



DrumBeat: August 30, 2007

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Topic: [Miscellaneous](#)

[Black-Gold Booster](#) - *A onetime oilman admits we need alternatives, but says there's plenty of petroleum left.*

Lee Raymond succeeded as an oilman by staying focused on oil. (In the mid-1980s, he was responsible for unwinding the alternative-energy program at his former company, Exxon.) Now chairman of the National Petroleum Council, Raymond says that petroleum remains plentiful, and a new report he's prepared for the Bush administration argues for developing new sources of oil and gas. But the report also advocates moderating demand, especially by raising fuel efficiency in cars. As for global warming? Raymond, who is also chair of President Bush's alternative-energy committee, says, "No comment."

[Heat stressing California's power grid](#)

Scorching temperatures across California created a near-record demand for electricity Wednesday, drawing down the state's energy reserves and prompting officials to urge residents to restrict their use of appliances.

With Californians seeking relief via air conditioners, pools and sprinklers, the state's electricity grid manager declared a Stage 1 emergency, the first of three steps preceding rolling blackouts, in which power is cut to certain regions to avoid a systemwide crash.

[The great global coal rush puts us on the fast track to irreversible disaster](#)

The dirtiest fossil fuel of all is on the resurgent, dressed in climate-friendly garb. We'd be wise not to flirt with it.

[Nuclear just too hot for Alberta](#)

After at least a decade of trying to gain a foothold in Alberta, Atomic Energy of Canada Ltd. has teamed up with an obscure private company with a mystery customer to launch a gigantic nuclear power plant -- the first one in Western Canada -- to fuel the oilsands.

[Venezuela -- Aló Presidente!](#)

In a world where the National Petroleum Council talks about "continuing risks" to the oil supply, Venezuelan president Hugo Chávez is said to pose a significant threat to the interests of the Organization for Economic Co-operation and Development (OECD) member countries. Venezuela's production has declined since 2000, and the country is home to the world's largest unconventional resource under development, the Orinoco extra-heavy crude. A lot is at stake in Venezuela, so it is prudent to assess the risk there now and down the road. Do Venezuela's policies affect the peak of global oil production?

[Important but Trivial](#) (podcast)

In this installment of the C-Realm Podcast, KMO welcomes Professor Albert Bartlett back to the program to do an advanced seminar on his basic lecture on population, energy and the exponential function.

[The end of civilization and the extinction of humanity](#)

As I wrote in one of my recent books, the problem is not that the road to Hell is paved with good intentions - it's that the road to Hell is *paved*. We have, to the maximum possible extent allowed by our intellect and never-ending desire, consumed the planet and therefore traded in tomorrow for today. And we keep making these choices, every day, choosing dams over salmon, oil over whales, cars over polar bears, death over life.

[Living Wealth: Better Than Money](#)

If there is to be a human future, we must bring ourselves into balanced relationship with one another and the Earth. This requires building economies with heart.

[The Rise and Fall of Sea Levels and Civilisations](#)

Indeed, there are legends in both Scilly and Cornwall of a lost land between the two, called Lyonesse. Legend tells of a land of rich pastures, abundant orchards, beautiful people and a city called Lions. It was said that from its highest point you could count the steeples of 140 churches. Legends persist of sailors being able to still occasionally hear the bells tolling beneath the waves, and there is apparently a family in Cornwall, called Trevelyan, who claim to be related to the only man who escaped the inundation, he scrambled out on his horse, which lost a shoe in the flight; their family crest featuring 3 horseshoes.

It is thought that much of this legend is to do with the Bronze Age inhabitants of the islands who first arrived there 4,000 years ago when they were all connected. Their

submerged field walls and round houses, some of which can still be seen at low tide, may well have been what inspired the storytellers to begin to weave the legends of Lyonesse.

[USGS Greenland Survey Shows Much Lower Resource Potential](#)

The northeastern shore of Greenland could provide the U.S. with significantly fewer billions of barrels of oil and gas resources than previously thought, the U.S. Geological Survey said Tuesday.

The lower resource estimate will mean that, as domestic production declines, the U.S. will have to increasingly rely on other major producers such as Russia, Venezuela, West African states and the Middle East.

