



DrumBeat: August 20, 2007

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Topic: [Miscellaneous](#)

[Pemex Shuts Down Oil Platforms in Gulf Ahead of Hurricane](#)

Mexican state oil monopoly Petroleos Mexicanos, or Pemex, said Monday it is temporarily shutting down and evacuating all its oil and gas production platforms in the Campeche Sound as Hurricane Dean approaches the zone.

In a press release, Pemex said the shutdown of 407 wells in the zone, located in the southern Gulf of Mexico, will shut in 2.65 million barrels a day of crude oil and 2.634 billion cubic feet a day of natural gas.

In the first half of this year, Pemex's overall crude production averaged 3.16 million barrels a day, and its natural gas production averaged 5.925 billion cubic feet a day.

Pemex, one of the top foreign suppliers of crude oil to the U.S., said whether or not it declares "force majeure" on shipments will depend on the effects of the storm.

Pemex exports approximately 1.7 million barrels a day of crude oil, of which about 80% goes to the U.S.

[Economist said "peak oil" point is approaching](#)

Peak oil, the point at which production of oil worldwide begins a progressive decline, is probably coming soon, economist George Littel told members of the Kansas Independent Oil and Gas Association at their annual convention this morning.

Further, Littel said, when peak oil arrives it will be an economic, not a geologic, event because demand for energy is a strong driver of new exploration and production.

[Oil market uncertainty hampers investment](#)

Uncertainty in the oil market outlook is allying with environmental measures in consuming countries and other factors to limit demand for OPEC crude and create obstacles for future investment in capacity expansion, according to OPEC.

In a report on the oil market, the 12-nation Cartel said there is a need for stronger

energy security to reassure producers and encourage them to pump sufficient investments in expansion projects to meet any increase in global demand.

[Facing the Multiple Risks of Newer, Deeper Mines](#)

The days of easy, shallow coal are gone, Mr. Kohler said: “By necessity, we’re going deeper.”

["Peak oil" becomes burning issue](#)

Swiss scientists say politicians and the public should have a greater awareness of "peak oil" – the moment when the world's maximum crude oil output is reached.

Researchers at Basel University warn that although climate change is grabbing more headlines than the possible exhaustion of fossil fuels, a conflict is brewing over crude oil.

"The question is not for how long we will have crude oil reserves, but for how long output can grow," warned Daniele Ganser, a historian and peace researcher at Basel University, who says the significance and explosive nature of the issue is underestimated by politicians and the public.

[Peak Oil Passnotes: Falling Markets, Stable Crude. Why?](#)

We have been used to hearing about how volatile the market in energy has become. But after the equity market events of recent weeks, all of a sudden one has to take a different view. One that could support the notion of "peak oil."

[Oil Storm Clouds Gather in Gulf](#)

Two years after Katrina and Rita, oil production in the Gulf has still not recovered. Although some of the lost production is due to the natural decline rates associated with an aging field, the current 12.5 percent decline from the 2005 peak primarily stems from the hurricanes' damage to energy production infrastructure.

“The hurricanes so changed the underwater topography that pipe repairs are still ongoing,” Stratfor reported. “There is the distinct possibility that a full recovery is not going to happen” (August 16).

Another storm season like 2005 could be catastrophic for the United States.

[Shell to Evacuate Further 200 People from Gulf of Mexico as Dean Approaches](#)

Royal Dutch Shell PLC said it will evacuate a further 200 people from its Gulf of Mexico operations today and will continue to evacuate as needed in preparation for the arrival of Hurricane Dean.

The latest scheduled evacuations follow Saturday's exodus of 380 people from the company's operations in the western Gulf of Mexico, along the projected path of the hurricane.

[Shoppers fed up with higher grocery bills](#)

Blame it on ethanol, gas prices and more demand for grain in China.

Ellie Arnold doesn't care about the causes. She just knows her \$300 monthly grocery budget is stretched to the max.

"That's what I budget at, and we're staying there," she said during a recent shopping trip at a local produce market. "I'm being real careful. Food is the only thing we can cut."

