



## DrumBeat: September 7, 2007

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

Topic: [Miscellaneous](#)

### [Wyoming-Illinois crude pipeline shut due to leak](#)

Kinder Morgan has shut its Platte crude oil pipeline running from Casper, Wyoming, to Wood River, Illinois, due to a leak, a spokesman said on Friday.

...It was not clear when the pipeline would be restarted, he added.

The pipeline carries around 164,000 barrels per day of crude, according to the company's Web site.

The Platte system carries Canadian and local Rocky Mountain crude to markets in Kansas and Illinois, as well as to other interconnecting carriers in those areas.

### [Amtrak draws record ridership despite funding issues](#)

The money-losing service, which relies heavily on government funding, says it is riding higher, illustrated by the hundreds of thousands of additional riders flocking to expanded routes in Illinois and California. Amtrak is chugging toward its fifth-straight record year for ridership nationwide, helped by high gasoline prices and congested highways and airports that seem to have encouraged people to keep their vehicles parked.

### [Scientists: Dramatic sea ice loss by 2050](#)

An analysis of 20 years' worth of real-life observations supports recent U.N. computer predictions that by 2050, summer sea ice off Alaska's north coast will probably shrink to nearly half the area it covered in the 1980s, federal scientists say.

...In the 1980s, sea ice receded 30 to 50 miles each summer off the north coast, said James Overland, a Seattle-based oceanographer for the National Oceanic and Atmospheric Administration.

"Now we're talking about 300 to 500 miles north of Alaska," he said of projections for 2050.

## [Oil Industry Flares \\$40 Billion in Gas a Year](#)

Up to 170 billion cubic meters of natural gas are "flared" by the world's oil producers every year. The economic value amounts to \$40 billion, but the burden on the earth's atmosphere -- in warming emissions like methane and carbon dioxide -- is enormous.

## [Despite rising prices, OPEC appears to be in no rush to raise its output targets](#)

"I think prices are going to rise, and that's probably going to force OPEC's hand," Simon Wardell, a senior energy consultant with Global Insight, told The Associated Press.

"If prices go toward \$80, there will be a lot of pressure on OPEC to produce more," said Eshan Ul-Haq, chief analyst at PVM Oil Associates in Vienna. "\$80 is the mark they'll be looking at."

## [Refinery work could stoke heating oil bills](#)

"We have 46.9 (days of forward demand cover), which is very interesting because that's the lowest in the last five years in the month of August," said Mark Routt, analyst for Energy Security Analysis Inc (ESAI).

## [Nigerian oil disruptions will ease in 2008 - minister](#)

Disruptions to Nigerian oil exports should ease next year and investment in the sector will grow after the national oil company is restructured, Nigeria's new oil minister said on Thursday.

Militant attacks on Western-run oil facilities since early 2006 have cut output in Africa's top producer by at least one fifth, fuelling a global oil price rally. But armed groups in the oil producing Niger Delta have observed a ceasefire since Nigeria's new government took office on May 29.

## [Buzz builds for plug-in cars](#)

The Automotive X Prize aims to promote the development super-efficient motor vehicles that would cut greenhouse-gas emissions and get the equivalent of 100 miles per gallon.

## ['Acceptability' is Total's growth model](#)

Speaking to the Financial Times on Thursday, Mr de Margerie set out his vision of the right response to what he described as "a revolution" in the industry.

"The world has changed," he said. "It is not any more a concern about 'can you build more capacity and will you be faced with a problem of overcapacity?', as it happened in the '70s and '80s. It is much more a question 'can you [meet] the demand?' Because the demand is there and the capacity we have is not enough."

The reason is that the countries that control most of the world's oil and gas are granting access to the international oil companies only on their own terms.

"There is a wish of certain countries to keep their reserves for the long term. They are making sufficient money with what they produce, they have the feeling that it's good for their own citizens to keep it for the future . . . and they don't want to develop those reserves too fast," Mr de Margerie said. "And can you blame them? I am not sure."

### [Shell Argentina declares service station force majeure](#)

The Argentine unit of Royal Dutch Shell plans to send letters Thursday to its service stations declaring a force majeure, citing a government order to shut down its refinery, Shell Argentina President Juan Jose Aranguren said.

### [Alaska: Pipeline called viable despite drop in gas use](#)

U.S. natural gas consumption has declined for two consecutive years, but that doesn't necessarily mean chances for an Alaska gas pipeline are diminished, a BP economist said Thursday.

### [Gov. Ritter declares emergency to help farmers transport wheat from farm to market](#)

This season, Colorado farmers are experiencing the largest wheat harvest in nearly 10 years – double last year's harvest with more than 87 million bushels harvested. But many of the trucking and rail carriers formerly serving these agricultural markets have gone out of business in recent years due to the drought, low commodity prices, and high fuel prices.

