



DrumBeat: July 11, 2007

Posted by [Leanan](#) on July 11, 2007 - 8:56am

Topic: [Miscellaneous](#)

[Kuwait says has 100 billion barrel oil reserve](#)

OPEC-member Kuwait reiterated Wednesday that it had oil reserves of 100 billion barrels, again disputing a report that the figure was around half that amount.

"We confirm that Kuwait's oil reserves are 100 billion barrels," acting oil minister Mohammad al-Olaim told reporters after briefing parliament in a closed-door session about the levels of reserves in the Gulf emirate.

[Mexican gas explosions force shutdowns](#)

Honda, Hershey's and other multinational companies temporarily shut down their factories in western Mexico on Wednesday after rebels attacked a key natural gas pipeline.

...At least a dozen companies including Honda Motor Co., Kellogg Co.'s, The Hershey Co., Nissan Motor Co., and Grupo Modelo SA were forced to suspend or scale back operations because of the lack of natural gas, the daily newspaper Excelsior reported. They said they faced millions of dollars in losses.

[Oil supplies are down and alternatives not yet available](#)

A rule of thumb for the price of oil in the past five years has been to take the last digit of the year and add a zero: 2002 saw prices in the \$20s; 2003 in the \$30s; now oil is hovering around \$70 a barrel. These high prices are desirable for steering the economy away from oil, but in the meantime they could also spell trouble. Oil companies need to adjust to this new reality and rethink their business model.

[Russia Mulls Potentially Oil-Rich Arctic Seabed](#)

A Russian research vessel has begun a 90-day voyage to the Arctic as Moscow continues to pursue claims to the potentially energy-rich seabed under the Arctic Ocean.

[Iraqi Parliament delays meeting on oil law](#)

Iraq's Parliament will wait a week to hold sessions that could tackle controversial issues such as the proposed oil law.

Meanwhile, Kurds say the current version must be changed and Sunnis are calling for a vote of the citizens to make the law official.

[African forest under threat from sugar cane plantation](#)

The Mabira Forest Reserve, on the north shore of Lake Victoria, is home to 300 bird species as well as rare primates, and plays a vital role in the country's eco-system, storing carbon and regulating rainfall. The Mehta sugar corporation wants the reserve carved up so they can expand sugar cane plantations for biofuel production.

Yoweri Museveni, the Ugandan President, is attempting to push through legislation that would strip the forest of its protected status. This would flout a deal signed with the World Bank in 2001 under which the government received £180m to construct a hydroelectric dam on the Nile in return for guaranteeing the forest's protection.

[Omani develops date palm alternative to petrol](#)

An Omani entrepreneur is promoting a biofuel for cars using extracts from date palms to cut the use of petrol in the oil-rich Gulf region, a newspaper reported Tuesday.

The vehicles are running 85 percent on the new fuel and 15 percent on petrol without the need to convert the engine.

[High palm oil prices squeeze Indonesia biodiesel mix](#)

Indonesian state-owned oil firm Pertamina has cut the biodiesel blend in diesel fuel to 2.5 percent as rising palm oil prices and lack of incentives have reduced margins, an official at a biofuel group said on Tuesday.

[New York publisher turns a green page](#)

NEW YORK - In the concrete jungle of Manhattan stands a paragon of green: the new Hearst Tower, rising from the original Hearst building's historic facade.

Ninety percent of its steel is recycled. It uses 26 percent less energy and 10 percent less water than a conventional office building. Sensors detect when a room is empty and

automatically turn off the lights and computers.

[Watch out for \\$80 oil: Growing demand, tight supplies, turbulent geopolitics, hurricane season - a witches brew for crude prices](#)

So, with both the geopolitical scene and hurricane season heating up, will we see \$80 oil in the next few weeks?

"I don't see anything blunting the price rise until it disrupts our way of life," said energy analyst Mike Fitzpatrick, who's firm Man Financial has an \$83 target price for crude by the end of September. "With the economy the way it is, that clearly hasn't happened yet."

[Saudi leader: Don't blame us for high prices](#)

Near-record oil prices are unrelated to supply and demand and none of Saudi Arabia's customers is asking for more crude, the kingdom's Oil Minister Ali al-Naimi said on Wednesday.

[Feeling peaky](#)

'Peak oil' doomsayers are wrong - there is plenty out there. It's just a question of whether we are willing to pay the environmental price to get it.

[Troubles at BP's Whiting refinery hurts gas prices](#)

A leak that forced BP to temporarily shut down a Lake Michigan refinery's biggest crude unit has helped fuel this week's jump in gasoline prices, industry officials said.