The USGS published the first review of the hydrocarbon potential of the region in seven years, estimating more than 30 billion barrels worth of petroleum reserves.

The government agency said it believed the area - which lies under massive sheets of ice in water depths up to 500 meters - holds 9 billion barrels of oil, 86 trillion cubic feet of natural gas and 8 billion barrels of natural gas liquids that are undiscovered but recoverable.

The 2000 survey estimated 47 billion barrels of oil, 81 trillion cubic feet of gas, and 4 billion barrels of natural gas liquids.

[German Foreign Minister Warns Against Exploiting Arctic](#)

German Foreign Minister Frank-Walter Steinmeier has cautioned against countries breaking the law in attempts to reap the Arctic's natural energy resources. The warning comes shortly after Russia laid claims to the area.

"I very much believe that everybody should respect international law," Steinmeier said while visiting a research station at Ny Alesund on Spitzbergen, a Norwegian island in the Arctic Ocean. "The North Pole is not a law-free zone; there are international accords which must be respected by all nations who have interests here. If everybody sticks to the rules, there will be no conflict."

[Right, schmicht, left, schneft](#)

I had the pleasure of reading an advance copy of Richard Heinberg's new book, *Peak Everything* recently, and I found it to be typical Heinberg - engaging, wise, scrupulously balanced. It comes out this month, I believe, and it is well worth a read.

My personal favorite thing about it, however, was not the writing or the subject matter,

but the subtitle, which (on my copy), included the phrase "Transitioning gracefully from the Age of Excess to the Era of Modesty."

I admit, I was struck by the sheer aptness of the phrase "era of modesty" to what we're coming to.

[Pemex Plans 10-Year Contract to Maintain Pipelines](#)

Petroleos Mexicanos, the state-owned oil company, plans to award a 10-year contract to a private company to maintain a section of pipeline in southern Mexico to cut costs and reduce accidents.

[Thai entrepreneurs not yet affected by Myanmar fuel price unrest](#)

Thai entrepreneurs in Myanmar have not yet been affected by disturbances arisen from the military regime's decision to double local oil prices, according to Thailand's Foreign Trade Department (FTD).

Ittipol Changlum, FTD deputy director-general, said he had queried Thai entrepreneurs about the disturbances in Myanmar caused by some people, who are angered by the government's abrupt move to raise fuel prices sharply.

Most viewed the incident as just a political turmoil, which had not escalated to such an extent that worried them. However, should oil prices rise further, it might affect transport along the common border and lead to a border closure. But the situation had not reached to that point for the time being.

[US / Mexico : Failed System and Failed State](#)

South of the border is Mexico, whose fiscal wagon is quietly and dangerously careening down a hill, most assuredly over a precipice. This would constitute another extreme development. The decline of their giant oil field Cantarell, combined with the mismanagement of their PEMEX national oil industry, hampered by their corrupt powerful labor union, stymied by their compromised Parliament, these guarantee a monstrous fiscal problem in Mexico . The reduction in their FOREX trade surplus accelerates from greater gasoline import, a whiplash factor. This story has so far eluded the sleepy lapdog press, but not the oil industry. This story was covered in the August Hat Trick Letter in greater depth. My forecast is for Mexico to disintegrate into a failed state within two years, owing to its lost FOREX trade surplus and utter breakdown of law and order. Mexico City soon will be forced to turn to desperate measures.

[Unclear Nuclear Power](#)

Now that a global fuel shortage is at hand, President Gloria Arroyo has given Energy Secretary Angelo Reyes the go-signal to study the use of nuclear energy as a cheap source of power. Nuclear power, if properly handled, can meet the country's energy demands. It will cut power costs for both household and industrial users.

[Gov: We'll change Ohio's energy](#)

Gov. Ted Strickland today called on Ohioans and the state's utility companies to be global leaders in producing alternative sources of electricity that will attract jobs and reduce pollution.

Ohio is fifth among all states in energy consumption, the Democrat said, meaning we can do better in conserving. "Ohio will no longer be a status quo state," Strickland said after a Statehouse speech. "To wait is to fail."

