



DrumBeat: August 7, 2007

Posted by [Leanan](#) on August 7, 2007 - 8:52am

Topic: [Miscellaneous](#)

[Why oil won't hit \\$100](#)

Despite oil's record high last week, forget about crude going to \$100 a barrel.

Prices have already dropped about 7 percent since last week, and are likely to fall even more in the coming years.

That's the consensus of analysts, who say rising production, the advent of biofuels, and conservation measures will likely lead to lower oil prices by 2015.

But how much lower is subject to wide interpretations, and estimates range from \$20 to \$60 a barrel.

Carolyn Baker - [When Collapse is No Longer Science Fiction: Choosing Hospice Work Instead of Hope](#)

Within the past month, America has witnessed two dramatic events which have illumined the devastating demise of its infrastructure—the New York City steam explosion in mid-July and the collapse of the I-35 bridge in Minneapolis, on August 1. And in the same span of one month, a Chief Justice of the Supreme Court "collapses" with a seizure. Now, in neon lights, we have the word "collapse" writ large across empire even as the overwhelming majority of Americans refuse to face the collapse of every institution in the nation: the economy, healthcare, education, religion, transportation, energy, political systems, and so much more. In fact, the word "collapse" is now being used in American journalism with increasing frequency to describe the ubiquitous crumbling of nearly all facets of our society. Yet as most progressives with the exception of Oprah, along with middle America, avoid talking about the ghastly plot of the recent novel "The Road" or steer clear of discussing information such as that contained in the documentary "What A Way To Go: Life At The End Of Empire", they have only to turn on CNN and see that collapse is no longer something imagined by Stephen King or wild-eyed, doom-and-gloom "conspiracy theorists". Collapse is here, it's now, and it's going to exacerbate, and Minneapolis is a metaphor as well as another gruesome literal example of civilization's grotesque self-annihilation.

[2008 – 2012: A Critically Important Period - Migrating to New Energy Paradigms Part 4](#)

There are three possible outcomes:

If the Members of the United States Federal Reserve Board persist in their ill advised strategy of pumping cash into the system as a substitute for wealth building activities, the chart will break up above the top trendline, and the world economy will likely enter a period of asset hyperinflation.

If the Governments of the world continue to support the Fossil Fuel Industries, but the US Fed recognises the folly of its monetary strategy and tightens the money supply, we are likely to experience a break down below the lower trendline. Under these circumstances, the debt mountain is likely to implode, and the derivative mountain along with it.

If the Governments of the world move rapidly to migrate the world economy from its dependence on fossil fuels to appropriate new energy paradigms, then it may be possible to trade out of the problems by causing the world's markets to enter a long term (20 years +) trading range. During this period, the new energy paradigms can give the world economy a shot in the arm, and true wealth (as opposed to money) can be created. Some of this wealth can be diverted to repay outstanding debt.

[The struggle for Iraq's oil flares up as Kurds open doors to foreign investors](#)

Baghdad is trying to reassert central control of reserves run by Kurdish authorities.

[Iraqis Favor State Companies To Develop Oil Sector - Poll](#)

Most Iraqis believe Iraqi companies rather than foreign firms should take the lead in the development of the country's vast oil fields, the world's third largest, according to a poll released Monday.

[Money pipeline is drying up for some biofuel projects](#)

The biofuel industry is thriving on governments' push for alternatives to foreign oil, though ethanol still accounts for only 4 percent of the nation's gasoline use. Tax credits and renewable-fuel mandates also are politically popular, especially in the Midwest, where many of the new plants would be built.

Too many, some warn.

[China almost pips Japan as world No.2 oil importer](#)

China came close to becoming the world's second-largest crude oil importer last quarter, as North Asia's refinery maintenance season slashed Japan's imports but failed to limit

galloping Chinese demand, data showed.

[Nigeria: NNPC Plans Two More Refineries](#)

The NNPC says it is working with some International Oil Companies (IOC) to establish two new refineries with capacities for 200,000 barrels daily each.

[Japan refiners buy Venezuelan crude after two decades](#)

Japanese refiners have purchased Venezuelan crude for the first time in about two decades under a long-term deal that offers both countries greater diversity.

Nippon Oil Corp bought 500,000 barrels of light sweet Santa Barbara crude, a rarity among Venezuela's largely heavy grades, while Idemitsu Kosan Co bought 400,000 barrels, the companies said in statements released yesterday.

[The next energy crisis](#)

More than a quarter of America's oil flows through southern Louisiana. Too bad the land is slowly sinking into the sea.