### [The Deadly Drought](#)

Alabama Power's hydroelectric generation is down nearly 60 percent and it's easy to see why, with low lakes all over the state barely feeding streams.

The power company is worried that a dry fall will only make the current water shortage worse, forcing them to keep using expensive fuels like coal and natural gas, with barely any cheap hydroelectric power.

### [Microsoft giving workers free ride](#)

Windows, Office, Xbox, Zune -- and now, a regional bus system.

That's the surprise addition Microsoft Corp. made to its portfolio Thursday, announcing its own bus service -- complete with on-board wireless Internet access -- to shuttle its employees from their neighborhoods around the region to Redmond and back home again.

### [Oil and security for Iraq investors](#)

Security in Iraq is a major holdup to investment there, sometimes second only to the lack of a law governing Iraq's vast oil and gas reserves.

### [The World's 'Energy Game' Hotspots](#)

For the past few years, especially since the start of the war on terror, oil prices have gone and societies across all the major industrial states have begun to appreciate the virtues of renewable energy production. The situation on a global scale is still in flux since opposite interests drive their own agenda in order to secure multibillion dollar investments or to gain political influence through the effective tool of energy, in the form of pipelines, terminals, and offshore installations.

### [Gazprom Back in Talks with Japanese Bank on Sakhalin 2 Financing](#)

Russian natural gas monopoly Gazprom has resumed negotiations with the Japan Bank for International Cooperation to secure financing for the Sakhalin 2 energy project, The Nikkei learned Wednesday.

The development, off the shore of Sakhalin Island, had been led by Royal Dutch/Shell Group, Mitsui & Co. and Mitsubishi Corp. But amid pressure from the Russian government, such as its ordering that construction be suspended because of environmental concerns, the international consortium sold a majority stake to Gazprom this past spring.

### [New nuclear row as green groups pull out](#)

Britain's leading environmental groups are poised to formally withdraw from a government consultation today that will determine whether ministers will be able to

push ahead with plans to build a new generation of nuclear power stations.

The coalition which was asked to provide evidence to inform the debate believes the government has failed to fairly reflect the arguments for presentations that will be given to more than 1,100 members of the public that are due to start tomorrow.

### [More nuclear and more uranium more likely](#)

The World Nuclear Association's Market Report for 2007 does not substantially revise its growth scenarios for nuclear power, but authors said the higher scenarios have grown more likely.

### [Nuclear industry does not fear competition from gas](#)

The nuclear power industry in the United States will stay cost competitive against natural gas as long as gas prices stay above \$3 per million British thermal units, senior nuclear officials told a conference this week.

### [North Dakotans wary of renewed interest in uranium mining: Mines shut down in late 1960s](#)

North Dakota state geologist Ed Murphy said his office is beginning to field inquiries from mining companies interested in staking new claims — the first since the state's uranium mines shut down in the late 1960s.

### [Leaders back nuke power](#)

President George W. Bush says nuclear power is a key to tackling climate change, along with new energy technologies, but green groups want Asia-Pacific leaders meeting in Sydney to commit to greenhouse-gas reduction targets.

### [Nuclear industry hails climate-driven "renaissance"](#)

The nuclear power industry said on Thursday it provided a clean alternative to fossil fuels and a global warming crisis, shrugging off environmentalist concerns about nuclear waste and atomic security.

### [Coal-to-Liquid Is a Boondoggle](#)

“We are simply running out of time to avoid catastrophic warming, and we no longer have the luxury of grossly misallocating capital and fuels to expensive boondoggles like

coal to liquid,” Center for American Progress Senior Fellow Joe Romm told the House Science and Technology Subcommittee on Energy and Environment yesterday. Proponents claim that coal-to-liquid technologies can reduce our dependence on foreign oil.

### [Global demand lights fire under coal](#)

After years of stagnant demand, coal has come back to life as producers worldwide respond to rising demand from developing countries.

A tipping point came this year when China, one of the world's leading producers, for the first time became a net importer of coal.

### [Solar energy hopes to shine with less silicon](#)

Solar energy specialists are forecasting a bright future by focusing on technology that uses less silicon as they move toward cost-per-kilowatt hour parity with traditional power generating firms.

### [BP's answer to food-based ethanol](#)

The oil giant believes an inedible plant called jatropha can ease global fuel demands. It could boost incomes in Africa and other impoverished regions too.

### [Israel: Infrastructure Ministry pushes for more water, less oil](#)

Ben-Eliezer however, is not only focusing his efforts on increasing Israel's water supply. He also is intent on decreasing the country's dependence on oil as its primary energy source. Earlier this week, the minister was in Eilat where he visited the proposed site for the construction of a renewable energy technologies park.

