



DrumBeat: July 31, 2007

Posted by [Leanan](#) on July 31, 2007 - 9:10am

Topic: [Miscellaneous](#)

[Oil settles above \\$78, sets new record](#)

Oil futures settled at a record high above \$78 Tuesday on expectations that crude inventories fell last week and reports of new violence in Nigeria, a large oil producer and key supplier to the U.S.

Investors believe Wednesday's inventory report by the Energy Department's Energy Information Administration will show that refiners drew down oil inventories as they continued to increase gasoline production last week, analysts said.

...Light, sweet crude for September delivery gained \$1.38 to settle at \$78.21 a barrel on the New York Mercantile Exchange. That puts futures within striking distance of the intraday record, and beat the settlement price record of \$77.03 set the same day.

[Why oil is rising but gas gets cheaper](#)

Higher refinery activity has pushed crude to record highs but helped gasoline prices drop 11 percent. Will the trend continue?

[Plateau Oil](#)

The report blames the Russians for not boosting production. In past reports, the IEA assumed that inefficient and somewhat corrupt Russian state oil companies could greatly increase that nation's oil export capacity. It also assumed that Russian leaders would overlook harsh criticism by some Western powers and invest billions of dollars in new oil fields to keep the worldwide price of oil down. Not surprisingly, Russian oil production has not risen sharply, but has declined since February.

[Report blaming quake stokes Indonesia volcano row](#)

A report blaming an earthquake for a 2006 mud volcano eruption in Indonesia stoked a dispute on Tuesday about whether a gas drilling well or geology caused the disaster that engulfed thousands of homes.

[Solar power makes tiny village beam](#)

In Gudda, a village with very little, residents are literally beaming. Just two years ago, villagers had never seen light after dark, unless it came from the moon. Then, solar light arrived and changed everything.

[Geopolitics, Oil And Water](#)

The most troubling element of the latter-day industrial revolutions in India and China may lie in their soaring energy demands. The rise in the consumption of natural resources is significant because of the sheer number of people involved: There are a combined 600 million Americans and Europeans, but more than a billion Chinese and a billion Indians. India's oil consumption has doubled since 1992, and China's has doubled since 1994. Today, India and China have low per-capita petroleum consumption, but if the two nations used as much oil as the U.S., there wouldn't be enough oil for the world.

The race for resources like oil can put countries at loggerheads, and the foreign policies of both India and China are increasingly dictated by their energy needs. They have made up with historical enemies and, more alarmingly, have cozied up to nations led by despots or in otherwise unsavory states of affairs. Before our eyes, post-Cold War political alliances are shifting.

[House Moves Favor Energy Industry: Democrats Drop Some of Bill's Provisions](#)

Bowing to pressure from energy-state Democrats, House leaders have yanked some of the more industry-unfriendly provisions embedded in their proposed energy package.

But Democratic leaders have yet to decide whether to allow a vote to raise fuel mileage standards for cars and trucks.

Hoping to quell a revolt among producing-state Democrats and bring an energy bill to the floor by week's end, House Speaker Nancy Pelosi, D-Calif., agreed to back off some proposals critics had complained could hamper domestic energy production.

[Marathon Oil buying Western Oil](#)

Energy company Marathon Oil Corp. said Tuesday it has agreed to buy Western Oil Sands Inc. for \$5.5 billion in cash and stock, giving it a stake in Canada's oil sands market.

[New hope for uranium wealth in Dar](#)

Tanzania is set to experience a flurry of activities in its mining industry as recent explorations have identified uranium rich sandstone formations in the country.

[Cap on wind power riles critics](#)

The Stelmach government foresees nearly doubling the amount of wind-power generation allowed in Alberta, even as the province remains the only jurisdiction in Canada to cap the production of wind energy.

[Coal could pay to save forests](#)

The stark truth is that sustainable forest management in natural forests in the tropics is very often simply not as rewarding economically as the combination of rapid logging and conversion of the land to other uses.

Crudely put, natural forests are seen by many national and local interest groups as being worth more dead than alive.

