



## DrumBeat: August 3, 2007

Posted by [Leanan](#) on August 3, 2007 - 9:08am

Topic: [Miscellaneous](#)

### [Venezuela: No fuel for export in 2008](#)

"Provided that in 2008 the number of cars sold is similar to that expected to be sold this year, Venezuela will not have surplus fuel production for export, and the country will be faced with the risk of resorting to imports."

Análisis Venezuela also estimated that if any domestic refinery faced operational problems cutting production by 10 percent, Pdvsa would be forced to import gasoline components or finished fuels.

### [White House threatens to veto House energy bill](#)

The White House on Friday threatened to veto a massive energy bill slated for debate in the U.S. House of Representatives that sets aside about \$16 billion in clean-energy incentives, mostly by repealing tax credits extended to oil companies.

### [Solar IPOs shine](#)

Recent offerings, most out of China, have surged along with the sector in general. Is a correction coming?

### [Food, water and oil - the hidden link](#)

Since World War II, agricultural research and development has dramatically increased crop productivity, which along with an increase in the areas under irrigation and cultivation, has allowed us to feed an ever increasing global population. Unfortunately, regional conflicts and droughts still cause famine, and poverty is largely responsible for 850 million people still suffering malnourishment. If we could overcome economic inequity, corruption and food distribution issues, we would be able to nourish everybody adequately.

However, the situation we see today is changing rapidly. World population is expected to reach about eight billion by 2025, meaning about another two billion mouths to feed. In

the same period, we expect climate change to begin to bite in its impact on water supplies in many areas and oil production to potentially peak and start to decline, while growing cities need ever increasing water supplies.

### [Oil price 'threatens US economy'](#)

Sustained oil prices close to \$80 a barrel could hit US economic growth, Energy Secretary Sam Bodman has said.

The US economy has never faced such high prices for "an extended period," Mr Bodman warned.

There is concern about whether oil supplies can meet global demand and Mr Bodman urged oil producing nations to increase output to avoid shortages.

### [The trouble with nuclear waste](#)

It's not easy building a home for spent radioactive material. The proposed site at Yucca Mountain has been underway for over 30 years.

### [PDVSA Begins Exploring for Light Crude in Cuba](#)

Venezuelan state-owned oil company PDVSA said it planned to begin exploring Wednesday for light crude in Cuba as part of a joint venture with state-owned Cubapetroleo, or Cupet.

"We expect to confirm the presence of fields of light crude with volumes capable of maintaining high production potential" via exploration in the six blocks covering a 10,000-square-kilometer (3,861-square-mile) maritime area, PDVSA said in a statement.

### [The Single Largest Oil Deposit in the World](#)

I'd like you to take a moment and think of what the world's largest deposit of oil would look like. Just close your eyes and imagine it....

I instantly thought of a wide open mining pit surrounded by a thick forest. Gigantic trucks, larger than any others in the world, rumbling along 24 hours a day, 365 days a year. These multimillion-dollar machines, alongside a myriad of equally large hydraulic shovels and cranes, guzzle over 550,000 gallons of diesel every year!

And when I said gigantic, I meant it. Imagine getting passed on the highway by this...



### [Shell Sells Norwegian Assets to E.ON for \\$893M](#)

Royal Dutch Shell (RDSB.LN) Thursday said it has divested its 28% equity interests in the undeveloped Skarv and Idun fields for US\$ 893 million. The agreement covers the licenses PL-159, PL-212, PL-212B and PL-262 in the Norwegian Sea.

The deal consolidates Shell's position in Norway, and improves E.ON's access to equity gas, increasing the diversity of its upstream long-term suppliers.

### [Gazprom's Challenge to Belarus: Internal Reactions](#)

On August 2, Belarusian president Alyaksandr Lukashenka declared that his country would dip into its reserves to pay its existing debt to Gazprom of \$456 million (Itar-Tass, August 2). His decision brought a temporary halt to the current crisis raised by Belarus's failure to meet its July 23 payment and Gazprom's response that it would reduce supplies of gas by 45% starting August 3. Earlier Prime Minister Syarhey Sidorsky had failed in an attempt to obtain up to \$2 billion in credit in talks with his Russian counterpart, Mikhail Fradkov (Kommersant, August 2).