[The fragile process of refining: Several factors determine the price of fuel](#)

Another summer of mercurial gasoline prices is here, thanks in no small part to the Achilles heel of the petroleum market - a tight supply chain vulnerable to the slightest of oil refinery hiccups.

[Cold prompts fuel crisis in Argentina](#) (audio)

A holiday blizzard blankets Buenos Aires for the first time in decades, but there's little to celebrate. Argentina's coldest winter in 40 years has spurred a massive energy crisis.

Dan Grech reports.

[Total, Trafigura Ship Diesel Cargoes to Chile From South Korea](#)

Total SA, Europe's third-largest oil company, and Trafigura AG are shipping diesel cargoes to Chile from South Korea as Argentina cuts natural gas exports because of a cold spell.

[Tehran to host trilateral peace pipeline meeting](#)

Vaziri-Hamaneh stated that needed fuel for groups of people who are providing services in the country has been discussed and their fuel quota will be announced soon. The minister said there is no concern about eliminating gasoline shortage to do away with public worries, adding, "Fuel quotas considered for service and major consumer sectors are sufficient and some sectors whose needs had not been already paid due attention have been discussed during the past few days and they will be supplied sufficient fuel in the near future."

The minister of petroleum further noted that people should use more public transportation means.

[Rebels say attack on Mexican pipeline is just the beginning](#)

The Popular Revolutionary Army, or EPR for its initials in Spanish, said Tuesday's explosion and two similar attacks on Pemex pipelines in Guanajuato state last week marked the beginning of a "national campaign of harassment against the interests of the oligarchy and this illegitimate government."

[United Kingdom: Beyond Nuclear - Scotland's Energy Options](#)

Hunterston B power plant was shut down earlier this month amid fears regarding temperature controls. This shut down comes within only a few weeks of the plant reopening following the Nuclear Installations Inspectorate (NII) concluding that the plant should be allowed to operate once more. Hunterston B had been shut for almost 6 months to allow repairs to be carried out for cracked heat exchangers. Ironically, in its periodic safety review, the NII provisionally stated that both Hunterston B and its sister plant Hinkley Point B power station, would be allowed to extend their lives from 2011 to 2017. This was on the proviso that the plants invested £4.5m on upgrading and repairing their premises.

The decision to provisionally extend the lives of these power stations may need to be reconsidered in light of this further shut down. Currently nuclear power accounts for about 40% of all electricity generated in Scotland. The question arises of what Scotland would do to fill the deficit in electricity should Hunterston B close in 2017, 2011 or

sooner.

[Lula resumes nuclear program to make Brazil 'world power'](#)

President Luiz Inacio Lula da Silva on Tuesday relaunched the country's nuclear program, promising to complete a nuclear submarine and a third atomic power plant both mothballed 20 years ago.

[India: Of fixing price for natural gas](#)

We know air pollution is choking our cities. But they also need electricity. The option is to build coal-based power stations to supply this need. But even with the best of technology (which we don't have) for so-called clean coal, air and solid waste emissions are high. Gas would be an ideal option for these cities. But if the price of gas is determined based on non-existent market rates, then there is no way it can compete with coal—domestic or even imported.

[BBC Radio Play – *Second To Midnight*](#)

Western governments, oil companies and business analysts have long predicted that the "peak", when oil reserves become finite and the markets begin to panic, is as far away as 2030. However, Rob Turner, oil company geologist, has just uncovered that the peak is not tomorrow. It was yesterday.

(They usually archive their programs later on their web site.)

[U.S. airlines may face huge plane bill](#)

US Airways (LCC) officials went to the Paris Air Show last month and did something executives at most big U.S. carriers haven't done in years. They ordered planes: 92 new Airbuses at an estimated cost of \$10 billion.

After a brutal half-decade in which the USA's airlines rang up \$35 billion in losses, they're again profitable. But, US Airways' order notwithstanding, the little money they're making isn't nearly enough to cover what they'll need to rejuvenate and enlarge their fleets in the next two decades.

[Feds Could Proceed with Drilling in Alaskan NPR-A Area](#)

The Bureau of Land Management could allow drilling work on a sensitive region of Alaska's North Slope after it completed additional environmental research on the area,

an agency spokeswoman said.

[Hot off the grid](#)

Solar ovens utilize nature's rays for energy-efficient, everyday cooking -- even in foggy San Francisco.

[Ghana: Govt distributes free energy saving bulbs](#)

The Energy Commission officially began the distribution of over six million energy saving light bulbs as part of a national campaign to conserve energy throughout the country yesterday.

