If the government rescinds the increase, the government will have to pay for it, because refined fuel has to be imported at a higher price than it is sold for. That argument doesn't fly with the unions or most Nigerians, because they know that most of the oil revenue, over the last half century, has been stolen by corrupt government officials. Cheap gasoline is one way to get some of that oil wealth, if the price is low enough.

[Guyana: GPL mum on city power outages](#)

Over the past few days, power outages in the city have plagued businesses and residents alike, for several hours each day, with normalcy returning to some areas yesterday.

[Cement firms in UAE turn to coal for want of gas](#)

Cement makers in the United Arab Emirates are turning to imported coal to fire their furnaces as gas is scarce and the petrodollar-fuelled building boom shows no signs of letting up.

That is likely to drive world coal prices higher still, producers and traders say.

[Dolphin may start Qatar-UAE gas plant this month](#)

Dolphin Energy could start facilities in Qatar to process gas for export to the UAE this month, sources said.

Dolphin exports of Qatar gas to the UAE were expected to reach two billion cubic feet per day by the end of the year, boosting gas available for domestic sales in the UAE by nearly 50 per cent from last year.

Oh, no! Peak pizza! [Rising cost of cheese cuts into pizza profits](#)

"My sales representative told me this is a record high for cheese," said Jason Bentley, general manager of Da Vinci's Gourmet Pizza in Nashville.

...Dallas-based Pizza Hut, the nation's largest delivery chain, recently raised the price of a regular cheese pizza to the same level as a one-topping pie.

Jennifer Little, a Pizza Hut spokeswoman, said the new strategy is to treat cheese "almost like an extra topping."

...The biggest reason, according to Rob Hainer, spokesman for the Southeast United Dairy Industry Association, is a sharp rise in the cost of feed grain, primarily corn.

Fueled by the growing popularity of ethanol, corn prices have risen to about \$4 a bushel, roughly double the price of a year ago.

[Busting the peak oil myth](#)

Last fortnight, a leading oil MNC came out with its Annual Statistical Review of World Energy and leading business papers splashed it across their front pages. This is an annual ritual in which the company reminds the world that oil is a scarce commodity and will soon be extinct like the dodo.

[Iraqis water down the draft oil law](#)

Iraqi officials said Friday that a U.S.-backed draft oil law will soon be returned to the Cabinet for approval after Kurds agreed to a compromise revenue-sharing measure. But they said many key sticking points remain unresolved — and not even addressed — in the watered-down legislation.

[Cars will use less fuel, Senate assures](#)

The cars, SUVs and pickups people will buy in the years ahead are likely to use less fuel, and many will rely on ethanol or household electricity instead of gasoline.

[Battle over energy policy still well underway](#)

This week's Senate approval of a bill to reshuffle billions in subsidies and tax breaks for the oil, corn, coal, power and auto industries marked an important milestone in a sweeping overhaul of energy policy. But with the House preparing its own bill, and final details yet to be hammered out in a joint committee, the battle over how to carve up the energy pie is still well underway.

[Eni, Gazprom sign deal on new gas pipeline to Europe](#)

Italian oil company Eni and Russia's Gazprom have agreed to study building a new gas pipeline to distribute Russian gas to Europe, the two companies said on Saturday.

The proposed 900 kilometer (559.2 miles) pipeline will split in two in Bulgaria, with one part heading to Austria and Slovenia, while another branch brings gas to southern Italy,

Eni Chief Executive Paolo Scaroni said at a news conference.

[Head of major Chinese oil company quits](#)

The chairman of China's No. 2 oil company, Sinopec Corp., has resigned abruptly, citing personal reasons.

...Sinopec has struggled financially in recent years, squeezed by rising oil prices and government controls that limit its ability to pass on costs to consumers.

[Saudi Aramco may cut propane prices](#)

The world's largest producer of liquefied petroleum gas (LPG) may cut its prices in July as demand from the chemicals slackens.

[Norway presents 'world's most ambitious' climate change plan](#)

Norway unveiled plans Friday to tackle climate change, hailed by Prime Minister Jens Stoltenberg as the "most ambitious" in the world but dismissed by environmental campaigners as worthless.

[Gore urges ad execs to help fight global warming](#)

Former U.S. vice president and environmental campaigner Al Gore urged the world's top advertising companies on Friday to work commercially and voluntarily on promoting the movement against global warming.

"Lend us your most creative designers and advertising geniuses and give us their time to help devise the most powerful and compelling messages ...," Gore said in a speech to ad executives at the Cannes Lions advertising festival.

[Senate Passes Energy Bill; Compromise on CAFE](#)

The Senate late last night passed the energy bill by a Yea-Nea vote of 65-27, including a compromise version (SA 1792) of CAFE legislation that increases new light-duty vehicle fleetwide fuel economy to an average 35 mpg by 2020, but that eliminates the mandatory 4% per year increase thereafter that had been part of the original proposal.

[Peak Oil Passnotes: Let Me Tell You an Inventory](#)

The prospects for oil prices rising have been knocked this week, so we are told. U.S. inventories are at nine-year highs, and the cost of a barrel of Brent crude fell back down below \$70 this week, albeit by only a few cents.

But this is not the real story. Inventories in the United States are high because the refinery complex in the country is in such a weak state. Due to bits falling off, explosions, gas leaks and the odd death – another one at BP's Texas City refinery recently – the U.S. cannot process the crude that is arriving on its shores.

[An inconvenient Swede](#)

Kjell Aleklett, a perky and persuasive physicist at Uppsala University, talks with characteristic Swedish candour. As president of the Association for the Study of Peak Oil, he jokes that all the big "strawberries" in the world's oilfields have been thoroughly picked over. ("Peak oil" just means the end of cheap oil.) Fifty years ago, the world burned four billion barrels of oil a year and happily discovered lots of big berry patches – 30 billion barrels a year. Today, those figures are exactly reversed, which goes a long way toward explaining volatile oil prices and Sweden's determined plan to get off fossil fuels by 2020. "Money is not running the world," the jaunty global player likes to say during his talks. "Money is used to buy energy." Right.

[Food execs to examine solutions to biofuel threat](#)

Food industry R&D executives will be meeting in Chicago next month to examine the impact of increased biofuel demand on their business, in an effort to anticipate challenges resulting from a fundamental shift in supply chain dynamics.

Organized by the American Association of Cereal Chemists International (AACCI), the symposium and workshop will examine the projected demand for biofuels, and the impact of this on the food industry supply chain, on consumers, on food formulation and on food technology.

[Matt Savinar on Coast to Coast with Art Bell](#)

Just confirmed with the producer. Will be on from 10:00 to 11:00 PM on Saturday with Art to discuss the *Independent* article that broke last week.



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