[Season transit talks with a little wariness](#)

Public transit has always been a good tool for easing congestion and making sure that people who can't afford private autos can still connect with employers. But the price of fuel may speed the time when more people turn to public transit. Excitement about ethanol, biodiesel, and the hydrogen economy is good, but in reality these technologies are still under development. While the market is adjusting to new fuels, motorists may face ever higher gasoline prices and turn to public transit for economic relief.

All of this is speculation, however. There is potential for a regional transit system, but there is no immediate rationale. There is also no good evidence, no passenger studies, no congestion analyses, no carbon emission limits to combat global warming, no letters to the editor demanding that we link Racine, Kenosha, and Milwaukee counties with bus service. It's worth noting that the sole connection between the Racine and Kenosha transit systems (at the University of Wisconsin-Parkside) is no longer listed on the Belle Urban System brochure.

[Highway system at fork in the road](#)

O'Leary recently presented lawmakers with a list of possible revenue sources, including a gas tax increase. New Hampshire's gas tax - 20.6 cents a gallon, 18 cents of which goes directly to the highway fund - is lower than the New England average of about 29 cents, according to the American Petroleum Institute. Also on the list were the possibilities of raising all or some tolls, adding a toll plaza somewhere or reducing the discount for E-ZPass users. Other states have sold off or leased their toll roads to private companies, a

move O'Leary doesn't recommend.

[Crisis of Money Markets Reduces Oil Prices](#)

In the last several weeks, the drop of around 7-10% in international money market indicators in the last three weeks, due to the mortgage crisis in the US, has led to a roughly equivalent fall in oil prices. The price of Brent North Sea oil has hovered between \$70-78 a barrel, and fell for a time to \$68. This reduction is considered quite limited in comparison with previous experiences, when the price of crude oil fell to low levels due to international economic factors.

What is the relationship between money markets and crude oil prices?

[South Africa: Supply-side crisis likely to get worse on economic growth, commodities boom](#)

Just about every bit of spare capacity in the South African economy is being soaked up. And it is likely to get worse before it gets better.

During the next few years, consumers should brace for further fuel shortages and electricity blackouts. Industry will have to contend with continuing shortages in domestic production of raw materials such as steel and cement. The government's hands will be full devising the means to ease bottlenecks while its huge infrastructural spending programme unfolds.

[Eni Expects to Resume Talks On Kashagan By This Month](#)

A multinational oil consortium led by Italy's Eni will soon start talks with the Kazakh government on the future development of the giant Kashagan oil field, Eni CEO Paolo Scaroni said Saturday.

Kazakhstan has said it wants a bigger share of revenues from the world's biggest oil-field discovery in 30 years in compensation for delays in pumping the first oil from the Caspian Sea wells and threatened to strip Eni of its role as project operator.

[Long queue forming for renewable energy dole](#)

Despite continued reservations about the potential of renewable energy sources in the Czech Republic, the Ministry of Industry and Trade is set to begin its most ambitious subsidy program later this year.

[Cyprus: Buses threaten strike if trams get the green light](#)

THE INTRODUCTION of a tram system to Nicosia is on the table again, much to the displeasure of bus and taxi drivers across the capital.

Bus drivers have in fact threatened that if such an idea is even considered, they will go on an indefinite strike in September.

[An economic noose tightens in Zimbabwe](#)

He has lost his export customers, struggled with power cuts and shortages of foreign currency and raw materials. He has raised prices several times a month to keep up with hyperinflation. He has shrugged off government inspectors angling for bribes.

Through it all, clothing manufacturer Anthony Robinson has always managed to turn a profit.

Until now.

[Big oil rig sets up shop in the N.D. Badlands](#)

Rig 257 can go up to 12,000 feet laterally, while other rigs tend to top out at 9,000 feet. Because more pipe is going in the ground, more derrick capacity is needed to hold up to the pressure. "It takes a lot of horsepower to pull that," Shackelford said.

The rig currently is the largest re-entry rig in the Williston Basin, he said.

[Energy Producing Roads Made From Solar Cells and Glass May Be The Solution To Carbon Emissions and Climate Change](#)

Solar Roadways is still in the concept phase, built on Brusaw's childhood fascination with an electric race car game called slot cars. The idea of cars running on electric roads stayed with him as he went on to earn his Master's degree in electrical engineering. As global warming became established science, his wife Julie suggested he turn his obsession with electric roads into a way to conserve fuel and reduce pollution. Brusaw came up with the idea of a road that produced its own electricity, a solar highway for energy independence.