[Exposed: The Truth Behind Popular Carbon Offsetting Schemes](#)

Academics and environmentalists are questioning the ethics and impact of offsetting -- and suggesting that offsetting schemes have not been as effective as claimed.

[Indonesia sees slower palm oil expansion from 2010](#)

Indonesia expects palm oil output to grow sharply in the next two years but stricter forest protection may then slow expansion, a senior industry official has said.

[Chavez backs Energy Minister Ramirez despite scarcity of oil drilling rigs](#)

President Hugo Chavez is backing Venezuela's Energy Minister Rafael Ramirez despite repeated opposition criticism of his management of the nation's oil industry, Petroleos de Venezuela (PDVSA) and a current scarcity in oil drilling rigs.

[Oil inches near record high](#)

U.S. oil climbed above \$77 a barrel Wednesday, rising toward its all-time high, on forecasts for another weekly decline in crude stocks in top consumer the United States and a recovery in world share markets.

U.S. crude was up 50 cents at \$77.33 a barrel in electronic trading after hitting \$77.43, the highest mark since Aug. 8, 2006. London Brent crude was up 58 cents at \$76.32.

Stocks around the world bounced back sharply Tuesday as volatile credit markets stabilized.

[UK oil sector needs greater investment, output study](#)

The multinational oil companies are jeopardising the UK's "energy security, and possibly future wealth" by their reluctance to invest at higher levels, according to the Royal Bank of Scotland's UK Oil and Gas Output index, published yesterday.

Despite near-record investment in the past year, it has failed to reverse the year-on-year decline in North Sea oil and gas production.

The survey also noted the upward trend in monthly output changes came to an abrupt end in May, delivering further evidence that the underlying longer-term decline will not be stemmed, said the survey.

[Kazakh PM Sees Kashagan Delay as Breach of Contract](#)

The Kazakh government views the failure of the consortium developing Kashagan to start production by 2008 as a breach of contract, the news agency Interfax quoted Prime Minister Karim Masimov as saying Monday.

"Through the press I warn the company that we consider changes to the timeline for Kashagan to be a change of the contract itself," Masimov said.

...Italy's Eni, the operator of the project, formally notified the government last week that the first oil from the project would be produced only in 2010.

This is the second delay for the Kashagan project after the initial 2005 start date was postponed.

[Rethinking Three Mile Island](#)

Ralph DeSantis was home in bed before dawn on March 28, 1979 when his phone rang. It was his shift supervisor at Three Mile Island (TMI), calling from the plant. "We have an emergency at Unit II and it's serious," is the first thing DeSantis remembers hearing. Then he heard the alarms going off.

Twenty-eight years after the worst accident in the history of the US nuclear power industry, the alarms are still going off, and the consequences are still being felt. That's why I made TMI one of my first stops on a two-week, 7,000-mile road trip through the

past, present and future of nuclear power in America.

[To Peak or not to Peak – A View from the Front Line](#)

Yes, I work for a company that is a member of the NPC, but I am not a big hairy monster who dips his food in crude oil before devouring it. Similarly, I do not believe that the NPC and its affiliate members are conspiring to cover up a scenario that paints a dire end time for the world as we face more and more extreme difficulties on the O&G supply side. I challenge you to read and reread the NPC's executive summary bullet points, both the observations and also the recommendations. I put forth that if one did not know the identity of the authoring body, or if one were not as intimately in tune with the current energy situation as all of you reading this assuredly are, you might think that this was a rather enlightening piece of work. Admittedly I may be biased as an industry participant, but please know that my passions reside firmly in the middle ground here and I seek only solutions as do all of you.

[White House sees black gold in melting sea ice](#)

The Bush administration is worried about missing out on a bonanza of oil and other resources in the Arctic unless Congress approves a treaty that helps determine who has rights to the area's wealth.

Arctic sea ice has decreased nearly 20% in the last two decades as the Earth's climate warms, making access to the area easier. The eight countries bordering the region, including the USA, are now staking competing claims.

The U.S. Geological Survey estimates that the Arctic seabed and subsoil hold as much as 25% of the world's undiscovered oil and gas. Other resources such as nickel and diamonds also are present.

