



DrumBeat: July 13, 2007

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Topic: [Miscellaneous](#)

["Peak oil" advocates blast U.S. industry study](#)

Proponents of "peak oil" -- the theory that global crude oil production has hit its zenith and is headed for a steep decline -- are steamed with a U.S. oil industry group's findings that the world has plenty of oil.

Next week the U.S. National Petroleum Council -- a board of high-level U.S. oil industry executives -- releases its study titled "Facing the Hard Truths about Energy," conducted at the behest of Energy Secretary Sam Bodman.

According to the report's executive summary obtained by Reuters, the world is not running out of oil but there are "accumulating risks" to securing supply through 2030.

Peak oil theorists say such findings gloss over Bodman's request to study the issue in detail.

"They've labored mightily and come up with a mouse," said Randy Udall at the Association for the Study of Peak Oil and Gas, whose group dismisses the report as "petro Prozac."

"Give me four college students and two weeks, and I could do better," Udall said.

[BP finally relents, counts oilsands in global tally](#)

Oilsands skeptic BP PLC has finally caved after years of ignoring Alberta's oil-soaked dirt in its influential tally of world energy resources.

The oil giant, one of the few super-majors in the world without a significant oilsands project under development, has long been reluctant to count the number of potential barrels in the unconventional, economically challenged oilsands in its annual Statistical Review Of World Energy.

The London-based company pulled a quiet about-face late last month, however, and its highly regarded publication now lists Canadian oilsands as containing 163.5 billion barrels of undeveloped reserves - oil that could be produced using today's technologies and in today's economic climate - among a total of 1.37 trillion barrels worldwide.

[Brent oil price surges to 77.45 dollars per barrel](#)

The price of London's Brent crude oil hit another 11-month high on Friday, buoyed by speculative buying and concerns over tight US fuel supplies, analysts said.

Iowa: [Culver offers plan to combat fuel shortage](#)

Gov. Chet Culver has temporarily lifted limits on how long gasoline and diesel truck drivers can work, a move designed to combat fuel shortages that have prompted higher prices across the region.

"This was a necessary step," Culver said. "Supplies were tight to begin with, and then after the Coffeyville, Kansas, refinery was flooded last week, supplies became very tight."

Minnesota, Nebraska, Kansas, North Dakota and South Dakota have also lifted limits of drivers' shifts.

[PetroChina pulls out of Canadian oil sands pipeline development project](#)

PetroChina is pulling out of a US\$3.8 billion (€2.76 billion) Alberta to British Columbia pipeline project that would have supplied crude oil to China from Canada's oil sands, a Canadian newspaper reported Thursday.

At an oil sands conference in Calgary, Alberta, Yiwu Song, vice president of China National Petroleum Corp., PetroChina's parent company, said the company was tired of the lack of Canadian government and producer support for their business, and was dropping the project, according to the newspaper report.

[Global oil demand to grow in 2008](#)

World oil demand will grow more quickly in 2008, although higher production and refinery capacity should ease pressure on supply, the International Energy Agency (IEA) said today.

[International Energy Agency: Oil Supply/Demand Trends For 2007-2012](#)

The Medium-Term Oil Market Report [MTOMR] by the International Energy Agency was just released. The IEA is about as "non-kook" as you can get, being a stuffy starched-white-shirt group of 150 researchers funded by the OECD – 30 countries representing mostly what you'd think of as the developed capitalist world: North America, the EU, Japan and Korea.

In the report, they take a hard look at where the oil market is headed between now and 2012. This is an important timeframe often missed in discussions of energy: plenty of folks will tell you what's going to happen next month, and even more will sing you songs of fear and greed that start, oh, in 2020. But five years is an extremely useful time frame for investors to follow.

[When the wells dry up](#)

“EVERYONE else in Britain hangs on what the Bank of England does with interest rates,” says one proud Aberdonian. “Up here, we don't care about that. We're much more interested in what OPEC does to the oil price.” An exaggeration maybe, but Aberdeen is the Houston of an offshore industry that has long made Britain a big oil and gas producer.

[Energising Russia's geopolitical goals](#)

Enhancing Russia's role will be its rejuvenated military power, largely financed by taxes and royalties from the oil and gas sector, which the World Bank says accounts for 20 percent of the country's GDP, over 60 percent of its export earnings and 30 percent of all foreign direct investment.

[Deadlocked Sunni, Shiite Factions Block Political Progress, Iraqis Say](#)

Iraqi politicians on Thursday struck a more pessimistic tone about Iraq than did the White House assessment, and said the deadlock between warring Sunni and Shiite factions makes major political progress unlikely in coming months.

[New Study Says Wind A Cheaper, Efficient Alternative To Nuclear](#)

A report commissioned in the Netherlands and leaked to a Dutch newspaper confirms that wind power will quickly replace nuclear energy as the fossil fuel alternative of choice. The researchers concluded that not only will technological advances in the coming years make wind financially competitive but also security costs tied to nuclear energy will further add to the value.