[Argentina reportedly seeking arrest of Shell executives over supply](#)

The Argentine government's price controllers are seeking arrest warrants for top executives at the local unit of Royal Dutch Shell PLC, apparently on the grounds that the company has failed to adequately supply the local fuels market, Argentine daily La

Nacion reported Sunday.

...Shell and Exxon cited skyrocketing global oil prices for the pump price increases. Following Kirchner's call to action, however, protesters marched on several Shell stations in Buenos Aires. As sales dropped off, Shell and Esso quickly reversed the price hikes. Pump prices have remained more or less under de facto government control since.

[Iraq's oil conundrum](#)

Many people think it was a war for oil, but US and British companies may end up getting none of it.

Should Congress consider universal energy tax?

[YES: At least Dingell's economy-wrecking plan is honest about sacrifice](#)

Dingell recognizes that carbon cap-and-trade proposals are merely backdoor taxes on energy use. As carbon-emission caps take hold, prices for energy and goods will increase, and some companies will fold. Because the tax is hidden, Congress would likely hold hearings into price-gouging and the villainy of oil companies, while avoiding all blame for the policies they foisted upon the nation. In the end, these policies will hurt the working poor, blue-collar laborers and those on fixed incomes, while doing little or nothing to prevent global warming.

[NO: Dingell's mock proposal is nothing but a ruse to scare voters](#)

Dingell's recent mock-serious proposal to create a huge new carbon tax on fossil fuels is merely, by his own admission, a ruse to show how unpopular such a tax would be with the American people. Its real aim is to relegate House Speaker Nancy Pelosi back to the political kitchen.

[AskPablo: Commuting](#)

Will our society ever file for a divorce from our adulterous love affair with personal vehicles? I couldn't tell you. But I do know that there are plenty of solutions out there, just a lack of political will and courage to implement them.

[Gas companies opening up books](#)

As Hawaii's gasoline prices top the nation once again, isle motorists can soon expect to get some information on what goes into the cost of a gallon of gas.

The first weekly pricing reports from the oil industry to the Public Utilities Commission are due this week. The commission is required to make information available within 14 days but has not yet determined what information will be posted online.

Reports are aimed at letting the public decide whether it believes oil companies are setting prices excessively high.

[Oil deal means half-price bus travel for 250,000](#)

Up to a quarter of a million Londoners are today eligible for half-price bus and tram travel as Ken Livingstone's Venezuelan oil deal finally went live.

The travel scheme, worth up to £280 a year for everyone on income support, follows an agreement by Venezuelan president Hugo Chavez to give the capital discounted fuel for its bus fleet.

[Iran May Give More Fuel Rations to Help Tourism](#)

Iran may offer drivers extra gasoline above their monthly quota, a newspaper said on Monday, in a move to help boost domestic tourism which hoteliers say has suffered a blow since fuel rationing started in June.

[EU cuts funding to Gaza plant](#)

The European Union cut off vital funding to a Gaza power plant on Sunday, forcing it to shut down the last of its generators and darken tens of thousands of Palestinian homes.

[China's private oil dealers need a yearly quota](#)

CHINA'S leading private oil dealers' organisation is applying for special policies from the top economic planner for changes in an industry that is now overwhelmingly dominated by state-owned giants. It says the appeal is a matter of survival.

"What we are asking for is that the state gives us a certain quota every year to access oil from major refiners and oil producers so that we can survive and develop under the industrial monopoly," Zhao Youshan, director of the Petroleum Distribution Committee of the China General Chamber of Commerce, told China Business Weekly last week.

[Pakistan: CNG stations in residential areas posing threat](#)

The increasing number of CNG filling stations in thickly populated residential areas is posing a serious threat to the lives of people living in adjacent localities.

These CNG stations, in almost every residential area of the city including Tulsa Chowk, Bakra Mandi, Khayaban-e-Sir Syed, Ratta Amral, Chungi 22, Tench Bhatta, Muslim Town, Adiala Road and Saidpur Road, are not only posing a threat to the lives of the residents, but also causing gas shortage in nearby localities during winters.

