



DrumBeat: September 8, 2007

Posted by [Leanan](#) on September 8, 2007 - 9:30am

Topic: [Miscellaneous](#)

[Platts: OPEC Out Dips in August](#)

OPEC crude production fell by 40,000 barrels per day (b/d) in August, to 30.46 million b/d from 30.5 million b/d in July, mainly because of lower exports from Iraq, a Platts survey showed September 7.

The ten members bound by production agreements, however, boosted output by 80,000 b/d, to 26.79 million b/d in August from 26.71 million b/d in July, the survey showed.

[Tillerson Says 'Nationality of Energy' Is Irrelevant](#)

Exxon Mobil Corp. Chief Executive Officer Rex Tillerson said energy independence for the U.S. and other industrialized countries is impossible, and diverse sources of oil are needed to soften the impact of supply disruptions.

"The nationality of energy is irrelevant," Tillerson, who heads the world's largest oil company, said today during a panel discussion on global energy security in Calgary. "A diversity of sources mitigates the impact on total supply from disruptions in any region or from any one source."

[Sunni bloc ends boycott in Iraq](#)

A Sunni Arab-led bloc has ended its boycott of Iraq's parliament - the last of several Sunni groups to return after walking out three months ago.

[Argentine Refinery Closure May Reduce Diesel for Corn Growers](#)

An Argentine government order to close Royal Dutch Shell Plc's oil refinery in Buenos Aires on environmental concerns will shrink supplies of diesel fuel for farmers to sow corn and soybeans for next year's crops.

[As Deepwater Drilling Booms, Mexico's Oil Could Leak to U.S.](#)

Just eight miles north of the Mexican border Royal Dutch Shell (RDSA) is busy developing Great White, a massive oil project sitting on 8,700 feet of water.

Experts say Great White and other deepwater finds in the U.S. Gulf of Mexico could drain Mexican oil. Reservoir pressure on Mexico's undeveloped side could push oil and natural gas into Shell's wells.

[Pressure on Shell over safety of platforms](#)

Royal Dutch Shell is facing a growing campaign about alleged poor safety on several North Sea oil platforms, with Britain's biggest trade union and a former executive of the company calling on MPs and the Health and Safety Executive (HSE) to investigate.

[Congo Wants to Jointly Exploit Oil-rich Lake with Uganda](#)

Congo wants work with neighboring Uganda to exploit an oil-rich border lake that has been at the center of simmering tensions between the two countries, Congo's foreign minister said Friday.

[Turkmenistan: Workers of fuel and energy complex mark their professional day](#)

Natural gas and electricity remain to be free in the country along with low prices for gasoline and other kinds of fuel. Everything that has very high values in the world, our people get either free of charge or at symbolic prices. It is all, the message says, is a result of the state's concern for its people.

[Brazil: Ethanol Divides Agribusiness](#)

The expansion of sugarcane farming to produce more ethanol in Brazil has run into unexpected resistance in Rio Verde, a prosperous town in the central state of Goiás, and it is coming from agribusiness leaders.

The local government, of the conservative Progressive Party, decided to impose a limit on sugarcane to 10 percent of the municipality's farmland.

[The cost of construction is on the rise nationally, and in Cheyenne, so is demand](#)

Roger Gutierrez of ACME Construction said he has seen market fluctuations before but

nothing this dramatic. Every material he uses is 35 to 40 percent more expensive than it was a year ago.

Reiman said high gas prices don't help either. Asphalt is an oil-based product, and company trucks rely on diesel fuel.

[Italy Should Restart Nuclear Power Program, Enel Report Says](#)

Italy should restart nuclear power generation and European nations must improve cooperation on natural-resource policy to best deal with growing energy demand, a report prepared for Enel SpA, Italy's largest power company.

[Nuclear dawn](#)

Energy: Attitudes to nuclear power are shifting in response to climate change and fears over the security of the supply of fossil fuels. The technology of nuclear power has been changing, too.