[Ethanol mix opposed by auto industry](#)

The auto industry has stepped up its efforts against putting more ethanol in regular gasoline, joining a coalition of vehicle and engine makers calling for more studies of how much damage such fuels could cause.

[Dave Cohen: Peak Oil Down Under](#)

Australia serves as a microcosm of a world entering the peak oil era.¹ It can be shown beyond a reasonable doubt that Aussie oil production has peaked. As their oil companies struggle to offset production losses as demand grows, Australians must face up to the stark choices these circumstances present. One road, taken by the United States long ago, creates dangerous, ever-growing dependencies on imported oil to fill the supply and demand gap. The other road, leading to energy independence and security, spawns alternatives that allow Australia to move beyond oil. Will the Land Down Under seize the opportunity they now have to make the right choice?

[North Korea's use of oil aid](#)

What can North Korea do with heavy oil aid? This is the question of the moment as the energy-starved communist country is set to receive much-needed fuel oil assistance this weekend in return for shutting down its nuclear reactor.

[Police impound buses, gas shortages spur commuter chaos in Zimbabwe](#)

Harare police have impounded minibus taxis and fined drivers who had not complied with government orders to cut fares, stranding commuters on the way to work, state media reported.

[Vietnam: Cao Ngan power plant activates 2nd turbine, shortages still likely](#)

At present, the oil field can only supply 5mil cu.m of gas daily as opposed to the average 15mil cu.m.

The fuel is being equally distributed to generators at the Phu My power complex, Hai said.

However, with increasing demand for energy for production and daily activities, shortages are very likely.

[Is it really for my own good?](#)

My issue is not whether we should be taking steps, including radically improving the fuel economy of our automotive fleet, to protect the environment but rather the true motivation of many its so-called protectors. Originally, crusaders against smoking claimed they were merely trying to protect innocents from the ravages of second-hand smoke, a quest with which no one can argue. More recent bans, however, preventing smoking in open public venues point to a far more sinister intent, namely that their true

motivation has always been to simply outlaw cigarettes and that second-hand smoke was just a convenient ruse.

[Platts Survey: OPEC Oil Output Up Above Target](#)

The 10 members of the Organization of Petroleum Exporting Countries (OPEC) bound by the group's crude oil output agreements boosted production by 40,000 barrels per day to 26.6 million in June, from a revised May level of 26.56 million b/d, a Platts survey showed July 11. This is well above the 25.8-million b/d production target set in February by the so-called OPEC-10.

[Exxon breaks \\$500-billion barrier](#)

With Wall Street's big bull run Thursday, Exxon Mobil Corp. became the only publicly traded company currently valued above half a trillion dollars.

[Rising prices could end wasteful gas flaring](#)

Dwindling energy supplies and rising gas prices could soon make gas flaring unprofitable, say researchers, saving billions of dollars' worth of natural gas from going up in smoke.

[Some Argentine Oil Cos To Sell Liquid Fuel At CNG Price Government](#)

Some oil companies operating in Argentina agreed Thursday to supply liquid fuel to industrial clients at the same price as compressed natural gas, in an effort to alleviate the country's worsening energy crisis, a government press officer said Thursday.

[Energy crisis hits citrus](#)

The energy crisis in Argentina is affecting the citrus sector and will have an impact on lemon exports, sector leaders warn.

A lack of rainfall is being blamed for shortages of hydro electricity, while extraction and transport problems and lack of supply are having an impact on natural gas availability in the South American country.

The knock-on effect is that full supplies to industry and agriculture are limited to 16 hours in 24. Productivity across all sectors is therefore running at only two-thirds. "The impact is being felt back along the supply chain," said agronomist Bartolomé Del Bono, who is also the general manager of Tucumán citrus association, ATC.

[Taiwan donates 30 million dollars to Nicaragua for energy](#)

The government of Taiwan granted Nicaragua a donation of 30 million dollars on Thursday to purchase thermoelectric plants that help solve the Central American country's severe energy crisis.

[Breaking bonds with oil won't be easy or quick](#)

U.S. energy consumption is based on oil — a multi-billion dollar industry — and changing that is going to take investments in technology, as well as a change in consumers' attitudes.

[A Citizen's Wake-Up Call: Six Problems We Can No Longer Afford to Ignore](#)

Problem #2: Our national oil addiction. America has more than doubled its oil consumption from 8.8 million barrels per day in 1977 to more than 21 million in 2006. Of course Americans are not the only people who have needs for greater amounts of oil. By 2004, global oil production exceeded 80 million barrels per day for the first time. Fortunately, as fossil fuel supplies become more and more depleted, breakthroughs in alternative energy sources are happening every day.

