



## DrumBeat: June 25, 2007

Posted by [Leanan](#) on June 25, 2007 - 9:03am

Topic: [Miscellaneous](#)

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### [BP's number-cruncher bows out with harsh words for Whitehall](#)

Most of us have a vague idea that North Sea oil production has lately been slowing down. But by how much?

I looked up the answer in BP's annual Statistical Review of World Energy, published earlier this month. Packed full of information about global energy markets, it is a highly authoritative data source in a notoriously murky area.

Well, the UK's ability to extract the black gold is declining at an alarming rate. This country pumped an average of 1.63m barrels a day during 2006 - 10 per cent less than the year before.

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### [Peak Suburbia - Kunstler](#)

I get lots of letters from people in various corners of the nation who are hysterically disturbed by the continuing spectacle of suburban development. But instead of joining in their hand-wringing, I reply by stating my serene conviction that we are at the end of the cycle — and by that I mean the grand meta-cycle of the suburban project as a whole. It's over. Whatever you see out there now is pretty much what we're going to be stuck with. The remaining things under construction are the last twitchings of a dying organism.

It is not an accident that the housing bubble coincided with the phenomenon of Peak Oil.

### [Thanks to the growing awareness of global warming, documentaries about the environment have found new audiences around the world](#)

[Australia's] ABC Enterprises will also be showcasing another environmental program at MIPTV: *Peak Oil*, which is part of the ABC network's long-running *Four Corners* series and is produced by its current-affairs department. "Whereas *Crude* is more of an event program, *Peak Oil* is more from the current-affairs point of view," explains Dacey. "It looks at ... why oil prices have been so high lately, and how long the world has got before oil runs out. It also investigates the issue of unexploited reserves, and why investment

hasn't been going on since the '90s to look for more oil."

### [Oil Price Surge a Risk as Non-OPEC Production Peaks](#)

Oil prices have a "substantial" risk of surging higher and boosting inflation because non-OPEC production may soon peak, the Bank for International Settlements said in its annual report.

"The short-run risks of sharp increases in oil prices remain substantial," the Basel, Switzerland-based BIS said in its 77th annual report today. "The impact of oil price increases could be significant; a recent analysis estimates that a supply-induced doubling of prices would boost inflation in emerging Asia by as much as 1.4 percent points above baseline."

### [Lawmakers ask for natural gas regulation](#)

Lawmakers seeking tougher oversight of commodity exchanges assert in a report that "excessive speculation" dealt a fatal blow to Amaranth Advisors LLC, which helped drive up heating bills last winter before it lost some \$6 billion on its natural gas bets.

The hedge fund at times last year controlled 40 percent or more of the natural gas contracts traded on the New York Mercantile Exchange, and as much as 75 percent in one month, according to the 135-page report by the Senate's permanent subcommittee on investigations.

### [Stormy Weather Ahead for Oil Prices](#)

Two down, 15 to go; that's this year's bleak tropical storm outlook. Two years ago, Hurricane Katrina wreaked havoc on the economy. By comparison, thank goodness, our two named storms this year, Andrea and Barry, have been relative powder puffs. But commodities tracker Sean Broderick cautions that the weather so far could well be the calm before a mega-storm, a prelude to what he sees as "another wild ride in energy prices this summer."

### [Over an oil barrel](#)

Are high gasoline prices the result of soaring world demand, as oil companies contend, or are there other causes? The answer seems to be both. And among the "other" causes are the oil companies themselves.

### [Detroit's new rules](#)

While Honda announced that it is discontinuing the gasoline-electric version of the Accord because of slow sales, the Toyota Prius continues to defy gravity. Once considered a novelty, the Prius is selling more strongly now than at any time in its seven-year history. Its volume is running at twice the rate of a year ago and Toyota now expects that Prius will outsell every single domestic passenger car nameplate except for the Chevy Impala.

Why the diverging fortunes? Honda was selling added performance in the Accord hybrid, which didn't resonate with consumers the way that better fuel economy does. Besides, the hybrid Accord looked like every other Accord, meaning consumers couldn't get credit for being "green" when they parked it in front of their homes. The Prius, by comparison, can't be confused with anything else.

### [Report: S. Korea extracts gas hydrate](#)

South Korea has extracted gas hydrate — an alternative fuel source Seoul hopes might help reduce its heavy dependence on oil imports — in its eastern territorial waters, a news report said Sunday.

### [Qatar's economic boom continues supported by massive investment flows and rising oil and gas exports](#)

The country is enjoying the fruits of a development strategy set in the 1990s that combines economic openness with a clear economic diversification plan and institutional and democratic reforms. That strategy, together with favourable energy prices and high investment spending, is likely to see the pace of growth sustained at high levels over the next five years. The size of the economy could double again by 2012.