[1973: Sorry, Out of Gas at the Canadian Centre for Architecture](#)

Running from November 7, 2007 to April 20, 2008, this exhibition examines the oil crisis of 1973 as a major precedent of contemporary concerns about energy resources and fossil-fuel dependency.

[The Peak Oil Crisis: The Quiet Time](#)

On the surface, very little happened during the past week. Hurricane Dean did little damage to oil production and the next major hurricane of the year has yet to form. Oil prices gyrated in the low seventies in response to changing credit crunch news. For a while, Wall Street decided the credit crisis was coming under control and the stock market had some good days.

Beneath the radar screens however, there were a number of developments that could foreshadow important changes in our way of life, much sooner than we would like to think.

[IEA Says Subprime Crisis Won't Affect Oil Demand](#)

The subprime crisis and turbulence in financial markets isn't likely to reduce demand for oil and the Organization of Petroleum Exporting Countries should increase its output to reduce prices, a senior official at the International Energy Agency told the Financial Times Wednesday.

[The changing face of energy security](#)

For three decades, the rich world has talked about curbing its addiction to imported oil. But, despite the anxious rhetoric, the oil-supply problem has become worse and energy security more complex. Notwithstanding politicians' repeated calls for energy independence, over the past 30 years the United States, for example, has doubled its dependence on imported oil, which now accounts for nearly two-thirds of its oil needs.

[Brazilian government must ensure oil bonanza continues](#)

While the trend in South America has been to nationalise oil and gas production after the rise in world oil prices, Brazil's success has been based on the opposite strategy. Ten years ago this month, Brazil passed the Petroleum Law, which ended Petrobras' monopoly. Since then, dozens of private companies, including Shell, Chevron and BG, have invested billions. These companies are all now seeing returns after a series of huge finds in deep waters off the coast of Brazil.

[Public backs nuclear energy to help power Britain's future](#)

An overwhelming majority of people believe that nuclear power will have a role to play in meeting Britain's future energy needs, despite continued opposition from environmental campaigners.

[Antarctic Ozone Hole Appears Early, Growing](#)

A hole in the ozone layer over Antarctica has appeared earlier than usual in 2007, the United Nations weather agency said on Tuesday.

[Chevron Using Unethical Tactics to Avoid Judgment In \\$10 Billion Rainforest Trial, Coalition to Defend the Amazon Says](#)

Coalition to Defend the Amazon issued the following statement: Amazon leaders are accusing Chevron of fabricating evidence and engaging in a "campaign of intimidation" in Ecuador to derail a class action rainforest pollution trial as it nears completion, said a spokesman for the Coalition to Defend the Amazon, the non-profit group bringing the case.

['Dead-end' Austrian town blossoms with green energy](#)

For decades, the Austrian town of Güssing was a forgotten outpost not far from the rusting barbed-wire border of the Iron Curtain.

Now it's at the edge of a greener frontier: alternative energy. Güssing is the first community in the European Union to cut carbon emissions by more than 90 percent,

helping it attract a steady stream of scientists, politicians and eco-tourists.

[Reflective Mirrors Seen Raising Solar Potential](#)

Reflective dishes may be the answer to make solar energy competitive with conventional sources of power, Israeli scientists say.

[Global oil reserves up only 1% last year](#)

Record global oil and gas profits of US\$243-billion and record spending of US\$401-billion have resulted in a marginal 1% increase in world oil reserves last year -- all of it coming from a 1.9-billion-barrel addition from Canada's oilsands, according to a new study.

Without Canada's contribution, 228 public oil and gas companies active globally and included in the study would have collectively produced more oil than they found, John S. Herold, a U.S.-based independent petroleum research company, and Harrison Lovegrove & Co., a global oil and gas advisory firm, said in the 2007 Global Upstream Performance Review, released yesterday.

...The challenges are heating up the debate over peak oil, the report says.

"Without expressing a position on the matter, we believe that the issue has become part of the industry's long-term planning," the study says.

"If the peak oil theory is correct, and a decline in world production is imminent, a company must choose among four alternatives -- try to become a dominant participant, find a niche operational talent, harvest assets or liquidate quickly."

