



DrumBeat: September 20, 2007

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Topic: [Miscellaneous](#)

[Oil hits high over \\$84](#)

NEW YORK (Reuters) - Oil surged to \$84 a barrel on Thursday in the seventh straight record-breaking session as companies shut Gulf of Mexico output on forecasts a tropical depression churning through the region would become a storm.

U.S. crude settled up \$1.39 at \$83.32 a barrel after touching an all time high of \$84.10 earlier. London Brent settled up 62 cents at \$79.09 a barrel.

[The debate behind \\$80 oil](#)

Industry executives say there's no reason crude prices should be anywhere near current levels. Others say the fundamentals are there, and Big Oil is playing politics.

[Fight for the Top of the World](#)



The Arctic ice cap's loss through melting this year was 10 times the recent annual average, amounting to an area greater than that of Texas and New Mexico combined. The Arctic has never been immune from politics; during the cold war, U.S. and Soviet submarines navigated its frigid waters. But now that global warming has rendered the Arctic more accessible than ever — and yet at the same time more fragile — a new

frenzy has broken out for control of the trade routes at the top of the world and the riches that nations hope and believe may lie beneath the ice. Just as 150 years ago, when Russia and Britain fought for control of central Asia, it is tempting to think that — not on the steppe or dusty mountains but in the icy wastes of the frozen north — a new Great Game is afoot.

[Oil companies shut Gulf of Mexico output on storm](#)

Oil companies airlifted hundreds of workers from offshore rigs in the Gulf of Mexico Thursday due to a gathering storm, slashing more than a quarter of the region's oil production and nearly a fifth of natural gas output.

[Putin opposes creation of a state energy "monster"](#)

Russian President Vladimir Putin has said he is against the creation of state energy "monster" that would straddle the entire economy, sucking away banking and other resources, the Kremlin reported on Thursday.

[World Energy Council predicts oil peak in 10-20 years](#) (podcast)

In a sign of just how rapidly peak oil is moving into the mainstream, a report from the World Energy Council has forecast that conventional oil production will peak in the next ten to twenty years. But in an interview with Lastoilshock.com, WEC Secretary General Gerald Doucet insisted that the transition would be “managable” and that total world energy supply would nevertheless double by 2030.

[Iran OPEC Gov: High Oil Price Unsustainable, Could Hit \\$100/Bbl](#)

Iran would benefit from rising international crude oil prices that could even hit \$100 a barrel, but high oil prices aren't sustainable in the long run, said Iran's Organization of Petroleum Exporting Countries governor, Hussein Kazempour Ardebili, in remarks aired by state radio Thursday.

[Saudi riyal at 7-month peak](#)

The Saudi Arabian riyal hit a near seven-month peak against the US dollar on Thursday after the Saudi central bank governor said the oil producer would not match a US interest rate cut.

[EU's energy plans prompt Moscow fears](#)

Gazprom and other non-European Union businesses will be able to control energy network assets in the EU only if they meet tough conditions under proposals set out on Wednesday.

The move by the European Commission drew a sharp reaction in Moscow, amid concerns that Gazprom, the Russian-state controlled energy company and the leading gas supplier to the union, could face restrictions on its EU expansion plans.

[Venezuela's National Oil Company's Vision for Social Development](#)

National oil companies (NOCs) are in the ascendancy throughout the world, and the traditional oil and natural gas model relating to international energy development and markets must be revised accordingly.

Until recently, international oil companies (IOCs) managed the world's oil and natural gas markets, essentially solely for the profitability of their shareholders. Invariably, this model worked to the detriment of the countries whose natural resources were being exploited. This approach could never be justified; new realities no longer make it tenable.

[Interview: Top Iraq oilman Thamir Ghadhban](#)

Thamir Ghadhban has served in several political and technical capacities in Iraq's oil sector. He's been oil minister twice since 2003, has sat as a politician crafting Iraq's constitution and is now Prime Minister Nouri al-Maliki's top energy adviser.

He sat down with United Press International on the sidelines of the Iraq Oil, Gas, Petrochemical and Electricity Summit organized by the Iraq Development Program in Dubai earlier this month to talk about issues facing his country's energy sector.

[Russia affirms it has proof to support Arctic claims](#)

Russian minister for natural resources says the country has the necessary scientific proof to support its claim for a part of the Arctic rich in oil and gas.

[Nigeria: Militants Threaten to Attack Oil Installations Unless FG Repeals Land Use Act](#)

A militant group, the Grand Alliance of the Niger Delta has threatened to attack oil installations in the country...if the federal government fails to repeal the Land Use Decree and some other laws that entirely withhold ownership of natural resources from the people of the Niger Delta.