[Saudi Aramco to invite bids for US\\$10 billion Manifa developments](#)

Saudi Aramco is expected to invite companies in August to help develop Manifa oil field, with a potential production of 900,000 barrels of oil a day, sources familiar with the company's plans said earlier this week.

Aramco, the world's largest oil supplier, plans to invite prequalified companies to bid for an estimated US\$3 billion worth of contracts on the company's largest-ever offshore project.

[UK launches CO2 car rankings Web site](#)

Britain's Department of Transport has launched a Web site designed to let new car buyers choose the most environmentally friendly vehicle for their needs.

[China's energy efficiency improving](#)

The energy efficiency of China's fuel-guzzling economy is improving but the country — the world's No. 2 oil consumer — is still struggling to meet self-imposed conservation targets, the government said Tuesday.

[Feds search Sen. Stevens' home](#)

Federal agents searched the home of U.S. Sen. Ted Stevens on Monday, focusing on records related to his relationship with an oil field services contractor jailed in a public corruption investigation, a law enforcement official said.

[New study on uranium from phosphates](#)

Nuclear fuel analyst and trader Nukem has agreed to conduct a study for CF Industries on extracting uranium as a byproduct from operations at the Plant City Phosphate Complex in Florida, USA.

[A new and different kind of nuclear race](#)

According to the International Energy Agency based in Paris, the world's energy needs will rise by 51 percent by 2030 due to world-wide industrialization and population growth, which could in turn lead to an environmental nightmare. Everyone wants more environmental-friendly energy and many have focused on the pollution-free benefits of nuclear power.

In addition to the issue of global warming and greenhouse emissions, many nations are also concerned about the stable supply of fossil fuel, especially from the Middle East, and the ever-rising oil prices in recent years. As a result, nuclear energy is now viewed not only as a greener option, but also a cheaper one - unlike fossil fuel, there is plenty of uranium supply in the global market right now and at least 19 countries are currently mining uranium and countries like Australia, Kazakhstan and Namibia have all recorded significant production increases between 2003 and 2006.

[Oil Companies Continue to Take Risks Despite Objections](#)

A group of U.S. pension funds, including the California Public Employees' Retirement System (Calpers), the New York State Common Retirement Funds, and New York City Pension Funds, have leveled pointed criticisms at several oil and gas companies for their

involvement in Iran's energy sector. The letter went out to such prominent global energy giants as Royal Dutch Shell Plc., Total, Eni, Repsol, and Gazprom.

[Toyota will offer a cheaper Prius](#)

Coming soon to a Toyota dealer near you: a slightly less expensive Prius.

Toyota Motor Corp. said Monday it would introduce a new "standard" version of its popular gas-electric hybrid for the 2008 model year with a base price of \$20,950, not including destination charges. That's 5.5 percent - \$1,225 - less than the lowest-cost 2007 model.

[Delaware crop damage getting serious](#)

"It's a rough time for farmers," said Mark Collins, a Laurel watermelon, grain and poultry farmer. "If this isn't a disaster, I don't know what is."

Collins said farmers whose fields aren't irrigated are seeing their corn and soybeans dying in the fields. He expects to pay 50 percent more in fuel costs this year because of the extra diesel fuel and electricity needed to irrigate his crops.

[Officials visit clean CTL plant](#)

Pike County officials say they made a trip to North Dakota last week to prove it's possible to turn coal into liquid fuel in a clean manner, but are still reluctant to say how close the county is to landing such a facility.

[Russia reaps rich harvest with potash](#)

Two demand drivers lift the potash price in Asia. Food is one; fuel, that is to say biofuel, is the other.

As an agricultural fertilizer, the fundamentals for potash are unique. Nitrogen and phosphate are the other essential ingredients for plant growth, but both are produced from natural gas; they are abundant in supply; and because they depend on rising gas prices, profit margins for producers are being squeezed.

[UN General Assembly to hold informal debate on climate change](#)

The informal debate, which will bring together prominent scientists, business leaders

and UN officials, is "to consider how to translate the growing scientific consensus on climate change into a broad political consensus for action," a UN statement said.



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