### [Kuwait oil company plans to hike output of heavy crude](#)

The KOC's Deputy Managing Director for Administrative and Financial Affairs, Ali Al-Shimiri, stated during an honorary celebration of media figures late on Saturday, that the company seeks developing its production output to reach 50,000 barrels per day by 2011, 250,000 barrels per day by 2015, and the final target is 700,000 barrels per day by 2020.

### [Thailand to Buy Power From China in Next Decade to Meet Demand](#)

Thailand, Southeast Asia's second- biggest economy, plans to buy electricity from China for the first time starting in 2017 because the country isn't building its own plants fast enough to meet an expected surge in demand.

### [Coal still has a role](#)

Deutsche Bank analyst Mark Lewis told ABC TV the coal industry still has a future, despite a global push towards other cleaner energy.

"There is no way in which the world can generate the energy it needs realistically over the next 50 or even 100 years without coal still being a significant part of the mix," Mr Lewis said.

### [Australia: Jail threat cuts petrol price](#)

THE price of petrol hit a seven-week low today as motoring groups called for anyone found guilty of fuel price fixing to be jailed.

### [Venezuela First in Crude Reserves](#)

Venezuela has ratified its potentials to become the country with the largest crude reserves worldwide, as certification of Carabobo bloc, one of the four fields in the Orinoco Oil Belt, was completed.

### [China focuses on oil, not Sudanese needs](#)

CNPC has invested billions in oil-related infrastructure here in Paloich, including the 900-mile pipeline from the Paloich oil fields to the tanker terminal at Port Sudan on the Red Sea, a tarmac road leading to Khartoum, and a new airport with connecting flights to Beijing.

But they have not invested in much else here.

Locals live in meager huts, eating peanuts with perch fished out of the contaminated Nile. There is no electricity. A Swiss charity provides healthcare. An American aid group flies in food and mosquito nets. Most children do not go to school. There is no work to be found. Petrodar, for one, has its own workers – almost all of whom are foreigners (mostly Chinese, Malaysians, and Qataris) or Sudanese northerners. The consortium hires Paloich residents only rarely, for menial jobs.

### [China targets energy hogs in offices, cars](#)

UNDER heavy pressure to cut energy consumption, China is now turning the spotlight on construction projects, the transport sector and government buildings.

### [Sarasota company fights high gas prices with electric cars](#)

At around \$3 per gallon, the price of gasoline is both a boon and a bane to Sarasota-based solar and electric vehicle maker Cruise Car Inc.

The benefit is obvious: As the numbers on the signboards outside stations move upward, more and more people start looking for ways to ditch their gas guzzlers, be they eight-cylinder sport utility vehicles or two-seater golf carts.

But because Cruise Car's parts are made in China and shipped around the world and cross-country to a Venice assembly plant, the rising cost of fuel means consumers may also have to pay more for what the two-year-old company's founder acknowledges is a largely unknown - and unproven - commodity.

### [Miners having a blast in Utah uranium rush](#)

Utah mining prospector Kyle Kimmerle has more than a hunch that uranium will make him rich. It is a conviction so strong he has bet his house on it.

'We literally spent every dollar we had in savings, hawked and sold our houses and put everything we owned into this. We went all in,' said Kimmerle, who runs a funeral home in this Canyonlands city. 'My wife is scared, but I'm not.'

He is among a rush of prospectors in the Colorado Plateau mineral belt who are thumping stakes into public land and registering claims, hoping to get rich on the back of record uranium prices.

### [Hawaii: New laws scrutinize gas prices and boost tech](#)

New Hawaii laws taking effect this weekend aim to scrutinize gas prices, fight genocide in Sudan and make the state's economy more high tech.

Other laws will crack down on copper thieves, allow for onsite drug testing and allocate money for union pay raises.

### [Gas prices fuel bus ridership](#)

With gas prices sticking around the \$3-a-gallon mark, public transportation is packing in more and more riders.

### [High fuel prices sinking boaters](#)

Kivell works for Sailaway Yachts at Captain's Cove Seaport in Bridgeport, where he's seen a recent decline in the sale of larger powerboats. He's also noticed that many owners of large boats have resorted to "taking little harbor cruises on their inflatable dinghies while the boat just sits at the dock."

With gas mileage ratings as little as a quarter-mile per gallon, large boat owners seem to have no choice but to limit their trips.