### [Bahrain to Set Up \\$2.65B Energy Company for National Assets](#)

Bahrain is to establish a holding company for all oil and gas assets creating a 1 billion Bahraini dinar (\$2.65 billion) firm to attract greater foreign investment in the country's energy sector, the Bahrain Tribune reported Thursday.

## [Interior, Sen. Salazar Remain Far Apart on Roan Plateau Drilling Plan](#)

Interior Secretary Dirk Kempthorne and Sen. Ken Salazar (D-Colo.) continue to spar over plans to allow oil and gas drilling atop Colorado's Roan Plateau.

## [Mexico's Job-Creation Problem](#)

If one were to do a CAT scan of Mexico's economy, one would find a country with the potential to become a job creator's paradise. Mexico has far more oil than fast-growing Dubai (a net labor *importer*) and almost as much as Qatar, another labor importer. If Mexicans working in the U.S. are any indication, Mexico has a work force that is trained and disciplined. With thousands of miles of coastline, Mexico is a tourist haven. It shares a border with its largest trading partner. But even with these positive attributes, Mexico's job-creation engine has stalled.

## [Why Oil Could Be Headed Even Higher](#)

Surging demand coupled with concerns about tight supplies are sending crude prices up, and there's no relief in sight on either side. In addition, speculators are now betting on further price spikes. "It looks like [oil] is getting ready to do a new leg of height," says Peter Beutel, president of the energy risk management firm Cameron Hanover. "There is market momentum, and the magic number now is \$81. If we hit that, most people believe it'll head to \$91 or higher." Beutel adds that some technical charts predict prices could hit \$110 or \$118 by the end of the year. He adds however that such a spike would take a "smoking gun" like Iran blockading the Strait of Hormuz, the key strategic gateway to the Middle East's oil supply.

## [Energy sector at risk from attacks: expert](#)

Energy facilities are the new targets of extremists who are well aware of the enormous economic damage that can arise from disruptions to oil and gas production, a US expert said Thursday.

"The industry that I think might get attacked is the energy industry," said Robert Taylor, professor and chair of the University of North Texas' department of criminal justice.

Blowing up energy targets are "new kinds" of attacks the world should prepare for, he said in a speech to a regional financial crime conference in Singapore.

## [Water taps run dry in Baghdad](#)

Adel al-Ardawi, a spokesman for the Baghdad city government, said that even with

sufficient electricity “it would take 24 hours for the water mains to refill so we can begin pumping to residents. And even then the water won’t be clean for a time. We just don’t have the electricity or fuel for our generators to keep the system flowing.”

### [Russia cancels gas cut-off](#)

Russia and Belarus narrowly averted another energy crisis on Friday, reaching a last-minute agreement to cancel threatened cuts in Russian gas shipments that had rattled European nerves.

Gazprom backed down from a threat to slash gas supplies by almost half to Belarus, a key energy transit state to western Europe, after Belarus began repayment of nearly half a billion dollars in overdue debt for past supplies.

### [Memory and vision: The Apollo Alliance and eco-apartheid](#)

The Apollo Alliance’s choice of model and metaphor is straightforward. It precisely represents their values. Its professed goal is the abatement of global warming, but its program aims at restructuring the US economy to ensure continued growth and restored leadership in the world economy. This aim stands in contradiction to the need for the US to dramatically reduce its disproportionately high consumption of all resources, most especially energy.

Environmental racism on a world scale is exemplified by the relatively greater impact of global warming on the global South, an issue which the Apollo Alliance is constitutionally incapable of addressing. The rest of the world is absent from the Alliance’s program, except for some platitudes about extending the benefits of a green economy to the Africa, India, or China. The commitment of the Apollo Alliance to growth prevents it from recognizing the impending peak of cheap energy.

### [Fight over oil tax threatens energy bill](#)

A rebellion by oil-state Democrats over \$16 billion in new taxes on oil companies is threatening to upend House Democratic leaders' plans to swiftly pass energy legislation.

### [Ethanol Makers Join Food Vs. Fuel Debate](#)

Ethanol producers are clamoring over food industry claims that prices on everything from popcorn to soda are skyrocketing because of the rising demand for corn to make the renewable fuel.

Ethanol backers in Iowa focused their ire on the industry, particularly the popcorn market, during a news conference here Wednesday.