...Some 25 square miles of Louisiana have been collapsing into the gulf each year for three-quarters of a century. A total of 1,900 square miles, roughly the area of Delaware, disappeared between the 1930s and 2005, and another 217 square miles were pulverized into liquid by Katrina and Rita. And that land loss, says Ted Falgout, who has run Port Fourchon for 28 years, poses a growing threat not only to the people who live here but also to the U.S. energy supply.

"We're on a train wreck here," says Falgout. "We have not designed the energy infrastructure - or any infrastructure - [to handle land loss]."

The problem afflicts all of southern Louisiana. As land turns to water, it is exposing thousands of miles of oil and gas pipelines that were built underground and were not designed to withstand water or waves.

"There are places where a pipeline that was laid in marsh, well protected, is now in five or six feet of water - in an open bay that is subject to a vessel coming across and hitting it," says Falgout. "That's the thing that [oil companies] are spending their money on right now. It's so huge that they're just putting out fires."

[Africa: Three Hard Truths About the World's Energy Crisis](#)

When it comes to the future of energy, the world needs a reality check.

Contrary to public perception, renewable energy is not the silver bullet that will solve all our problems. Indeed, in the decades ahead, three hard truths will generate turbulence in the global energy system.

[Iran's refinery problem reflects global fuel shortage](#)

The National Iranian Oil Company expects oil revenue to reach a record of more than \$52bn in the current financial year. The problem is that much of the state's revenues are draining away in subsidies to support a largely closed economy lacking foreign investment. One of the most pressing challenges to the government lies in the country's lack of refined fuels.

[Oman's oil production in January-May drops 5.3% to 713,000 bpd](#)

Oman's Ministry of National Economy said yesterday crude oil production dropped 5.3% in the first five months of the year as the country's ongoing output decline extends into the sixth consecutive year.

Omani oil production averaged 713,000 bpd in the five months ending in May, down from a daily rate of 753,200 barrels in the corresponding period in 2006, according to data published on the ministry's website.

Output was lowest in May at 708,300 bpd, the data show.

[IMF Fears Energy Crisis in Albania Will Damage Growth](#)

The IMF expressed worries on Monday that the energy crisis that has swept Albania will have adverse effects on economic growth.

"The energy crisis presents a great danger for Albania. It affects all medium-term economical indexes and could create a hole in this years budget," it said in a press release.

[Chavez, Kirchner secure energy deal](#)

Venezuelan President Chavez and his Argentinean counterpart President Kirchner have sealed a treaty on energy security in Buenos Aires.

The agreement on Monday follows a series of deals between the two countries that are working on stronger ties to strengthen relations within South America.

[Beijing dips its toes in troubled waters](#)

For millennia, China's great rivers have snaked their long, meandering courses across the country, providing the life-blood for Chinese civilization: water. Along the banks of the Yellow River to the north and the Yangtze to the south, 5,000 years of history and culture have unfolded, with agriculture flourishing in an otherwise inhospitable terrain and trade bringing prosperity and dynamism in its wake.

But the effects of severe pollution, large-scale damming and climate change are combining to spell catastrophe for the rivers, with deeply worrying implications for the millions of Chinese who continue to depend on them.

[Venezuela's Chavez Lobbies South America](#)

Venezuelan President Hugo Chavez sought to expand his petrodollar influence in South America as he launched a four-nation tour Monday to promote his country's entry into a regional trade bloc and to offer energy and financial deals to allies.

[What's the Funding Outlook for DOE's Geothermal Program in 2008?](#)

The Department of Energy (DOE) Geothermal Technologies Program was funded at only \$5 million for the fiscal year 2007, compared with \$22.3 million in 2006. To you and me, \$23 million might sound like a lot of money. But putting this number in perspective, America spends more than \$13 million per hour on foreign oil, according to the National Resource Defense Council (NRDC).

[Senate Clears BLM Director After Interior Blinks on Roan Plateau](#)

The Interior Department on Friday gave the state of Colorado more time to comment on the oil and gas drilling plan for the Roan Plateau, clearing the way for the Senate to approve the nomination of Jim Caswell as the Bureau of Land Management director.

Sen. Ken Salazar (D-Colo.) lifted his procedural "hold" on Caswell after hearing from Interior Secretary Dirk Kempthorne. Salazar was using the BLM nomination to secure concessions on the bureau's oil and gas operations.

[Hurricane Katrina And Insurance: Two Years Later \\$40.6 Billion In Insurance Claim Dollars Aid Recovery](#)

In areas vulnerable to hurricane risk, rates have been rising in recent years and they will continue to do so. This is because the frequency and severity of catastrophic storms

is expected to grow for decades to come.