[Damage to Petrobras from Fraud Scheme Still Unclear](#)

In total, the Federal Public Prosecutor's office has accused 26 people of manipulating the tender of contracts to build several oil platforms. One method, according to Brazilian press, was to send bidding instructions to incorrect addresses to reduce the number of competitors.

[The Effects of Peak Oil: Panic from the Oil Crunch](#)

The reality of peak oil will set in over the next few years. But once the world realizes the serious effects it'll have, the real panic will start.

[Biofuels have the potential to be "life changing"](#)

"Power through renewable energies is, and will be, a major tool for developing countries, particularly for rural populations. The potential is enormous, I think it will be extraordinary if the model is replicated in other parts of Africa, it will have life changing effects," said Sir Bob Geldof at a press conference in South Africa yesterday (11th July).

[What they didn't want you to know: oil's dirty little secret](#)

“IT’S the end of the world as we know it”, sang US rock band REM, a sentiment that seems to sum up the ‘hard to live with’ realities that Peak Oil will bring to civilisation’s most affluent cultures.

And it definitely echoes the view of former BBC journalist David Strahan, who admits he knew nothing of the oil industry before starting his research and now wishes the world knew more about geology.

[Fayetteville Shale Testing State Law](#)

The lucrative gas exploration of the Fayetteville Shale Play has predictably led to more business for oil and gas lawyers in the state.

It has also exposed some gaps in Arkansas law that confuse mineral rights and might someday surprise landowners who don't realize how little control they have when gas companies invade their property.

[Iraq: of course it's about oil](#)

THE PRIME MINISTER's hasty retreat from the admission that oil has anything to do with the US-led invasion and occupation of Iraq is both puzzling and revealing.

[Oil experts put kibosh on Cullen's road empire](#)

This week's medium term oil report by the International Energy Agency should be the kiss of death for Michael Cullen's \$1.5 billion spend up on roading, Green Party Co-Leader Jeanette Fitzsimons says.

[Peak Oil, Global Economy Shifts Away From US Towards Asia](#)

“Are we really running out of oil? Greg Palast discusses this at length in ‘Armed Madhouse’ and I’m inclined to agree with his assessment. We are running out of “cheap” oil i.e. it don’t [sic] cost much to pull it out of the ground but at the same time the high price of oil has made the harder-to-get-at oil economically viable and profitable. Enter Venezuela with 1.36 trillion barrels of heavy oil that is now worth pulling up not to mention Canada with significant oil reserves in tar sands. It’s not a supply problem in the sense that the Earth is running on empty. It’s a supply problem in the sense that production is limited in the pursuit of higher prices. Oil reserves are a measure of oil you can pull up at a certain price, the higher the price the greater the level of world reserves. At US\$15 a barrel oil reserves are small indeed. At US\$70 it’s a whole new ballgame.”

[Venezuela Oil Min: Drilling Ops Normal as PdVSA Retakes Rigs](#)

"All operations, all of our rigs are operating normally," said Rafael Ramirez, who is also the president of PdVSA, in a television interview.

Ramirez denied media reports that rig operators are resisting the change in management as PdVSA starts operating 46 of its rigs that it had put under private management. PdVSA says that the staffers working on these rigs will become part of its payroll.

[Brookside farmers point the way to post-oil world](#)

Both Jason Bradford and Christoffer Hansen, who are working full-time at Brookside Farm, are firm believers in an apparently rapidly approaching phenomenon known as Peak Oil which they and other believe will mean the end of cheap fossil fuel energy. Consequently they believe that people will have to localize, that is, create the essentials of life locally, using affordable energy sources. They also acknowledge that one of the most basic of the essentials of life is food.

[Opponents outnumber supporters](#) (Powell River, BC, Canada)

Yrainucep Development Corporation has a development proposal for the land, which includes an airport, residential homes, a golf course, and an equestrian centre.

...Many of the people opposed to the application promoted agricultural values and the importance of viable local food production in the face of global warming, peak oil supplies and Powell River's geographical isolation.

[How green is your valet?](#)

For an epicenter view of the USA's burgeoning "green hotel" movement, steer your hybrid rental car (or better yet, take rapid transit) to the Chinatown gate.

[Actor promotes tax breaks for hybrids](#)

Rob Lowe, who portrays a member of Congress on television, appeared before lawmakers Thursday and promoted tax credits for people who add a plug-in feature to hybrid cars and trucks.

[China glaciers melting at alarming rate](#)

China's remote Xinjiang region is home to nearly half of the nation's glaciers that supply the rest of the country and other parts of Asia with water.

However they have shrunk by 20 percent and snow lines there have receded by about 60 metres (200 feet) since 1964, the Chinese Academy of Sciences said in a report, according to the official Xinhua news agency.

[Guyana criticizes carbon credit scheme of Kyoto Protocol](#)

Guyana's President Bharrat Jagdeo on Thursday criticized the Kyoto Protocol on climate change for failing to allow countries like his nation with pristine unharvested forests to earn carbon credits.



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