[Oil Warriors: From Greenspan to Kissinger](#)

Alan Greenspan had acknowledged what is blindingly obvious to those who live in the reality-based world: The Iraq War was largely about oil.

Meanwhile, Henry Kissinger says in an op-ed in Sunday's Washington Post that control over oil is the key issue that should determine whether the U.S. undertakes military action against Iran.

These statements would not be remarkable, but for the effort of a broad swath of the U.S. political establishment to deny the central role of oil in U.S. involvement in the Middle East.

[Burma protests gather momentum](#)

It was the third consecutive day of marches by monks in Rangoon, and similar protests were reported in the cities of Sittwe and Mandalay. Witnesses reported seeing several separate protests involving more than 1,000 monks in total.

The protests began last month after the ruling junta pushed through significant increases in fuel prices. Observers and diplomats in the country say, however, that support for the marches reflects more general frustrations with the regime.

[Soaring Prices Bite Jordanians](#)

Thousands of villagers across Jordan, who solely depend on domestic animals, a cow or two and a few goats, have been forced to part with their animals. Many more herders are desperate to sell their animals, but there are no buyers.

Latest figures show prices of livestock have plummeted by 18% as hundreds of herders try to sell their animals.

[The fuel merchants of Zimbabwe](#)

"I buy a tanker-full of fuel in Botswana and sit tight on it until Harare runs dry and the prices go up," said the fuel merchant of Harare, kicking one expensively shod leg over the other.

[Hyperion: Canadian oil a key](#)

The Elk Point area is being considered for an oil refinery because of its proximity to

crude oil from Canada, according to the chief executive officer of Hyperion Resources.

[China steel mills may face freight slug](#)

AUSTRALIA'S iron ore giants are considering charging Chinese steel makers a premium to take account of differences in shipping costs, on top of huge expected price increases, as the annual contractual "mating dance" begins.

[BP Set to Shut down North Sea Field](#)

Oil giant BP looks set to receive the go-ahead to shut down its Miller field.

But it is understood the firm will have to shut down in a way which would keep open hope of a carbon capture plant in the North-east.

[Carbon Trading: the limits of free-market logic](#)

Carbon trading, its backers claim, brings emissions reductions and supports sustainable development in the global south. But, argues Kevin Smith, it may do neither, and is harming efforts to create a low-carbon economy.

[Australian airlines go green](#)

Qantas and Jetstar are the latest airlines to join the rush to improve their green credentials — launching a program offering passengers the opportunity to offset carbon dioxide emissions their flights cause.

[NASA researchers find snowmelt in Antarctica creeping inland](#)

In a new NASA study, researchers using 20 years of data from space-based sensors have confirmed that Antarctic snow is melting farther inland from the coast over time, melting at higher altitudes than ever and increasingly melting on Antarctica's largest ice shelf.

[Some Gulf oil crews evacuated ahead of storm](#)

Gulf Coast residents were on watch and oil companies evacuated hundreds of nonessential workers as forecasters said Thursday that a storm system now off Florida could strengthen as it moves west.

All weather models project the storm, which was located in the Gulf of Mexico off southwest Florida, would make landfall between southeastern Louisiana and the western Florida Panhandle during the next few days after crossing the warm Gulf waters where it should gain strength.

[\\$50 or \\$100? Experts mull next big oil milestone](#)

Analysts are debating whether oil prices have much upside left after quadrupling since 2002, with bulls arguing that strong economic growth means a supply squeeze is imminent and bears saying a seasonal demand drop will deflate prices.

[New Queensland Sustainability Minister on the future with less oil](#) (podcast)

"There's no question whatsoever that community driven local solutions will be essential. That's where government will certainly have a role to play in assisting and encouraging local networks, who can assist with local supplies of food and fuel and water and jobs and the things we need from shops. It was one of my contentions in the first speech I made on this issue in February of 2005... that we will see a relocalisation of the way in which we live that will remind us of not last century, but the one before that. And that's not a bad thing. Undoubtedly one of the cheaper responses that will be very effective is promoting local consumption, local production, local distribution. And there are positive spinoffs to that in terms of getting to know our communities better. There are human and community benefits from local networks that I look forward to seeing grow."

[Mexican senator wants talks with pipeline bombers](#)

A senator from Mexico's ruling party on Wednesday proposed talks with the leftist rebel group Popular Revolutionary Army, or EPR, which bombed fuel pipelines last week.

[Guerrilla band wages war in Mexico](#)

Edmundo Reyes is a slight, unassuming man of 55 who loves baseball and children's literature. Until recently, he sold candy and soft drinks from his family's corner grocery store in this city's Nezahualcoyotl district.

In May, he left to visit relatives in the state of Oaxaca and never returned. His disappearance might have gone unnoticed but for the fact that it has set off a small war that has twice shut down a sizable chunk of the Mexican economy.