[CNN Special: Planet In Peril](#)

Animal Planet's Jeff Corwin joins Sanjay Gupta and Anderson Cooper to expose Earth's decay

[Politics 'hurting hunt for oil reserves'](#)

Politically driven state energy companies are hindering access to oil reserves, threatening worldwide energy security, top executives of some of the globe's biggest oil majors said.

High oil prices and perceptions of soaring industry profits have prompted many producing countries to give national oil firms more power to extract richer fiscal terms and greater control over resources, pushing out international players, Rex Tillerson, chief executive of Exxon Mobil, said.

[For oil companies, the good old \(bad old\) days are over](#)

It used to be so easy. A North American or European energy company eager to ramp up foreign production would traipse into a bankrupt, yet oil-rich, country - anywhere in North or West Africa would do - make nice with the local strongmen, promise jobs, technology and export sales, and walk away with oil and gas concessions that made shareholders weep with joy. Reserves and production went up, costs were relatively low,

and environmental regulations were the very palest shade of green.

[In Favor of Disruption](#)

Bloom Energy. The company is developing a solid-oxide fuel cell that it believes “could generate more than enough electricity to power a house.”

[Tiny Chinese electric car plugs into a wall outlet](#)

The FlyBo starts at \$10,000 and runs for up to 70 miles before needing a recharge. Plug it into any ordinary household electrical outlet for two hours, and it's ready again to cruise along at 25 mph.

[Wind Power: There's a place for it, but not at the expense of environment](#)

With new fears that the world is building new coal- fired electric generation plants at a pace that can only exacerbate global warming, the need to invest more heavily in alternative forms of environmentally friendly energy becomes ever more acute.

Wind needs to be part of that solution. But a critical question is this: How far do you go in trying to save the planet by destroying it?

[Homeowners using alternate energy sources](#)

A wind turbine, otherwise known as a windmill, towers above everything in sight at Graig Pearen's Mud River property west of Prince George. On the property sits a house containing eight solar panels, complete with storage batteries, inverters and metering equipment.

The residence is a sign of the times - an environmentally-friendly home that uses alternative energy.

[Biofuels and the Law of Unintended Consequences](#)

This is a news story but let me lead you on a journey. The journey starts from the USA where the cost of energy is way too low. So when the cost of gas went through the roof, instead of trying to improve the fuel efficiency of the vehicles, the idiot president decided to go for bio fuels.

[In More Markets, Life's A Gas](#)

Car makers tout hydrogen fuel cells as a contender for the next wave in clean, green and fuel-efficient cars. But how to safely get the hydrogen into them is a key question.

[Exxon CEO: Fundamentals don't justify \\$70 oil price](#)

Oil market fundamentals do not justify a crude oil price as high as \$70 a barrel, which is below today's level, Exxon Mobil Corp's top executive said on Friday.

"I cannot explain why we have \$70 oil. The fundamentals behind supply and demand do not support \$70 oil. The fundamentals support something much less," Exxon Mobil CEO Rex Tillerson told a business roundtable at the Spruce Meadows equestrian facility on the outskirts of Calgary.

[Price of oil will continue to rise, says Total chief](#)

High oil prices are here to stay, according to Total, the French oil multinational, which has raised its forecast value of a barrel of crude from \$40 to \$60 as it predicts continuing strong demand for oil, rising costs and political constraints on production.

Total's decision to bet on a higher oil price is based on fundamentals, said Christophe de Margerie, the chief executive, who said the recent turmoil in the debt markets had shaken most of the speculative money out of oil futures. Despite the loss of the hot money, the price of Brent crude was about \$77 per barrel yesterday, close to its peak of \$78.

[OPEC to consider 'slight' output hike: Iraq](#)

The Organisation of Petroleum Exporting Countries will examine whether it needs to 'slightly' hike output when it meets in Vienna next week, Iraqi Oil Minister Hussein Shahrastani said on Saturday.

[Saudi Arabia capacity increase plans on track](#)

Saudi Arabia is on schedule with plans to boost its crude oil production capacity to 12.5 million barrels per day by 2009, despite rising industry costs, a top official at state oil company Saudi Aramco said on Saturday.

