



DrumBeat: July 30, 2007

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Topic: [Miscellaneous](#)

[Saudi to add half-million bpd to output capacity](#)

State oil giant Saudi Aramco said Monday that it expects to add half-a-million barrels per day (bpd) of crude to its maximum production capacity of 10.8 million bpd next December.

"Saudi Aramco's maximum sustainable production capacity is 10.8 million bpd," the company said in a statement on a midyear meeting of the executive committee of its board of directors in Vienna.

"The grassroots Khursaniyah Crude Increment is expected to be in operation in December 2007, with a capacity of 500,000 barrels per day of Arabian Light Crude blend from the Abu Hadriya, Fadhili, and Khursaniyah fields" in the oil-rich Eastern Province, it said.

[Oil Prices at \\$70-80 a Barrel](#)

The price of North Sea Brent has risen from \$50 a barrel at the beginning of the year and recently crossed the record price threshold that was set last summer, during the Israeli war against Lebanon, namely \$78 a barrel. It began to approach, for the first time, the level of \$80, then fell to around \$70.

What is behind this high level of prices?

[Energy debate moves to House](#)

Debate on a broad range of energy proposals is set to begin in the House of Representatives this week, a month after the Senate passed a big increase in vehicle efficiency standards.

Whether the House will vote on its own fuel efficiency standards is unclear, and will be perhaps the most watched item in the legislation.

[Have you driven a Fjord lately?](#)

Think's zippy little Web-enabled, carbon-free electric driving machine could help reverse 100 years of automotive history.

[OPEC chief: Oil \\$7 over value](#)

Current oil prices are inflated by around \$7 per barrel because of concerns about supply security, OPEC's Secretary-General Abdullah al-Badri was reported as saying in a newspaper interview on Monday.

...Badri said Western concerns about possible production bottlenecks due to political instability in oil-producing countries were overdone and OPEC had scope to increase production if necessary.

"There are such concerns, but in our view they are exaggerated," he told WirtschaftsBlatt. "There is much talk about production bottlenecks - but in reality we have free capacities of around 3.5 million barrels per day."

"We can activate this cushion any day."

...He said OPEC did not plan to reintroduce an official price band for oil, but added: "I believe I can say that we feel comfortable if the oil price doesn't fall below \$50. A price above \$80 wouldn't please us either."

[A revolutionary report on the future of oil](#)

In the debate over oil supplies, July 2007 may be seen as a turning point. The International Energy Agency, a body set up to advise OECD nations on energy supply and security, broke with its previous optimistic projections of world oil supply and threw the future of oil into doubt. The IEA's recently released "Medium-Term Oil Market Report" (PDF 1.87MB) reads like a summary of peak oil concerns made acceptable for the ears of government by occasional disclaimers to the contrary. However, its central declaration is clear:

Despite four years of high oil prices, this report sees increasing market tightness beyond 2010, with OPEC spare capacity declining to minimal levels by 2012 ... It is possible that the supply crunch could be deferred [by decreased demand growth] - but not by much.

[Rise in diesel consumption sparks concerns in Algeria](#)

As Algeria's diesel consumption overtakes domestic production, the Algerian government looks for ways to reduce losses from the fuel's falling exports and rising

imports.

[Turkey: Water shortage warning in electricity dams](#)

With the air conditioners boosting the usage of electricity, hydroelectric power plants are being used in addition to natural gas and coal; therefore, the water level in the dams has decreased from 80% to 52% in 2.5 months. Electricity usage has risen up to 606 million kw/h, and all plans are being shaken.

[Bombings in Mexico — A Sign of Upcoming Unrest?](#)

The way this guerrilla force reappeared represents a qualitative leap in their strategy, and in the focus of their objectives of not only making the country more violent but towards the destabilization of Mexico and its institutions as well. In the media, the government has sought to minimize the attacks and damages by playing them down, but its media strategy and other actions taken in the fight against insecurity have not had the expected results. As a result, the situation in Mexico is becoming more complex and difficult day by day.

And these elements, along with others, could be the first symptoms of a future social explosion.

[The Real Reason Why Gasoline Costs More](#) If you want to know why gasoline and everything made from oil is going to cost more in the years ahead, I give you, ladies and gentlemen, Hugo Chavez, dictator of Venezuela, and a number of other nations who have engaged in extortion.

[Gas-station owners' profits hinge on thirsty customers](#)

Convenience-store owner David Malik earns about as much on a can of Coke as he does on a typical 10-gallon purchase of gas.

Malik's gross profit on gasoline is roughly 3 cents a gallon after paying for supplies and credit-card fees, but he earns 30 cents on the soft drink.

And when trouble in a faraway oil-producing nation spikes energy prices, his profits here are squeezed even more.

[Long green seen in algae in city lakes](#)

Biodiesel is a liquid fuel equivalent of regular diesel, except that it is made from sources such as vegetable oil instead of petroleum. Currently, biodiesel comes mostly from

soybeans, canola oil and waste oils from restaurant kitchens. While these sources are adequate for now, experts agree they could not support any transition to green fuel on a large scale.