[Nepal: Petrol to be sold through private pumps only](#)

As the queue for petrol continued to grow in the heart of the capital city, the government has instructed Nepal Oil Corporation (NOC) to supply petroleum products to the people through private dealers and not through the institutional refilling stations.

In a decision, which officials said was taken to manage the crowds, the government Wednesday asked NOC to mobilize refilling stations of police, army, armed-police force and Sajha cooperatives to distribute petrol to government vehicles and coupon holders only.

[Agrofuels - Another Scramble for Africa?](#)

Africa appears to plunge from one corporate nightmare to another. Just as we begin to come to terms with the colonially-sponsored corporate conquest of our oil resources, along comes a new wave of 'green' companies turning fertile African lands to Northern 'gold'. Senegalese president and agrofuel promoter Abdoulaye Wade has called this 'a new revolution in Africa'. Others have likened it to 'the new scramble for Africa'.

[Soaring Prices Add to Afghan Misery](#)

As the residents of Kabul prepare to break their fast at the end of the day, the street markets in the centre of the city are as busy as ever. But this year, during the holy month of Ramadan, there is a real struggle to make ends meet.

The price of basic food and fuel has soared in recent months, putting enormous strain on consumers.

[Freight railroads continue to take heat on pricing issues](#)

A study released last week commissioned by the American Chemistry Council found that five major freight railroads overcharged rail shippers by more than \$6.5 billion between 2005 and the first quarter of 2007 through the use of fuel surcharges.

[Alberta squeezes oil - but fairly](#)

Alberta's long-anticipated petroleum royalty review, ominously titled Our Fair Share, has raised a predictable firestorm. The review panel's report recommends a sharp increase in the province's oilsands take from 47% to 64%, with smaller increased shares from conventional oil and natural gas.

[John Michael Greer: Solving Fermi's Paradox](#)

On another level, though, Fermi's Paradox can be restated in another and far more threatening way. The logic of the paradox depends on the assumption that unlimited technological progress is possible, and it can be turned without too much difficulty into a logical refutation of the assumption. If unlimited technological progress is possible, then there should be clear evidence of technologically advanced species in the cosmos; there is no such evidence; therefore unlimited technological progress is impossible. Crashingly unpopular though this latter idea may be, I suggest that it is correct – and a close examination of the issues involved casts a useful light on the present crisis of industrial civilization.

[Saipem inks \\$700mn Saudi offshore deal](#)

The seven year agreement, worth \$700 million, is aimed at maintaining the country's oil production capacity. It includes two three-year options, and encompasses engineering, procurement, construction, transport and installation of offshore platforms and pipelines.

[Wind farm generates political tempest](#)

A National Park Service official who oversees the Appalachian Trail is scheduled to testify this morning that a proposed wind farm near Sugarloaf Mountain would have a dramatic effect on one of the most remote and scenic sections of the 2,175-mile hiking path.

[US Biofuel Production and Global Hunger: Is there a Connection?](#)

While U.S. ethanol production will likely not cause people to go hungry in other countries, structural changes in global agriculture and trade systems are badly needed, according to a new paper by the Institute for Agriculture and Trade Policy (IATP).

[Energy farming worsens global warming](#)

The rush of the world's largest corporations to squeeze car fuel out of food is an effort to force industrialization on the tropics and end small family farming in the industrialized North.

[EasyJet sceptical over current-generation biofuel](#)

UK budget operator EasyJet is sceptical about the value of the current generation of biofuels, suggesting that further research and development is necessary before a genuinely useful product is likely to emerge.

[The Right to Dry: A Green Movement Is Roiling America](#)

The battle of Awbrey Butte is an unanticipated consequence of increasing environmental consciousness, pitting the burgeoning right-to-dry movement against community standards across the country.

The clothesline was once a ubiquitous part of the residential landscape. But as postwar Americans embraced labor-saving appliances, clotheslines came to be associated with people who couldn't afford a dryer. Now they are a rarity, purged from the suburban landscape by legally enforceable development restrictions.

[Climate change worse than feared: Australian expert](#)

"In the six years since then, we've collected enough data to (check) whether those projections are valid or not," he said.

"It turns out they're not valid, but in the most horrible way -- because for the key performance indicators about climate, change is occurring far in advance of the worst-case scenario," he said.

"Carbon dioxide's increasing more rapidly, sea levels are rising more rapidly (and) the Arctic ice cap is melting away more quickly than were projected in 2001."

[Grim outlook for poor countries in climate report](#)

Professor Martin Parry, a climate scientist with the Met Office, said destructive changes in temperature, rainfall and agriculture were now forecast to occur several decades earlier than thought.

He said vulnerable people such as the old and poor would be the worst affected, and that world leaders had not yet accepted their countries would have to adapt to the likely consequences.