...The world's top oil exporter has fast-tracked oilfield expansion plans to raise output capacity and maintain spare capacity of at least 1.5 million bpd to meet growing world demand or cover unexpected shortfalls in supply.

[Oil patch feeding frenzy predicted](#)

The Canadian oil patch could be hit by a major round of takeovers by multinational giants in the next year, Jeff Rubin of CIBC World Markets predicts, as the global energy industry looks increasingly to Alberta's rich oil sands as one of the few major world oil reserves unfettered by political meddling.

[Nigeria: Militan Group Threatens to Cripple Oil, Gas Firms](#)

A new militant organization, known as the Grand Alliance of Niger Delta, has threatened to attack the country's oil and gas interests should oil companies in the region fail to meet its demand of employing the teeming unemployed youths of the Niger Delta origin.

[The new order: finding out who your real friends are](#)

Professor Michael Klare of Hampshire College, Massachusetts, and author of *Resource Wars: The New Landscape of Global Conflict*, argues: "As with the Persian gulf and the Caspian Sea, the South China Sea harbours all of the ingredients for a major military confrontation."

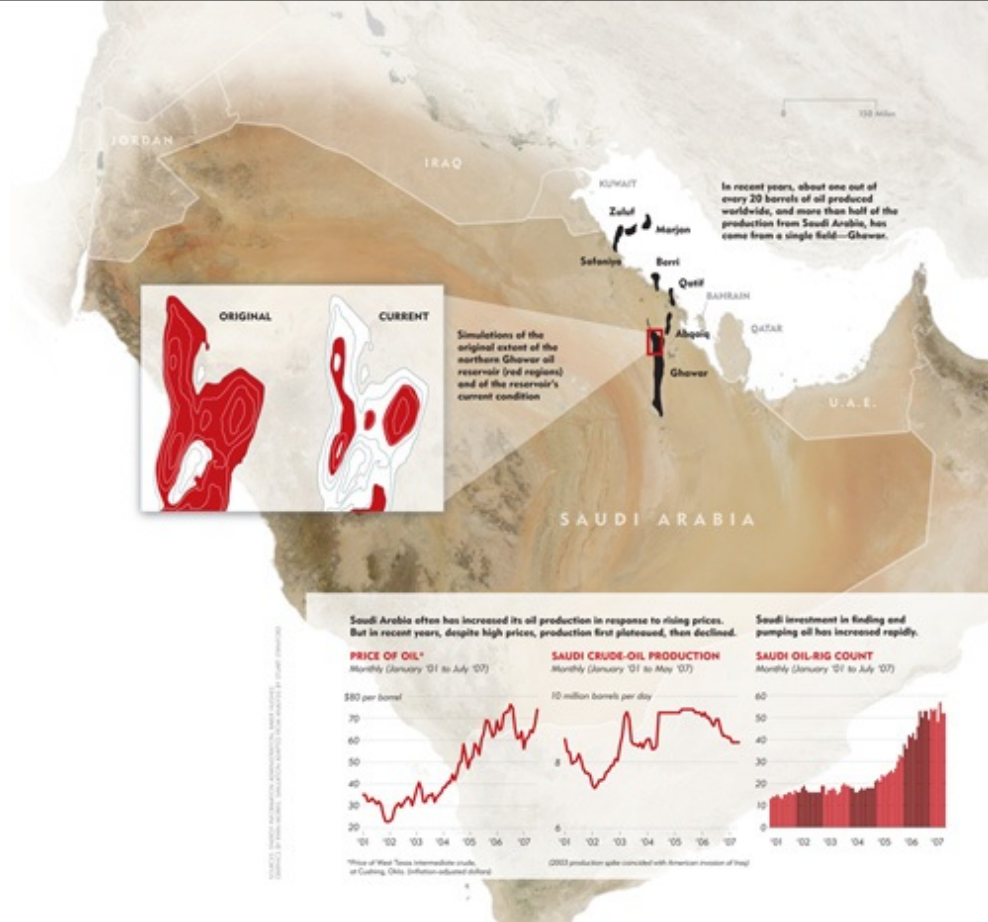
[Oil firm Veco is history](#)

Colorado-based CH2M Hill on Friday took over scandal-ridden Veco Corp., the Anchorage oil field services and construction company whose former executives pleaded guilty this spring to bribing state legislators.