This has led to a search for "second generation" biofuels which might meet a larger percentage of our demand.

"Algae has serious potential," said Kenneth Walz, a chemistry instructor at Madison Area Technical College who teaches a course on biodiesel, "because compared to the current agricultural crops we use, algae can produce magnitudes more oil per acre."

[The mirage of nuclear power](#)

Since the 1950s, the nuclear industry has promised energy "too cheap to meter," inherently safe reactors and immediate clean-up and storage of hazardous waste. But nuclear power is hardly cheap -- and far more dangerous than wind, solar and other forms of power generation. Recent French experience shows a reactor will top \$3 billion to build. Standard construction techniques have not stemmed rising costs or shortened lead time. Industry spokespeople insist they can erect components in assembly-line fashion a la Henry Ford to hold prices down. But the one effort to achieve this end, the Russian "Atomash" reactor factory, literally collapsed into the muck.

The industry has also underestimated how expensive it will be to operate stations safely against terrorist threat and accident. New reactors will require vast exclusion zones, doubly reinforced containment structures, the employment of large armed private security forces and fail-safe electronic safeguards. How will all of these and other costs be paid and by whom?

[Cameco Quarterly Net Reaches Record on Uranium Price](#)

Cameco Corp., the world's largest uranium producer, said second-quarter profit rose 36 percent to a record on increased shipments of the raw material used in nuclear-reactor fuel.

[Israel - An armed force or a trade union?](#)

The announcements by the Israel Electric Company that the heat wave had pushed the national power grid to maximum capacity and that any technical failure would lead to blackouts around the country, was almost the mirror image of the IDF's protestations that it needed another NIS 7 billion to ensure it was prepared for the next war.

[Transmeridian Exploration: Attractive E&P Player From Kazakhstan](#)

Kazakhstan is located at a central intersection between Europe, India, and China. India and China are massive importers of oil, which should continue to rise at a steady 2-3% rate over the next decade. Matthew Simmons, an energy investment banker and a former adviser to US president George W. Bush believes that oil production in Saudi Arabia will soon peak, meaning it will not be able to supply the world's growing energy needs. Someone must step in. To add to that point, Kazakhstan is expected to become the fifth largest exporter of oil over the next decade. In this case, the top five would likely be Saudi Arabia, Venezuela, Russia, Iran, and Kazakhstan. That will put Kazakhstan in front of Kuwait, Iraq, Nigeria, and all other major oil exporting countries.

[Iraq Now As I See It](#)

If the American empire is to continue it will have to maintain control of the other oil riches of the Middle East. These are the crown jewels of the empire, and with peak oil here or coming soon, control of that oil will be essential to world domination. But the United States will have a hard time maintaining control of the rest of the Middle East when it withdraws from Iraq. Iraqi bases were meant to substitute for bases in Saudi Arabia when the Saudis objected to bases so close to their holy sites. So where will the United States put the bases now?

[Climate change rage a lot of hot air?](#)

A survey by the Public Policy Institute of California shows most residents think dirty air from cars is helping foster disasters such as drought and hurting their health through ailments such as asthma.

They want immediate action from government officials and presidential candidates with strong environmental protection stands. They support current attempts to lower greenhouse gas emissions from autos.

...But the poll released last week also found two-thirds of workers put up with pain at the gasoline pump so they can drive solo to jobs — a fourth in SUVs.

[Economists Find Current Biofuel Potential In Oregon May Be Costly And Limited](#)

The adoption of biofuels in Oregon could reduce the state's fossil fuel use by less than one percent, but at a much higher cost to society than more direct approaches such as a gasoline tax or raising fuel economy standards. That is the conclusion of a study published by the Oregon State University Extension Service.

['Sustainable' parking: A 21st-century oxymoron?](#)

The automobile may do us in eventually, but for now we are content to ignore all that. The Europeans have responded differently, but they were never as dependent on cars

as North Americans. Furthermore, land is at a premium in Europe, which means the appeal, not to mention the practicality, of sprawl is not as great.

[Review: Stop the Madhouse!](#)

“Peak Oil” is a useful hoax, based on a 51-year-old theory by Dr. M. King Hubbert, perpetuated by the oil multinationals and petrol juntas — What! (Hold that objection).

Among other official fictions like “WMD,” Palast shows that all that sloganeering about spreading democracy in Iraq was just happy talk and hot air to sell the ill-fated invasion to a frightened, vengeful and patriotic post-9/11 public.

We’re in Mesopotamia and we’re staying in Mess-o-potamia, regardless of the invasion’s horrific costs and abject failures, to make sure Iraq’s oil is not privatized and over-produced. We are there, Palast says, not to open up the spikot but to protect OPEC quotas and the House of Saud’s price-fix racket.