According to the Havel-Eilat regional council, the body that will operate the park, the facilities will included a solar thermal power plant, a wind farm, a solarized turbine pilot plant and a facility that will produce algae bio-fuel.

### [South Africa facing permanent import of fuel](#)

The South African Petroleum Industry Association (Sapia) reports that South Africa might face becoming a permanent importer of fuel, should local refineries be unable to start operating at nameplate capacity.

### [South Korea: GS Caltex completes new plant](#)

GS Caltex Corp. said yesterday it completed the construction of a new oil upgrading facility about two months ahead of the schedule, aiming to quickly tap soaring fuel demand in Asia.

### [Comfort-loving Koreans shun small cars](#)

Small cars have never been a very popular choice for drivers in Korea, despite the major lack of parking spaces, the notoriously heavy traffic, and high fuel prices. Even the worldwide concern about pollution and depletion of fossil fuel reserves doesn't seem to be enough to persuade the country to opt for smaller cars that use less fuel.

### [OPEC walks a tightrope as oil prices near a record](#)

"The market is currently well supplied with crude oil," said Thomas Hartmann, an analyst at Altavest Worldwide Trading. He pointed out that the U.S. entered the summer with a 15-year high in crude supplies.

...So why are oil prices near record levels again?

"What we're experiencing is a restructuring of pricing for this valuable commodity," said Hartmann. "The realization that oil is of endless supply, or of cheap supply, has ended."

### [OPEC May Reject Calls for More Supply With Oil at \\$76](#)

OPEC, the producer of 40 percent of the world's oil, may reject consumer calls to increase supplies and lower prices from \$76 a barrel on concern energy demand will falter as U.S. economic growth slows.

### [Oil price boom brings some gloom to majors](#)

For years, international oil majors blamed low prices for their inability to invest in hunting for new oil sources.

Oil prices near record highs now should have meant an end to their complaints, but oil majors are finding that high prices are no less of a curse.

### [Energy and Security in the Arab Gulf](#)



There is enough oil in the world to meet global demand in the distant future. The problem lies in extracting oil from the ground, and ensuring distribution in the market at an acceptable price. In the face of access to oil, there are political, economic and regulatory obstacles - not geological.

### [Mexico's Pemex sees dip in 2008 oil output](#)

Mexico's Pemex is forecasting crude oil output in 2008 of 3.14 million barrels per day, down 0.7 percent from current levels, according to a document being used to set the state oil monopoly's spending budget for next year.

The document forecasts production at Pemex's huge but aging Cantarell oil field falling to an average 1.312 million bpd over 2008, a Pemex spokeswoman said on Thursday. She said the figures were part of a working hypothesis and not definitive forecasts.

### [Weekly Offshore Rig Review: Nigerian Shake-up](#)

Given the news of a major restructuring of the Nigerian national oil company and authorities, this week's offshore rig review will be taking a look at the rig activity offshore Nigeria.

### [Bangladesh: Titas Field Gas Leakage – A Big Worry](#)

Bangladesh's largest gas field Titas is leaking. It is leaking for a long time. The country is facing an energy crisis – gas supply crisis. The incapability of supplying gas to all the planned power plants has already given serious alarm. We are already facing gas supply problem in some areas of national gas grid. There is serious apprehension that the country's proven gas reserve is going to be exhausted soon.

### [Albania's Energy Crisis Raises Costs](#)

Albania's energy crisis is taking its toll on the economy, according to newly released data by the Institute of Statistics.

### [Transmission lines limit Colorado's renewable energy](#)

Colorado faces potentially severe energy and economic challenges if the state's utilities are delayed in developing planned high-voltage electric transmission lines in the next several years, a new analysis finds.

### [Total cuts oil output targets](#)



Total's ability to resist the pressures on production facing its international rivals was called into question on Wednesday as the French oil major cut output targets by 20 per cent for the four years to 2010.

Christophe de Margerie, the new chief executive who took over in February, said on Wednesday that Total expected only 4 per cent growth between 2006 and 2010, against previous forecasts of 5 per cent.

It is the second time in three months that Total has been forced to rein in production forecasts and prompted a bitter reaction from some analysts, even though the group still expects to outpace rivals BP and Shell.

"We are very disappointed," said one who refused to be named. "In the end it shows they are just like BP and Shell. They may be less present in declining zones, and have a better cost structure, but they too are losing growth."

### [Study: Without more government help ethanol plants could go bust](#)

Ethanol producers have friendly government policies to thank for the current boom in the corn-based alternative fuel and will need more help from Washington to keep from going belly up in a few years, says a new study.