"We're here today to pop the popcorn propaganda bubble," said Monte Shaw, executive director of the Iowa Renewable Fuels Association.

### [Petrol: global scenario until 2030](#)

*Many experts claim the world's most essential commodity is likely to suffer an accentuated rise in price followed by strong geopolitical instability. Have we reached the peak of Hubbert's curve, where oil production is destined to undergo an inexorable decline?*

As oil production failed to grow since 2000, experts classified 2005 as the year of an oil production peak (and 2010 for every other liquid substance). The cost of extraction and research in the oil industry has been constantly on the rise, seeing as new oil-fields have been increasingly difficult to find and are now mostly located in deep seabeds. Oil refining (still a sector producing high investment yields) is, in turn, threatened by new environmental policies, excessive costs with human resources and new technologies, not to mention, and most importantly, an unstable demand, where necessary investments are high, re-imbursements take long to compensate initial investments, and yet where securing demand remains a top priority. At any event, we ask the question: how much will OPEC countries' supply grow? Or rather, how much crude will they be able to supply the world with in response to projected increases in consumption and a decline in production? Whilst in 2010, OPEC countries will need to disburse 50 billion dollars in investments, the amount predicted in the year 2015 is estimated at 140.

### [Carolyn Baker: Escape From Suburbia, a documentary review](#)

The 2004 documentary, "End Of Suburbia", produced and edited by Barry Silverthorn and written and directed by Greg Greene, was a stunning and chilling cinematic landmark which placed the issue of Peak Oil and its consequences squarely on the world stage and connected the dots between the unsustainable suburban lifestyle and perilous issues of the twenty-first century such as food production, population die-off, and economic meltdown. Recently, Greene and producer, Dara Rowland, have released the sequel, "Escape From Suburbia" which examines the journeys of several individuals who have fled or are in the process of fleeing from civilization. It highlights how they are building new lives and new subcultures which offer the possibilities of deepened humanity and sustainability. Unlike "End Of Suburbia", "Escape" spends less time interviewing the usual Peak Oil experts and follows the escape routes of ordinary people who are passionate about removing themselves from a culture of over-consumption and extinction.

### [Positive energy](#)

The terrifying prospect of a post-oil future: no more ready meals, traffic jams or lonely nights in front of television.

### [Beyond petroleum: It's time to rebrand Alberta](#)

It's time for Alberta to rebrand itself, to become the "BP" of Canada by moving "beyond petroleum" and on to bio-products, and aiming to be known as a total energy producer with a significant stake in both renewable and non-renewable resources.

### [Africa: Questioning Africom - 2](#)

The growing insecurity of U.S. oil supplies reflects what Michael Klare has called the "economization of security," an important strand of U.S. foreign policy since the 1930s, which has focused on global oil acquisition policy.<sup>51</sup> After 9/11, American energy security was overtaken by and slowly merged with the amorphous, borderless GWOT. Active counter terrorism displaced earlier emphasis on training for peacekeeping and human rights. Fears that China is gaining control over African energy resources, e.g.

### [The Geopolitics Of Global Warming: Russia, The North Pole And Peak Oil](#)

Global warming changes environmental conditions on the ground. In the Arctic, Russia will compete with the United States, Canada, Denmark and Norway for control over fisheries, shipping lanes and whatever fossil fuels can be extracted from the icy north. Meanwhile, environmental changes wrought by global warming in oil-rich parts of the world like Nigeria and the Middle East could make those areas even more volatile.

That oil and gas, by the way, could become even more coveted if worrying signs that the world has hit a "peak oil" production prove true.

### [Simmons & Co. celebrates \\$100 billion landmark](#)

Founded in 1974, Simmons & Co. International just passed the \$100 billion mark in transactions that the energy investment bank has either advised or managed.

"It is amazing to me that what started as a mere idea in early 1974 should, over good times and bad, working for hundreds of clients -- large and small -- result in a \$100 billion track record of energy-focused deals," said Matt Simmons, founder and non-executive chairman of the firm.

### [Appalachian Power Uses Battery to Complement Service](#)

American Electric Power's groundbreaking use of a utility-scale battery in West Virginia has gone so well that the company plans to install another.

