



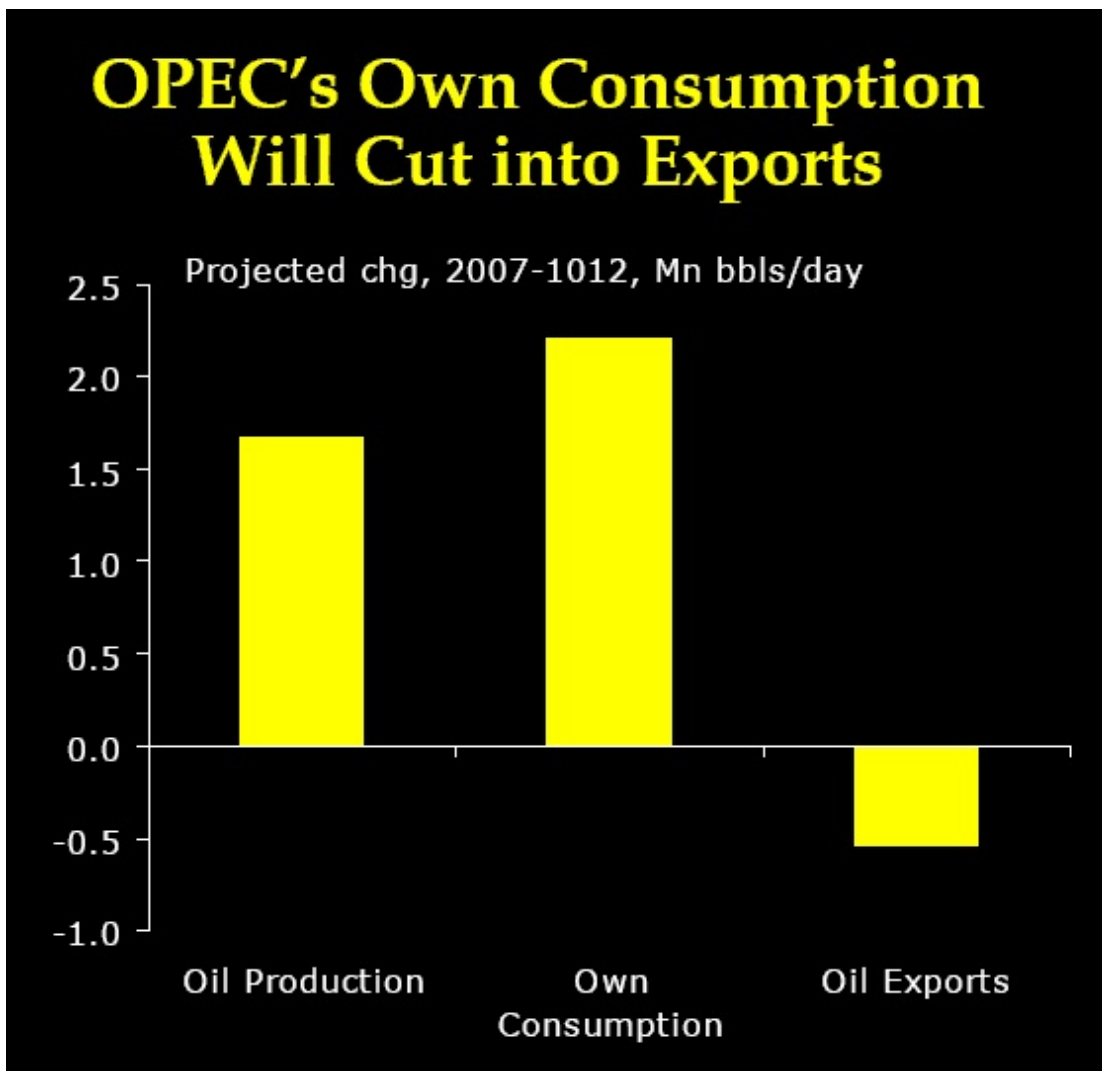
DrumBeat: October 5, 2007

Posted by [Leanan](#) on October 5, 2007 - 9:59am

Topic: [Miscellaneous](#)

[Jeff Rubin: OPEC's Growing Call on Itself](#) (PDF)

Lots of graphs, including this one:



[Big Arctic gamble by small oil company could embolden independent exploration in Alaska fields](#)

Drilling in a field capable of yielding as much as 90 million barrels of oil seemed just right for Pioneer Natural Resources Co. - except for one thing. The field sits about three miles offshore in the Arctic Ocean.

Undaunted, the Irving, Texas, company had a solution. Build a gravel island, equip it with a drilling rig and then ship the oil through eight miles of pipeline to a processing center onshore.

[MCRS meeting will explore local rail option](#)

"Peak oil has caused Willits to rapidly try to convert to a localized economy spurred on by the Willits Economic Localization movement," says the MCRS' Richard Jergenson. And sustainability "has to include an inexpensive local transportation system that would rely little, or not at all, on oil or coal."

[Dallas Fed chief warns on inflation](#)

The president of the Federal Reserve Bank of Dallas has cautioned against ignoring the inflation represented by rising food and energy prices, revealing a continuing debate inside the US central bank over how best to evaluate price pressures.

Richard Fisher on Thursday said the increases in food and energy prices over recent years could represent "longer-lived trends rather than transitory blips". If this was the case "the arguments made for excluding food and energy prices" from core inflation, the Fed's traditionally preferred measure, "would be on shaky ground".

[Climate change disaster is upon us, warns UN](#)

A record number of floods, droughts and storms around the world this year amount to a climate change "mega disaster", the United Nation's emergency relief coordinator, Sir John Holmes, has warned.