[Saudis slap big hike on heavy crude oil prices](#)

Saudi Arabia has raised the official selling prices of its heavier crudes in September by more than expected for Asian buyers, setting Arab Heavy at its highest in two years, traders said yesterday.

The world's top oil exporter also raised prices to Europe but cut the OSPs sharply for all its crude supplies to the United States. For Asian customers, Arab Heavy was set at a discount of US\$3.60 (HK\$28.08) a barrel to the Oman/Dubai average, up 70 percent from August and at the strongest level since July 2005, exceeding the top end of forecasts in a survey last week.

"Refiners in Asia are all after medium and heavy crudes. It's very economical for them now," a seller said, referring to the relatively cheaper heavy crude grades compared with lighter Brent-linked crudes.

[Oil continues decline from record levels](#)

Crude oil prices slid further Tuesday on concerns about the U.S. economy as investors sold to lock in profits from last week's record-setting rally.

Gasoline steadied after dropping more than 10 cents.

The price declines began Friday after the government issued weaker-than-expected employment numbers. That data added to the sentiment from a series of other government reports that analysts say suggest the economy might be slowing.

[Analysis: Venezuela's oil takeover](#)

Efforts to nationalize Venezuela's oil and gas sector have increased government revenue by \$5.8 billion a year since 2004, according to President Hugo Chavez.

In a national address last week, Chavez said, "You can't have a socialist economist model ... without including oil," a reference to his recent efforts to wrest greater state control of the country's petroleum sector.

[Drilling Down on Higher Oil Prices](#)

There is already some oil scarcity, current prices being several times what they were just a few years ago, but a great deal more lies before us. While we wait for the future to

unfold let's visualize what real oil scarcity will look like. So far scarcity is causing poor people and poor countries to be priced out of the market when a portion of their usual oil purchases go to a richer country that is willing to bid more. There are now on the Energy Investment Strategies website a growing list of news articles about developing countries which are experiencing energy shortages, some of which are at least partly caused by insufficient oil supplies.

[States leading the way on renewable energy](#)

Back to the bigger picture, though: will Congress have the vision to do what half the states have done already? Or, does that fact lessen the need for federal action? I'm guessing many utilities would like the federal standard, not only because it sets a lower goal (which I'm assuming would override state initiatives), but also because it creates a uniform standard. On the plus side, though, it would show some national resolve for moving towards a cleaner energy future. Still, I'm tempted to say let the states continue what they're doing, as they're setting more ambitious goals, and focusing on the energy sources that will serve them best (i.e., wind in Illinois). The feds may not catch up... but maybe we won't need them to do so...

[Nine Eastern Coal States Form New Coalition](#)

The Eastern Coal States Coalition has paid at least two visits to Congress since late June, and the members will continue to keep a close eye on how federal lawmakers focus on mine safety and other industry issues.

[A Crude Awakening](#)

If you didn't know we're paying outrageous prices — not just at the pump, but geopolitically, and in blood—to fill up our Hummers and S.U.V.s, you've probably been willfully ignorant. Neither we Americans nor anybody else has a God-given right to cheap oil, and it seems like astonishingly bad judgment bordering on lunacy to build our entire economy and infrastructure on a rapidly depleting natural resource without hope of replenishment. But here we are, and *A Crude Awakening* is a jolting look at how we got here, and the almost unthinkable consequences of any of the bad options that lie before us for the future.

[Climate bill shaves \\$533 billion off economy](#)

A Senate bill to cut U.S. greenhouse gas emissions would raise energy prices and also reduce American economic output by more than half a trillion dollars over two decades, according to a government report released on Monday.

[Gore: Polluters manipulate climate info](#)

Research aimed at disputing the scientific consensus on global warming is part of a huge public misinformation campaign funded by some of the world's largest carbon polluters, former Vice President Al Gore said Tuesday.

"There has been an organized campaign, financed to the tune of about \$10 million a year from some of the largest carbon polluters, to create the impression that there is disagreement in the scientific community," Gore said at a forum in Singapore. "In actuality, there is very little disagreement."

[World hit by record extreme weather events in 2007: WMO](#)

Many parts of the world have experienced record extreme weather conditions including unusual floods, heatwaves, storms and cold snaps since the beginning of the year, the UN's weather agency said Tuesday.

Preliminary observations also indicated that global land surface temperatures in January and April reached the highest levels ever recorded for those months, the World Meteorological Organisation said in a statement.



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