[Refinery's discharges not reported](#)

Millions of pounds of nitrates were discharged into the Delaware River from the state's lone oil refinery each year before 2006 and not reported to a federal inventory of toxic pollution releases until this year, according to new data.

[Running Dry: The world's most essential oil field may be in decline.](#)



The Saudis do not release data on how much oil they are extracting from individual wells, or on the remaining reserves of individual oil fields. But the total amount that the kingdom produces has been declining, down a million barrels a day over the last two years of data.

The Saudis have claimed these cuts have been in response to weak demand. However, the big drop in production began in the spring of 2006, when the price of oil was rising from \$60 to \$74 a barrel; the claim that no one wanted to buy Saudi Arabia's light crude strains credulity. The drop in production has also coincided with a huge new Saudi effort to find and pump more oil: The number of active oil rigs in Saudi Arabia has tripled over the past three years.

[Of low-hanging energy fruit. And: if this is a baseball game, what inning are we in?](#)

It was hard for me not to think of the tiger tattoo on George Shultz's butt when he appeared on the kick-off plenary panel at the Society of Environmental Journalists annual conference in Palo Alto, Calif., which was entitled "Clean, Secure, Efficient Energy: Can We Have It All?"

You might not think of the former Reagan secretary of state as an enviro, and maybe he's not, but in his perch at Stanford University's Hoover Institution he has clearly been boning up on the climate crisis and our resulting energy crisis. And as a former politician, he was quick with the metaphors:

"There's so much low-hanging fruit, there's fruit all over the ground."

For example, he said, if Boeing can build airplanes out of super-light but strong materials, why can't American automakers do the same? Shultz roared on:

"How do you win a baseball game? You win it with singles and stolen bases," rather than home runs.

That prompted a response by Stanford's Paul Ehrlich, he of *The Population Bomb* fame:

"It seems to me the beginning of the game was about 1950."

[Iraq seeks oil output of six million bpd within decade](#)

War-torn Iraq seeks to raise oil production to three million barrels per day (bpd) next year and to six million bpd within a decade, Iraqi Oil Minister Hussein Shahrstani said on Saturday.

[Forest Service chief: Use trees to power cars](#)

The U.S. Forest Service chief is proposing replacing 15 percent of the nation's gasoline with ethanol made from wood, while doubling the amount of carbon dioxide emissions absorbed by public and private forests.

[Ethanol entrepreneurs making their moves](#)

The newspaper publisher, the watermelon farmer, the metal fabricator and the housewife gathered about a year ago and decided to take the plunge into the business of biofuels.

Yes, the nearest ethanol pump to their central Georgia town of Dublin was 45 miles away. And yes, they didn't know much about the ethanol industry. But it was as much a philosophical matter as an entrepreneurial one: They were tired of waiting for big corporations to act first.

[TXU shareholders approve \\$32 billion buyout](#)

Shareholders of TXU Corp. approved the sale of the largest power generator in Texas for \$32 billion on Friday in one of the biggest private buyouts ever.

[Castro criticizes Bush on climate](#)

An essay signed by Fidel Castro criticized President Bush on Friday for asking Asia-Pacific leaders to cooperate in a new framework on climate change that could compete with other international efforts.

[APEC forge deal on climate change](#)

Pacific Rim leaders on Saturday said the world needs to "slow, stop and then reverse" greenhouse gas emissions, and adopted modest goals to curb global warming. Thousands of demonstrators rallied to demand stronger action.

[Polar bear population seen declining](#)

Two-thirds of the world's polar bears will be killed off by 2050 — and the entire population gone from Alaska — because of thinning sea ice from global warming in the Arctic, government scientists forecast Friday.



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