[Nigerian textile factories may close down](#)

Nigeria's 30 textile factories may be forced to close down next week because of acute shortage of production fuel, manufacturers said here Wednesday.

[Venezuela, Iran to team up on \\$4 billion oil project](#)

Venezuela and Iran, oil-exporting countries that have sought to assert independence from the US, plan to spend a combined \$4 billion on a joint project in Venezuela's heavy-crude-producing Faja del Orinoco.

[Food Conscious: The new food crusade](#)

Organic farms, conservation, fruits and veggies in schools - the Bay Area leads the charge to change how Congress subsidizes farming.

[Where have all the bees gone? Blame people, not cellphones](#)

But as a Salon round table discussion with bee experts revealed, the mass exodus of bees to the great hive in the sky forebodes a bigger story. The faltering dance between honeybees and trees is symptomatic of industrial disease. As the scientists outlined some of the biological agents behind "colony collapse disorder," and dismissed the ones that are not -- sorry, friends, the Rapture is out -- they sketched a picture of how we are forever altering the planet's delicate web of life.

[Hybrid Cars Come of Age](#)

With Al Gore III barreling down a California highway in his Toyota Prius at 105 mph, hybrid gas-electric cars may be at the tipping point of becoming a mainstream item in America.

[Kuwait's oil reserves debate set](#)

The Kuwaiti government will discuss the size of the country's oil reserves in a closed-door session with members of parliament today.

The size of the reserves in the world's seventh-largest oil exporter became a sensitive issue last year when industry newsletter Petroleum Intelligence Weekly (PIW) said it had seen internal records showing reserves were about 48 billion barrels - half the officially stated 99 billion.

The difference is equal to more than four percent of global proved oil reserves, according to data in BP's annual statistical review, the oil industry's most trusted.

[Kuwait and IEA Show Declining Oil Production Future](#)

Crude oil prices could reach levels of US\$100 per barrel or more if some of the latest production factors in the news become reality.

[Venezuela Denies Talk of Falling Oil Output](#)

The government on Monday denied a press report that labor conflicts at oil fields in western Venezuela have reduced output by 200,000 barrels per day.

"There is no diminution of production. Currently, oil production is 3.07 million barrels" per day, Energy Minister Rafael Ramirez told reporters, responding to a story in the Caracas daily El Mundo.

[Imagining a World Without Oil](#)

Salon.com published an article today, discussing how Alternate Reality Games can be used to change people's real world behavior, and cited World Without Oil as a good example. In this game, participants acted out the scenario of prohibitively expensive and unavailable oil - from personal to systemic effects - via blogs, audio, art, and any other means at their disposal. Besides impacting the players' individual behavior, this was meant to draw from the wisdom of crowds to find the best solutions before this happens in real life.

But how well did it meet either goal? The article doesn't say. Based on a cursory survey of participants, most seemed tuned in to oil conservation to begin with, so it's not like

that aggressive SUV driver was helped to see the error of his ways. Along those same lines, where are the jerks? Where are the guys getting mad wealthy off of peak oil at the expense of others? And where are the incompetent idiots?

[Why is the oil price so high?](#)

So what's behind the rise? Hedge funds? Jittery investors? Geopolitical tension?

Nope. Energy watchdog, the International Energy Agency, puts it down to one thing.

[Mideast power demand growth provides fuel oil new lease of life](#)

Surging economic growth and power demand in the Middle East is giving fuel oil a new lease of life and heralding big changes in international trade of the dirty left-over product of refined crude.

[Far from the protests, the Corrib drilling continues](#)

The government or the people do not own the gas. Shell do. And if there is an energy crisis, Shell can turn off the taps. They have no moral obligation to sell it to the people of Mayo or Ireland.”

[Prediction #3 \(of 3\) from Oil Expert Matt Simmons: Biofuels Terrific but won't Significantly add to Supply](#)

“Biofuels are going to stay at the margin,” Simmons predicted, explaining that given the food vs. fuel debate and other issues surrounding biofuels, biofuel production will never be high enough to displace the bulk of the millions of barrels of oil per day that Americans pour into their tanks as refined gasoline.

But if, as Simmons has also predicted, the U.S. could be in for gas shortages as early as this summer, how are Americans going to continue traveling as much as they are today?

They're not, Simmons told EnergyTechStocks.com.

[Higher fuel prices blamed on flooding at S.E. Kansas refinery...](#)

Consumers are beginning to pay more at the pump because flooding at a southeast Kansas refinery has reduced fuel supplies.

Prices spiked ten cents a gallon overnight at some stations.