[Oil companies to reap handsome profits](#)

The average extraction cost of crude oil has risen as much as 50% to about US\$15 per barrel compared with US\$10 two or three years ago.

However, with crude oil prices at US\$82 a barrel in New York trading yesterday, the O&G sector would still remain profitable, said an analyst with a local brokerage.

[Truly, the United States is more a menace to its friends today than to its foes...](#)

The dimensions of the crisis are not clearly understood here even by the anti-corporate, anti-war opposition. This writer chose not to attend this weekend's anti-war rally in Washington, giving his attention instead to a conference at George Washington University organized by the Institute for Policy Studies on the trifecta of crises now engaging all of the world: The conjunction between peak oil, global warming, and the reality of world war for resources.

[Let's focus on control of coal](#)

A University of Utah study showed that annual world consumption of carbon from oil, gas and coal is 400 times the carbon sequestered by all the world's annual plant growth. Coal replaced wood as our dominant energy source in the mid-1880s. It remained the leader until after World War II when oil and natural gas consumption began its sharp rise.

But now, the energy wheel is bringing cheap, dirty and plentiful coal back into view. Coal also can be converted into synthetic oil and gas. All this suggests that research into coal emissions control and capture should have priority over programs that attempt to substitute food for fuel.

[The High Costs of Ethanol](#)

Backed by the White House, corn-state governors and solid blocks on both sides of Congress's partisan divide, the politics of biofuels could hardly look sunnier. The economics of the American drive to increase ethanol in the energy supply are more discouraging.

[The Peak Oil Crisis: Virginia's Energy Plan](#)

It has been a busy week on the peak oil front. On Monday, former U.S. Secretary of Energy and Defense, James Schlesinger told the world peak oil meeting in Ireland that, indeed, imminent peak oil is for real and we should get on with doing something about it. On Tuesday, the Federal Reserve cut interest rates by half a percent, thereby driving oil prices to an all-time high above \$82 a barrel. On Wednesday, the stocks report disclosed an unexpectedly large drop in U.S. crude inventories and, finally, a tropical storm may thrash around in the Gulf oil fields this weekend.

[Oil demand unsated, even at \\$82](#)

Sharply higher oil prices - which hit another record yesterday - have failed to drive down demand or encourage new sources of supply, leaving global consumers

increasingly dependent on the Organization of Petroleum Exporting Countries.

[Renewable Energy conference: peak oil and climate change](#)

"The success of our societies has been built on cheap oil. That in turn - in terms of the consumption of fossil fuel, and not just oil but coal and gas and so on - has led to the climate change we're currently experiencing. It's led to the water shortages, the whole thing is linked."

We're at a crossroads, he says; climate always changes, but humans are now pushing the change, rather than reacting to it, and changes are starting to speed up. We're facing a choke-point in oil production where we can't increase supply to meet growing demand any more.

[Oxy, Zarubezhneft bid for Bahrain oil search: report](#)

Bahrain has received bids from U.S. firm Occidental (OXY.N) and Russian state-owned Zarubezhneft to explore for oil in the kingdom's waters, the Gulf Daily News reported on Thursday.

[Estonia won't allow survey for pipeline](#)

Estonia decided Thursday it will not allow a German-Russian consortium to conduct a survey of its exclusive economic zone in the Baltic Sea for a planned underwater gas pipeline.

[Aramco Celebrates 75th Anniversary](#)

Saudi Aramco on Tuesday announced a year-long program of exciting celebrations throughout Saudi Arabia and various countries around the world to mark the company's 75th Anniversary in 2008 under the theme "Energy for Generations".

[ND fuel dealers claim pipeline company misled them](#)

Eastern North Dakota fuel dealers allege a pipeline company's alleged deception about unleaded gasoline supplies forced them to buy fuel from other, costlier sources.

[Groups Urge New Drive to Fight Oil-Climate Crisis](#)

Activists and foreign policy experts held a public forum this weekend to launch what

they hope will be "a combined international movement" to respond to the threats of climate change and the depletion of oil and other cheap energy sources.

They said no less than "planetary survival" is at stake.

[Nuclear industry stirs with plans for new plants](#)

The current turmoil in credit markets is unlikely to derail plans by power companies to begin ordering the first new nuclear plants since cost overruns and public opposition virtually killed the industry three decades ago.

[San Francisco to go dark, save energy](#)

The Golden Gate Bridge, City Hall, Alcatraz and other parts of the city will go almost completely dark for an hour next month as part of a campaign to conserve energy and fight global warming.

[Greenhouse Earth: Methane powered runaway global warming](#)

Methane released from wetlands turned the Earth into a hothouse 55 million years ago, according to research released Wednesday that could shed light on a worrying aspect of today's climate-change crisis.



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