[Scientists threatened for 'climate denial'](#)

Scientists who questioned mankind's impact on climate change have received death threats and claim to have been shunned by the scientific community.

They say the debate on global warming has been "hijacked" by a powerful alliance of politicians, scientists and environmentalists who have stifled all questioning about the true environmental impact of carbon dioxide emissions.

[People buy small cars even though they can be deadly](#)

Americans are buying more small cars to cut fuel costs, and that might kill them.

As a group, occupants of small cars are more likely to die in crashes than those in bigger, heavier vehicles are, according to data from the government, the insurance industry and the National Academy of Sciences (NAS).

The newest small vehicles, of course, meet today's strict safety standards and can be laden with the latest safety hardware, such as stability control and side air bags. They are safer than ever. And differing designs mean some small cars are safer than average. But even the safest are governed by the laws of physics, which rule in favor of bigger, heavier vehicles, even in single-vehicle crashes.

..."People are looking for ways to save fuel, and they need to know that if they decide to buy a much smaller vehicle, they are putting themselves and their families at risk," says Adrian Lund, president of the Insurance Institute for Highway Safety. IIHS, supported by auto insurance companies, follows traffic deaths closely.

[Mexico moves oil workers on Dean, sees output impact](#)

Mexico has started to evacuate 13,360 workers from its Gulf of Mexico oil rigs as powerful Hurricane Dean neared and the move will affect production, state oil company Pemex said on Sunday.

Pemex, which produces some 70 percent of its crude oil from offshore platforms in the Gulf of Mexico and is a major supplier to the United States, said it would know the

output impact early on Monday.

[WTI Down As Hurricane Dean's Threat Lessons](#)

Crude oil futures were lower in London Monday morning as Atlantic Hurricane Dean's path looked on course to miss the concentration of U.S. oil facilities in the Gulf of Mexico.

But the threat to Mexican offshore rigs and a recovery for global equity markets has offered support and should help prevent further losses, traders said. "We are seeing people unwind precautionary positions because for now it looks as if U.S. infrastructure is going to miss the worst of the hurricane," said a broker in London. "But I think it's too early in Dean's progress to get to comfortable."

[Saudi Aramco invites engineering bids for \\$8 bln Saudi refinery](#)

The plant, known as East Coast refinery, is the fourth new facility planned in the kingdom and will boost total domestic crude oil refining capacity to above 3.5 million barrels a day by 2012, more than double the U.K.'s.

The refinery, due for completion around late 2011, will process 400,000 barrels a day of Saudi crude and will be at Ras Tanura on the Persian Gulf, already home to the country's largest refinery with a capacity of 550,000 barrels a day, the sources said.

[Turkish Energy Minister in Iran Seeking Closer Ties](#)

Turkey's Energy Minister Hilmi Güler arrived in the Iranian capital of Tehran on Sunday for talks with senior Iranian officials including his counterpart, Parviz Fattah, in order to detail a preliminary deal signed earlier this summer between the two countries for deepening bilateral cooperation in the energy field.

[The Peace Racket](#)

One peace studies motif holds that the U.S. intentionally preserves its enemies to justify military expenses. According to a 2000 article by Michael Klare, professor of peace and world security studies at Hampshire College, for instance, the Pentagon deplored the prospect of peace between the Koreas because it "would erase the most menacing of our putative 'rogue state' adversaries" and thus "imperil . . . future military appropriations." (For Klare, North Korea is only "putatively" a rogue state.) The director of Cornell's peace studies program, Matthew Evangelista, blames the cold war on the U.S. Defense Department and claims that it ended only because a good-hearted, newly enlightened Gorbachev "heeded the advice of transnational [peace] activists." You might think that no one could fall for such nonsense. But keep in mind that the Berlin Wall fell in 1989 and

that students starting college in 2007 arrived in the world a year later. They don't remember the cold war — and are ripe targets for disinformation.

[Tehran advised not to export gas](#)

TEHRAN: An influential research centre of Iranian parliament has sounded a downbeat note on the future of Iran's gas industry, saying that exports would not be possible in the next 10 years given the scale of domestic consumption.