[Carolyn Baker: WHAT TO DO? WHAT TO DO? Taking Action In The Face Of Collapse](#)

Every time I write an article on collapse such as my most recent one "Happy Independence Day; You Have No Government", I am bombarded with emails asking me "what should I do?" For those who have just discovered this site, that is a legitimate question because for them, the reality of collapse may be new. Those who have been following this site for some time have heard many suggestions on what to do, but this article will offer those and other suggestions again more clearly and more adamantly than they have been offered here before. The intensity you are likely to hear in this piece is driven by the urgency which I and many of my peers are feeling at this moment. Quite frankly, it's time to quit screwing around with talking about collapse and start acting. The Rubicon has been crossed, we're not living in Kansas anymore, and we are living in the closest thing we've seen to pre-World War II Germany than anything since then. Suit up and stop theorizing and speculating. It's showtime.

[Nigeria's Moni Pulo Seen Shutting in Output After Attack](#)

Nigerian oil company Moni Pulo is expected to shut-in its production following an attack by militants on an oil production barge in the Calabar River in the Niger Delta, a trader of West African crude said Tuesday.

[One Militant Killed in Failed Kidnap Attempt in Nigeria](#)

Nigerian troops have foiled an attempt by militants to kidnap workers at a Korean firm in Southern Rivers state, killing one insurgent and injuring several others, police and locals said.

[Mexico confirms attacks on pipelines](#)

Mexico's government on Tuesday called a series of gas pipeline explosions a threat to the nation's democratic institutions and vowed to step up security after a guerrilla group claimed responsibility for the blasts.

The Interior Department said it would take measures to protect "strategic installations" across Mexico after an explosion Tuesday at a pipeline run by the state-owned Petroleos Mexicanos, or Pemex, and two other blasts that rocked gas ducts on Thursday.

[Saudi Arabia to cut oil supply to Asia](#)

Saudi Aramco, the world's largest state oil company, will cut crude oil exports to Asian refiners for a tenth month in August, refinery officials said.

The Dhahran, Saudi Arabia-based oil producer will reduce supplies of its Arab Light and Arab Heavy crude oil to refiners in Japan, China and South Korea by between 9 per cent and 10 per cent below the volumes set out in annual supply contracts, said three refinery officials, who received notices from the company and asked not to be identified because of confidentiality agreements.

[OPEC can do nothing about high oil price: Qatar](#)

OPEC can do nothing about the high price of oil because factors other than crude supply have sent the market to near record levels, Qatar's Energy Minister said on Wednesday.

..."OPEC cannot do anything about it," Attiyah said. "The world is facing a shortage of gasoline and diesel, but not crude oil. If the market needs more oil, OPEC will do its utmost but it needs to be convinced that there is a shortage."

[Strong gasoline demand to push up prices: government](#)

Strong demand for gasoline and tight motor fuel inventories will push pump prices higher in July and August, the government said on Tuesday.

..."This is due to a combination of rising crude oil prices, strong demand for gasoline and low gasoline inventories," the analytical arm of the Energy Department said.

[China, Syria in talks on refinery](#)

Syria and China are discussing jointly building a \$1 billion oil refinery in eastern Syria, state media reported Wednesday.

[Dolphin starts pumping Qatar's gas to UAE](#)

Dolphin Energy Ltd announced Tuesday that it has started pumping natural gas through a submarine pipeline from Qatar to the United Arab Emirates.

"This is the culmination of a visionary nine-year project, linking the nations of Qatar, the UAE and shortly Oman in a unique regional gas grid," the company said.

[Is Arab OPEC Going Green?](#)

Now, sheiks, emirs and other leaders throughout the Arab OPEC states of the Middle East and North Africa are afraid that a return to pre-petroleum poverty will quickly arrive with the end of the Oil Age, so they are turning towards the ever-present desert sun.

[London readies for 'energy revolution'](#)

London Vice-Mayor Nicky Gavron plans to spearhead decentralised generation so that every household in the city can eventually produce its own energy and cut CO2 emissions. New fines for polluting trucks and coaches are also planned for 2008, she has told EurActiv in an interview.

[Ford: Hydrogen cars close to production](#)

The relatively quick-and-easy answer to foreign oil dependence and automotive greenhouse gas emissions is circling the grounds every day at Orlando International Airport in Florida, according to a top Ford Motor Co. official. It's a utilitarian 12-passenger parking lot shuttle bus powered by a 6.8-liter internal combustion hydrogen engine, which Ford officials said is their hydrogen technology that's closest to mass production.

[Sun is not to blame for global warming: study](#)

Scientists on Wednesday said that the rise in global temperatures that has been detected over the past two decades cannot be blamed on the Sun, a theory espoused by climate-change sceptics.



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