When the 1.2-megawatt battery made by Japan-based NGK Insulator began operating in Charleston in July 2006, it was the first megawatt-class sodium-sulfur, or NaS, battery to be used in North America.

### [As oil prices increase, the cost to find it is up as well](#)

As oil prices have spiked, the costs of finding oil and natural gas grew right along with them, an industry cost expert told oil executives and engineers at a conference Thursday.

But Cambridge Energy Research Associates expects such costs to soften in the next two years, said Candida Scott, director of cost research for CERA.

### [Turkey rations water as cities hit by drought](#)

Turkey's two major cities are grappling with water shortages after record low levels of snow and rain in the winter and searing summer temperatures.

Reservoirs are less than 5% full in the capital, Ankara, home to 4 million people, according to the country's water authority. On Wednesday the municipality began a water restriction policy of two days on, two days off.

### [War-torn Iraq happy with high oil prices](#)

War-torn Iraq is pleased that high oil prices will help fund emergency reconstruction work, but does not want a price bubble to cause instability, Oil Minister Hussein al-Shahristani said on Thursday.

### [U.S. checking possibility of pumping oil from northern Iraq to Haifa, via Jordan](#)

The United States has asked Israel to check the possibility of pumping oil from Iraq to the oil refineries in Haifa. The request came in a telegram last week from a senior Pentagon official to a top Foreign Ministry official in Jerusalem.

The Prime Minister's Office, which views the pipeline to Haifa as a "bonus" the U.S. could give to Israel in return for its unequivocal support for the American-led campaign in Iraq, had asked the Americans for the official telegram.

### [Good news from Baghdad at last: the oil law has stalled](#)

The panic and distraction of the security crisis should not be used as cover for handing Iraq's wealth to foreigners.

### [Venezuela boosts oil subsidies to Cuba](#)

Venezuela has increased oil subsidies to Cuba from approximately \$3 billion in 2006 to possibly more than \$4 billion this year, according to a University of Miami report to be released today.

Venezuela is shipping 94,103 barrels of oil a day to Cuba, the Miami Herald cited experts at the University of Miami's Institute for Cuban and Cuban American Studies calculated, based on official Havana figures issued last week.

### [Russia's gas pipeline network faces reality check](#)

In recent weeks Russia has announced a number of high-profile export-oriented gas pipeline projects, notably the Europe-bound Nord Stream and South Stream, the China-bound Altai route, and the Caspian pipeline in Central Asia. However, all these pipelines will be connected with the existing Gazprom pipeline network. Therefore, the successes of these ambitious projects will depend on the state of Gazprom's aging pipelines.

### [Turkmenistan](#)

Since the death of Saparmurat Niyazov, the US has been maneuvering to take patronage of Turkmenistan away from Russia. The new ruler, President Gurbanguly Berdimuhammedow, is trying to play both sides against the middle. Half-loyalty will buy him time, but soon he will have to make decisions.

Turkmenistan is an important pawn because it has the second largest Caspian oil reserves: they are the only serious competitor to Russian oil and gas in Europe.

### [A More Efficient Engine](#)

A new version of the internal combustion engine, which could significantly cut gas consumption, might be surprisingly practical and easy to deploy, according to recent findings by researchers at MIT. Tests on a prototype based on the technology, which allows engines to switch between conventional technology and the new gas-saving type of combustion, show that it does not require a special fuel, and engines using the technology can be cheaply made out of conventional auto parts.

### [Farms in main Philippines island go dry amid fears of drought](#)

Tens of thousands of hectares of farmland are being laid to waste by a lengthening dry spell in the main Philippine island of Luzon, officials said Thursday.

...Manila was hit by three-hour power outages last month as hydro-electric plants ground to a halt due to low water levels.

### [Senators map new plan for climate bill](#)

Senators are lining up behind a carbon trading plan to slow global warming, with the aim of cutting 70 percent of U.S. emissions of carbon dioxide and other greenhouse gases by 2050.

### [Bush sets global climate meeting](#)

U.S. President George W. Bush has set a multinational conference on climate change for September 27-28 in Washington, a senior administration official said on Friday.

Bush issued invitations to 11 other countries plus the European Union and the United Nations to attend the meeting intended to pave the way for agreement by the end of 2008 on a long-term goal to cut greenhouse emissions, the official said.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).