The warning was supported by Iran's sacked oil minister on Sunday. "It seems that for at least the next 10 years there will not be any extra gas for export. Iran is advised to remove gas export from the country's policy due to the limited production capacity," the panel said. Turkey is currently the only recipient of Iranian gas exports, receiving several billion cubic metres annually.

But Iran is seeking to export large quantities of gas to Turkey and other countries in the Middle East, as well as to India and Pakistan through new pipelines. Iranian media reported on Sunday that Iran's sacked oil minister had also issued a parting warning to President Mahmoud Ahmadinejad, predicting a looming "catastrophe" in the Iranian energy sector because of high consumption.

[David Strahan: Why Dick changed his mind](#)

In a widely viewed You Tube clip, taken from a C-Span interview conducted in 1994, Dick Cheney argues persuasively that the United States was right not to topple Saddam Hussein during the first Gulf War.

He cites the potential disintegration of the country and the risk of American casualties as good reasons for the decision not to take Baghdad.

So what was it that changed his mind by the turn of the century?

An acute awareness of impending peak oil.

[Oil Wars: Fueling Both U.S. Empire & Ecocide](#)

Americans, more generally, have also become addicted to oil. The U.S. consumes one-quarter of the world's oil supply, and about 40% of that is burned in passenger vehicles, including the tank-like Hummers, which get a measly 10 miles per gallon, and other SUVs. It's a little harder to calculate how much a gallon of human blood costs, but the brutal regime seems to think "the price is worth it", as former Secretary of State Madeleine Albright once quipped about the deaths of hundreds of thousands of (civilian) Iraqis, most of whom were children. Similarly, Donald Rumsfeld remarked that "the carnage was horrendous and it [is] worth it". Those and other costs, including pollution and global warming, possibly the most serious threat to our planet, are efficiently

externalized to the rest of us, and our descendants, and indeed all life on Earth, with dire consequences.

[Our finite planet: planning for a decline in our oil bounty](#)

In my local supermarket in Prospect there is a wonderful photo from the early 1900's. A tram is rolling down the centre of an uncrowded Prospect Road. When I see this image it makes me reflect on how much Adelaide's transport has changed. Since World War II Adelaide has become almost entirely dependent on cars for transport. Why?

[Stop the false projections of doom](#)

I am advised by real experts that BP, BG, BHP and others, are making massive investment decisions in the oil and gas sector of this country that have as much as a 25-year horizon. They are the real experts who put their money where their mouths are, and they know that we will not be running out of gas (or oil) in the near future.

[Peak oil - less faith](#)

The major players in the Peak Oil paradigm are the energy importing and exporting countries and the big international oil/gas companies (Big Oil). Peak Oil consists of two complementary parts-the demand for oil, driven in part by China and India, outstripping the present supply forcing high prices, and the fact that the international supply of oil is at its peak or just past it. The exporting countries may be physically unable to supply this demand. Note the scramble by the Arctic countries to claim that seabed for the petroleum it is perceived to hold. The reactions by the three stakeholders are interestingly different.

[US Coast Guard joins in Arctic oil rush](#)

The US Coast Guard icebreaker Healy and a group of 20 scientists have embarked on a four-week cruise that will help shape the future of US efforts to claim its share of mineral and oil wealth beneath the Arctic Ocean.

[India faces "unbearable" oil bill, nuclear a must: PM](#)

India is committed to developing its nuclear energy capability and other sources of power as its oil bill will impose an "unbearable burden" as growth continues, the prime minister said on Monday.

[The small-farm revival](#) - *Local program equips young people for careers in livestock,*

agriculture

"If we're trucking in 80 per cent of produce, we know when we hit peak oil that's going to become much more expensive and even impossible," he said.

"It puts our kids and grandkids at risk," said Shook, who just welcomed a new granddaughter into the world earlier this month.

"I don't want that child to ever be hungry in her life and if we continue (with industrial farming), that's what will happen."

[Ban says US shifting on climate change](#)

The United States is shifting tack and joining international efforts to fight global warming, UN Secretary General Ban Ki-moon said in remarks published Monday.

[Eco-millionaires see boom times ahead](#)

Mankind's response to climate change will shift how the world gets its energy and is already making "green barons" out of early investors in renewable energy, clean technologies and carbon trading.



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