[Gas prices rise for the first time in weeks](#) - *Traders also eye unexpected decline in refinery activity*

Gas prices rose at the pump for the first time in weeks and energy futures jumped Wednesday after the government reported unexpected declines in refinery activity and inventories of gasoline and oil.

The price hikes and inventory declines suggest the refining industry is easing back from what had been a scramble to produce more gasoline to supply the peak summer driving season, which ends this weekend.

[Peak Oil Passnotes: Debt Contagion in Crude?](#)

There are a series of issues that are confusing the oil market at the moment, and just to add to the confusion come the problems with U.S. debt. The main difficulty with U.S. debt is the same as predicting the path of the storm 94L, which is threatening to become a tropical depression, then tropical storm, then hurricane. Just how far will U.S. debt develop? Will it be blown away amidst the markets or will it be a financial cyclone that zaps consumption?

[Thaddeus Phillips returns to Earth with a peak oil parable](#)

The main point we're making regarding energy is the peak oil theory — or that all the oil on the Earth will soon be discovered and because of that, the world as we know it will cease to be. Humanity doesn't have a clue how to deal with this problem — there's no way we can come up with alternative sources to meet our needs. The USA is built as a nation for cars. We won't have stuff to run those cars on. We're presenting the fact that my grandchildren will not know what it is like to fly in a plane. We're sacrificing the future.

[A World Without Oil](#)

Many scientists predict oil reserves will run dry in the not-too-distant future. What would a world without oil look like?

[Eni's fading Caspian dream shows shades of Sakhalin](#)

When it was discovered in 2000, it was hailed as the biggest oil find in three decades, on the scale of Brent and Prudhoe Bay. Estimates of its reserves are between nine billion and 13 billion barrels with peak production of more than one million barrels a day.

Kashagan revived hopes that the geology of the Caspian Sea might conceal more giants, making the Caspian a resource on par with the North Sea or the Gulf of Mexico. But since Kashagan's discovery, exploration has failed to uncover further monsters from the Central Asian sea, raising the stakes even further in the struggle to secure Kashagan's riches.

[China gambles on Somalia's unseen oil](#)

CNOOC has acquired a reputation for risk-taking - a reflection of the fact it is serving China's strategic need for oil rather than commercial objectives.

[Libyan Oil Market Builds Momentum](#)

Libya hasn't poisoned any dog food or toothpaste, but the US prefers China to Qaddafi's

country. I understand the history of US-Libya relations, but I also understand the present and future of Peak Oil.

[Grain will not become oil](#)

Russian Minister of Agriculture Alexei Gordeyev will discuss a possibility of creating an OPEC-like grain cartel with his colleagues from Australia in September.

He said the United States is reviewing the idea, and somewhat earlier Ukraine and Kazakhstan accepted it as a rational suggestion. But agricultural experts are not too optimistic about the idea to control the production and trade in grain.

[Mexico Forecasts Four More Hurricanes in 2007](#)

A Mexican meteorology agency said Tuesday that four more hurricanes will probably form and hit Mexico during the remainder of the 2007 hurricane season, which ends in November.

[Global warming could delay next ice age: study](#)

Burning fossil fuels could postpone the next ice age by up to half a million years, researchers at a British university said Wednesday.

[Climate change impact worsening, Ireland getting wetter: report](#)

Climate change is affecting Ireland at an increasingly rapid pace, the country's Environment Minister John Gormley said Wednesday, as he launched a major report on the issue.

[Germany's Merkel urges U.S. to support climate deal](#)

The United States must support a global deal to cut carbon dioxide emissions and combat climate change as time is running out in the fight against global warming, German Chancellor Angela Merkel said on Thursday.

[U.S. plays down split with EU on climate](#)

The United States and Europe are working together to tackle global warming, the chief U.S. climate negotiator said Wednesday, deflecting growing criticism within the EU and the developing world over Washington's perceived go-it-alone stance.

[Flooding risk from global warming badly under-estimated: study](#)

Global warming may carry a higher risk of flooding than previously thought, according to a study released on Wednesday by the British science journal Nature.

It says efforts to calculate flooding risk from climate change do not take into account the effect that carbon dioxide (CO₂) -- the principal greenhouse gas -- has on vegetation.



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