Without a federally mandated increase in ethanol consumption, small plants could stop being profitable by 2011 and be operating in the red in 2013, according to the study by David Peters, an agricultural economist at the University of Nebraska-Lincoln.

Large plants, meanwhile, could see profits cut in half in four years before losing millions of dollars in seven or eight years and being forced to rely on reserves to cover losses.

### [Biofuel costs draining the field](#)

The enthusiasm for biofuel production has cooled significantly -- and the great irony for producers is that it is the very drive for alternative fuels that has pushed raw material costs out of sight.

"We can't even come close to our capacity, and it isn't because there's not demand for biodiesel," said Ken Arnold, president and CEO of Memphis BioFuels. "We're selling everything we make."

### [Ethanol and the Tortilla Tax](#)

"What's that got to do with the price of tea in China?" my grandmother used to ask me when she thought I was veering off-topic in a conversation. Her voice came back to me

recently, as I read about food riots in Mexico, and wondered what that had to do with the price of motor fuels in America.

Everything, apparently.

### [Oil Rig Shortage Threatens North Sea Exploration](#)

SHORTAGE of drilling rigs represents the biggest threat to vital North Sea oil and gas exploration and appraisal activity as a surge of new entrants into the area stokes competition for resources, according to sector experts.

Analysis by consultancy Hannon Westwood shows that activity levels surged in the last two years despite sharp increases in tax rates as growing numbers of firms acquired acreage to cash in on booming oil prices.

### [UK North Sea Oil Cos Continue to Suffer Skills Shortage](#)

Companies involved in oil and gas production in the U.K. continue to suffer a significant shortage of skilled personnel, contributing to cost inflation that is slowing activity in the region, according to an industry survey published Thursday by the Aberdeen and Grampian Chamber of Commerce.

### [Statoil Sees OECD Peak](#)

Production of conventional oil in OECD countries will peak as soon as in 2010, increasing the world's dependence on the OPEC cartel and Russia, and continuing the rush to non-conventional deposits such as Alberta's oilsands, the chief executive of Norway's Statoil ASA predicted yesterday.

### [IEA Head Says Global Oil Market Supply Is Tightening](#)

"The market situation is tightening, we know that," Nobuo Tanaka, executive director of the agency that advises 26 oil-consuming nations, said in Paris today. "The current level of spare capacity is very low."

### [Oil price tests an all-time high](#)

As US crude rose to less than \$1.50 short of its record peak, Christophe de Margerie, chief executive of Total, the French oil group, told the Financial Times he expected the oil price to stay high, and suggested the cycle in the market had been broken.

## [Argentina Faces Fuel Shortage On Shell Refinery Shutdown](#)

A day after the Argentine government ordered Royal Dutch Shell (RDSA) to shut down its Doc Sud refinery, it was unclear how a potentially large gap in fuel supplies would be covered.

A government energy official told Dow Jones Newswires that Shell had begun to shut down the refinery after Energy Secretary officials Wednesday night ordered operations to cease due to alleged environmental infractions.

Shell is [appealing the shutdown](#).

## [UN warns of food price unrest](#)

Developing countries face serious social unrest as they struggle to cope with soaring food prices, inflation that shows no signs of abating, the United Nations' top agriculture official has warned.

Jacques Diouf, director-general of the UN's Food and Agriculture Organisation, said surging prices for basic food imports such as wheat, corn and milk had the "potential for social tension, leading to social reactions and eventually even political problems".

## [Fuel-economy rules could kill US auto industry: union chief](#)

Tough new fuel-economy standards now pending in Congress could lead to the dismantling of what remains of the US domestic car industry, the president of the United Auto Workers union warned Thursday.

"We're being told that we must choose between protecting our environment versus protecting our jobs," said UAW president Ron Gettelfinger as he thrust himself into the center of a contentious debate over fuel economy.

## [Pacific rim nations eke out climate change agreement](#)

Asia Pacific countries have agreed a common statement on climate change after intense wrangling between rich and emerging nations, a source involved in the talks said Friday.

The document, which is not binding, contains an "aspirational" target of reducing energy intensity but also stresses the primacy of the United Nations in the fight against climate change.

[Green Acres](#)

Americans have sought out companies of like-minded souls since the Pilgrims landed at Plymouth, organizing around religion, politics, philosophy and--by the time the 1960s rolled around--long hair, free love and poor hygiene. But today that need for community is paired with a desire to live in harmony with the environment. The result is the ecovillage, and EVI is hardly the only one of its kind. The Global Ecovillage Network lists 379 such groups, from EVI in Ithaca to Findhorn in the wilderness of Scotland, and there are even some in cities like Los Angeles and Cleveland.



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