### [Tyson Foods and Syntroleum Launch Renewable Fuels Venture](#)

The 50/50 venture intends to construct and operate multiple stand-alone commercial facilities capable of producing ultra-clean, high quality, next generation renewable synthetic fuels using Syntroleum's patented Biofining(tm) process, a "flexible feed/flexible synthetic fuels" technology. Feedstock primarily derived from animal fats, greases, and vegetable oils will be supplied by Tyson.

### [Calderon No Fox in Mexican Pension Crisis, Bid to Raise Taxes](#)

Calderon, a former energy minister under Fox, says crude oil from the Gulf of Mexico buried in waters as deep as 1,500 meters (4,900 feet) represents the future of the oil industry. Pemex doesn't have the technology to drill so deep, and Calderon is seeking the help of companies such as Brazil's Petroleo Brasileiro SA to acquire it.

### [Pakistan: Power and political crisis](#)

As far as the choking heat, as of mid-June, it has taken many lives, given tens of millions sleepless nights and extremely uncomfortable days in the absence of power outages, and made millions run around for water even in cities like Karachi. Excessive heat of course is a natural phenomenon linked to global warming. But power outages are certainly not.

### [Mobs flood Karachi streets in anger](#)

Grid stations had shut down, underground cables were damaged, and feeders tripped as a result of which some city areas had no electricity for 24 hours after the rains.

Residents streamed out on to the streets, burnt tires and other materials and blocked roads. Some enraged protesters also burnt a KESC vehicle and pelted local complaint centres with stones.

### [Mischievous in Karachi mob teeters on ethnic violence](#)

Some people reportedly tried to turn what started out as an angry protest against a lack of electricity after the rains into ethnic violence Sunday.

The power outage sparked a violent reaction from affected residents near Al-Asif Square Sohrab Goth but then there were reports that unidentified gunmen made abortive attempts to turn the protest into ethnic clashes.

### [Ortega to Take Nicaragua out of Energy Crisis](#)

President Daniel Ortega assured that Nicaragua will get rid of the "energy bankruptcy" in which the nation was driven by neoliberal governments, in the last 16 years.

### [The odd alliance aiding Nicaragua](#)

Communism and shortages go together. When the price mechanism is tossed out and the planners take over, watch out! That lesson is being re-learned in Nicaragua, which recently installed Daniel Ortega back in power, and is experiencing power shortages.

### [Vietnam: Power shortage announced for July 1 to September 30](#)

The Electricity of Vietnam Corporation (EVN) on June 22 announced that electricity shortages would occur from July 1 to September 30, 2007.

...To diminish the shortfall of electricity because of this reason, EVN plans to run gas-turbines by oil. However, once those turbines use oil as fuel, their capacity will reduce by half.

### [Venezuela Threatened by Bio-fuel](#)

The use of agricultural products to elaborate ecological fuel becomes terrible for Venezuela because of its mainly agricultural dependency, assured Food Minister Rafael Oropeza.

### [Sri Lanka: Ceylon Petroleum Corporation urges Sri Lanka govt to increase fuel prices](#)

Sri Lanka's government-owned Ceylon Petroleum Corporation (CPC) has been urging the government to increase fuel prices as the CPC is facing huge losses due to the rise of fuel prices in the world market.

### [India: Oil & Natural Gas Profit Falls on Fuel Subsidy Costs](#)



Oil & Natural Gas Corp., India's biggest explorer, said fiscal fourth-quarter profit fell 13 percent after increasing payments to state-run refiners to share the cost of subsidizing fuel prices.

### [Energy crisis 'cannot be solved by renewables'](#)

THE world is blinding itself to the reality of its energy problems, ignoring the scale of growth in demand from developing countries and placing too much faith in renewable sources of power, according to two leaders of the global energy industry.

The chief executive of Royal Dutch Shell today calls for a “reality check”. Writing in The Times, Jeroen van der Veer takes issue with the widespread public opinion that green energy can replace fossil fuels.

Shell's chief gives warning that supplies of conventional oil and gas will struggle to keep pace with rising energy demand and he calls for greater investment in energy efficiency.

Instead of a great conversion to wind power and solar power, Mr van der Veer predicts, the world will be forced into greater use of coal and much higher CO2 emissions, “possibly to levels we deem unacceptable”.

### [Peak Oil is Snake Oil!](#)

Friday of last week I had occasion to do brief battle on CNBC Morning Call with Steve Andrews co-founder of what is considered the most influential organization supporting "peak oil " the Hubert curve theory which predicts future oil availability. Surprisingly there is more than one such organization. And why should that be? The Wall Street Journal summed it up succinctly in an article appearing in the Sept. 14, 2006 issue, stating:

"That argument known as 'peak oil theory' has provided intellectual backing for the boom in crude prices."