[The New World Order: The Bilderberg plan -- control oil, control people \(Part 23\)](#)

There are arguments from both sides of the oil issue: either we are quickly running out of oil or we have adequate oil to meet our requirements for generations. Both sides offer evidence, witnesses, experts and documentation to validate their assertions. Some peak-oil projects, funded by oil companies, are highly suspect. The very credible Lindsey Williams maintains that the North Slope in Alaska has as much crude oil as Saudi Arabia. Governor Frank H. Murkowski said in 2005 that there is enough oil on the North Slope to supply the entire United States for 200 years. Antony Sutton, author of *Energy, the Created Crisis*, is adamant that we have sufficient oil. Conversely, I have read reports which support the peak oil theory. I personally believe, after research, that "there is enough and to spare." Doom and gloom, Chicken Little oil scarcity claims have been propagated from the beginning. A scarcity, authentic or manufactured, of any crucial commodity accomplishes the following...

[Global warming doubles number of hurricanes, study finds](#)

Global warming's effect on wind patterns and sea temperatures have nearly doubled the number of hurricanes a year in the Atlantic Ocean over the past century, says a new study by US scientists.

[OPEC not expected to discuss output change: Iran](#)

Iran does not expect OPEC to discuss changing output levels at its next regular meeting in Vienna in September, Oil Minister Kazem Vaziri-Hamaneh was quoted as saying on Sunday.

"Crude oil price fluctuations are related to geopolitical issues and a shortage of gasoline in America, and I do not imagine that, at its next regular annual meeting, OPEC would put the issue of changing its output level on the agenda," he was quoted as saying by the Iranian oil ministry's Web site Shana.

[Gasoline prices fall 17 cents over two weeks](#)

U.S. average retail gasoline prices fell 17 cents per gallon over the past two weeks as Midwest refiners recovered from recent difficulties and produced more gas, an industry analyst reported Sunday.

[Esso reckons 20 more years of oil left in Bass Strait](#)

SUCCESS in life extension work by Bass Strait operator Esso has prompted the ExxonMobil subsidiary to predict that the region still has more than 20 years left of oil production and more than 30 years of gas.

A \$400 million seismic data and infill drilling program, involving wells at the Kingfish, Bream, Halibut and Fortescue fields, is adding 30,000 barrels of crude oil to daily production, worth close to \$1 billion a year on current prices.

But Esso's success has implications for the planned \$5 billion Monash Energy coal-to-liquids project in the Latrobe Valley, a joint venture between Shell and Anglo American.

[German Hard-Coal Production to Cease by 2018](#)

About a half-mile under the Earth's surface here, dozens of soot-faced miners scrape coal from some of the richest seams in the world, just as their forebears had done for generations. Conveyor belts funnel the shiny black rock through crushing machines and up to the surface, where it helps to power the globe's third-biggest economy.

Germany's 500-year-old tradition of hard-coal mining, however, is dying out. With domestic coal long unprofitable because of cheap imports from Africa and Asia, the German government this year decided to gradually withdraw expensive subsidies that have kept its mines open for nearly a half-century.

[Chavez accuses former oil officials](#)

President Hugo Chavez on Sunday accused former Venezuelan officials of allowing foreign oil companies to "rob" Venezuela's immense petroleum wealth, saying they should be charged with crimes.

[Taming Iran and Russia through Europe's pocketbook](#)

Not only has Bush destroyed Iran's most formidable enemy and bogged down U.S. troops in a hopeless cause, he also has enriched energy-abundant Iran and Russia by pursuing a war that has dramatically raised energy prices. High crude oil prices make it easier for Iran to build nuclear weapons and for Russia to use energy blackmail to threaten Europe.

But Europe can fight back. By imposing a stiff tax on energy consumption, Europeans would reduce both consumption of energy and its price in world markets, in turn cutting the flow of funds to Russia and Iran.

[Saudi Arabia to focus on renewable energy](#)

A multimillion-riyal world-class research centre for renewable energy has been set up at the Dhahran-based King Fahd University of Petroleum and Minerals (KFUPM).

The aim of the research centre is to help the country play the role of world energy leader for years to come. The centre is currently working on resource mobilisation before its premier research activities kick off in a year's time.

Trinidad and Tobago: [Peak oil - expensive food](#)

We have to grow more food. Our experience with steel down-streamers suggests that the production of fertilisers by foreign direct investors in T&T will not mean cheaper fertilisers to local farmers. T&T will have no alternative but to follow in Cuba's footsteps and develop an agricultural industry that moves progressively away from energy intensive techniques into small family lots and co-ops.

[Building Circles of Community: 'Lone Rangers' Cannot Survive Collapse](#)

In facing collapse it is important to develop skills that will be useful in navigating it. We hear a great deal about learning permaculture, organic gardening, woodworking, composting, catching rainwater, and utilizing alternative energy sources, but the two skills without which communities cannot be created or sustained, deep listening and compassionate truth-telling, are rarely discussed.

As I have stated repeatedly, I do not know how collapse will play out. It may culminate in instantaneous nuclear annihilation, sudden economic devastation, or some other form of civilization plunging blatantly off a cliff. It may also unfold more slowly with consequences equally as dire. Therefore, it is important not to embrace the illusion that skills provide magic bullets of survival. Who knows who if any of us will survive no matter what we know or have experienced?

[Global warming blamed as China endures freak weather](#)

Global warming was under a fierce spotlight in China on Monday as forecasters said Shanghai was set for its hottest summer on record, while flood and drought wreaked havoc in other parts of the country.



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