### [Trust Russia on energy, Putin tells Balkan countries](#)

Russian President Vladimir Putin on Sunday urged the Balkan countries of southeastern Europe to trust Russia as a reliable energy supplier, as he outlined plans for a major new gas pipeline through the region.

### Trinidad and Tobago: [No business as usual in energy](#)

What is unfortunate about McGuire's article is that he does not take into consideration



that Peak Oil phenomenon in world petroleum production is fast approaching. Shell, a large international oil company, sees this happening by the year 2025; the US Department of Energy thinks that this can be postponed to 2030 while other analysts see the date as somewhere between 2015 and 2020. What this means is that the predicted world demand for oil for 2030 of 121mb/d, increasing from current demand of 84mb/d, will be economically and geologically infeasible, impossible to satisfy. Hence, petroleum and its products will continue to fetch escalating prices with new and deleterious effects on the world's economies and politics.

### [Japan, Saudi Arabia Heighten Relations](#)

Japan's presence in Saudi Arabia widened with investments in various projects exceeding \$13 billion between April 2000 and March 2006. The latest investment of \$9.8 billion is the PETRO Rabigh project, an equal joint venture between Saudi Aramco and Japan's Sumitomo Chemical Company that is set to become operational next year.

### [World Agencies on Energy Summit in Zagreb](#)

As the battle for control over European energy markets and transport routes is moving to the Balkans, the Russian president pledged in Zagreb to develop the Black Sea area as a centre for the distribution of fuels, Reuters writes. At the summit Putin announced that Russia wants to play a crucial role in all forms of supply and production of energy in the region, stressing the close cultural and historical ties with the countries of the region, Reuters reports.

### [BP looks to emerge from rough few years](#)

Today, oil production is in steady decline — about 6 percent a year — but the North Slope's largest operator, BP PLC, remains bullish about the future because of the region's untapped resources.

But success starts with restoring public and employee faith in the company's ability to operate safely as it approaches the first anniversary of a major Prudhoe Bay shutdown that resulted from poor maintenance on transit pipelines.

### [New York State Renewable Energy Task Force Members Named](#)

New York Lieutenant Governor David A. Paterson today announced the appointment of members to New York's Renewable Energy Task Force. Under Lieutenant Governor Paterson's leadership, the goal of the Task Force will be to identify and recommend ways of expanding the state's use of renewable energy and alternative fuels.

### [Rich nations blamed for global warming](#)

Developed countries are hypocritical for criticizing China's greenhouse gas emissions while using the country's cheap labor to power industries that pollute, Asian business and government leaders said Monday.

### [Panama: Cold water on refinery plan](#)

The EFE news agency reports that one of the oil refineries under discussion is now in doubt because the Mexican government has told the Panamanian ambassador in Mexico that the state-owned PEMEX oil company would have less oil to send for refining at the contemplated facility than had been previously predicted.

### [Gas prices fall sharply from May peak](#)

The average price of gasoline across the country dropped about 11 cents over the last two weeks, according to a national survey released Sunday.

Regular gasoline, which peaked at \$3.18 in May, dropped to \$3 a gallon, oil industry analyst Trilby Lundberg said. Mid-grade averaged \$3.11, and premium was \$3.22.

### [Automakers latch onto fuel-saving tech](#)

A promising, if so far underwhelming, fuel-economy technology is gaining momentum as automakers, squeezed by social and political pressure, look under every rock to gain even a few tenths of a mile per gallon.

The technology goes by various names but by any name does the same thing: shuts off fuel to some of an engine's cylinders when the vehicle needs only partial power.

### [Chavez predicts resistance war with U.S.](#)

"We must continue developing the resistance war, that's the anti-imperialist weapon. We must think and prepare for the resistance war everyday," said Chavez, who has repeatedly warned that American soldiers could invade Venezuela to seize control of the South American nation's immense oil reserves.

### [Iran fuel import budget likely to run out soon](#)

Iran will exhaust its annual budget for petrol imports by August 1, more than seven months before the financial year ends, if fuel consumption continues at the same pace,

officials said in remarks published yesterday.

### [Kuwait oil minister faces axe but policy to stay](#)

Kuwait's oil minister could be removed from office after a grilling by opposition MPs Monday, but the Organization of Petroleum Exporting Countries (OPEC) member's oil policy is not expected to change dramatically, analysts said Sunday.

### [Australia: Gas shortage seen as symptom of wider energy woes](#)

The peak body representing Australia's energy users says a gas shortage which is affecting large commercial users in the New South Wales Hunter Valley is just the symptom of a growing energy crisis across the country.



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