[Lawmakers to Pentagon: Plan for climate change](#)

The Defense authorization bill approved by the Senate this week would require the Pentagon to consider the effects of climate change on military capabilities, facilities and missions.

The House version of the bill (H.R. 1585) contains similar language, which means the provision likely will become law.

[Big Coal Tries to Recruit Military to Kindle a Market](#)

The coal industry wants the U.S. military to jump-start a major new market for its

product: liquid transportation fuels derived from coal.

The effort, however, faces skeptics who say the Pentagon shouldn't be subsidizing the high cost and potential environmental harm of what is known as coal-to-liquids technology.

[Innovation cheaper than oil](#)

One of the greatest failures of leadership in the modern era can be summed up with two numbers: In the United States, public funding for energy research and development came to \$8 billion in 1980; in 2005, it was \$3 billion.

To understand how dramatic -- and tragic -- those numbers are, they have to be read in an historical context that starts in January, 1968.

That month, British prime minister Harold Wilson, struggling to cope with another economic crisis, announced that British forces would be withdrawn from the Persian Gulf. By November, 1971, the evacuation was complete -- and the Gulf was thrown into turmoil.

[The green job boom](#)

Renewable energy supporters say the industry could create millions of new jobs, but economists are split.

[Server farm goes solar](#)

Massive data centers are vital to the economy. They are also notorious power hogs. If their numbers keep growing at the expected rate, the United States alone will need nearly a dozen new power plants by 2011 just to keep the data flowing, according to the Environmental Protection Agency.

That's why a small server-farm company called AISO.net (for "affordable Internet services online") has gone completely off the grid. Located 80 miles southeast of Los Angeles in the desert hamlet of Romoland, AISO.net has flanked its 2,000-square-foot building with two banks of ground-mounted solar panels, which generate 12 kilowatts of electricity. Batteries store the juice for nighttime operation.

[Alarm bells ring about North Sea output](#)

Output from the North Sea fell for the fifth month in a row in July, despite record oil prices, in a development that could increase concerns about the UK's growing reliance on

imports from potentially volatile areas.

The latest Oil and Gas Index from Royal Bank of Scotland showed total production of oil and gas averaged 2,088,083 barrels oil equivalent daily. This was down 10.3% on June and 17.9% on July 2006.

[Another 'must read' from Hansen](#)

I have previously written about the crucial climate variable -- the equilibrium climate sensitivity (typically estimated at about 3°C for double CO₂) -- and how it only includes fast feedbacks, such as water vapor. Now Hansen has a draft article that looks at both current climate forcings and the paleoclimate record to conclude that "long-term" sensitivity is a stunning 6°C for doubled CO₂. Here is what Hansen says on the subject (though when you read it you may wonder why Hansen is *more* optimistic than I am, rather than less)...

[Price rise causing big concern in Gulf states](#)

The Gulf countries, though flush with huge amounts of money as a result of rising oil income, are also facing problems of imported inflation since they import most of the foodstuff and other items.

With their currencies pegged with the US dollar, a need has been felt for revaluation of currencies or for ending the peg.

[Soaring oil prices could trigger a US attack on Iran](#)

Cheney argued that lower oil prices would help dry out Iran's nuclear ambitions, cripple its economy and therefore restrict its ability to meddle in regional affairs. Recent increases in the oil market indicate that Cheney's strategy has failed. This could indeed act as a catalyst for military action against Iran.

[Ecuador's president decrees government to take 99 percent of windfall oil profits](#)

Ecuador's leftist President Rafael Correa decreed on Thursday that the government will take 99 percent of windfall oil profits that had previously been split with foreign oil companies.

[India cuts to the chase with Myanmar](#)

There is international pressure on India not to engage with the military junta in

Myanmar that severely cracked down on pro-democracy protestors recently. But it seems New Delhi has other ideas.

[Central Africa: The Curse of Oil in the Great Lakes of Africa](#)

The oil prospects of the Great Lakes region appear at once more dangerous. Uganda and the Democratic Republic of Congo are sitting on what prospectors believe could be oil reserves of up to one billion barrels in the Albertine Basin which they share. At the time of writing, the oil region of the eastern DRC was the theatre of clashes culminating in killing of civilians and militaries by the Ugandan and Congolese armies. This is now leading to fears that the lake Albert conflict may spread and make a renewed cross-border conflict involving other negative forces and countries.

[Oil from Iraq](#)

Carlton Meyer takes a look at the origins of the modern Iraqi state and finds geopolitics go back a long way... no surprise. Add a dash of peak oil -- complements of Mr Cheney "producing oil is obviously a self-depleting activity" -- and the pressure is on. But contrary to what many might assume, Iraq is part of a larger regional picture with a fully capable army not just on its eastern border but to the north as well. Agents provocateurs may rally Kurdish nationalism, but the Turks have long kept a eye on that issue. Mr Meyer is keeping an eye on the Turks.

[US has no immediate plans to buy oil for SPR](#)

U.S. Energy Secretary Sam Bodman said on Thursday that the Energy Department has no "immediate plans" to go into the market to purchase oil for refilling the nation's Strategic Petroleum Reserve.

[MMS Proposes Modernization of Pipeline Regulations](#)

The U.S. Department of the Interior's Minerals Management Service is proposing to revise the regulations covering pipelines and pipeline rights-of-way on the Outer Continental Shelf in an effort to bring regulations up to date with current MMS policies and selected industry practices,

[It's not easy being green](#)

Melody Jones, senior vice president of investment banking for Pacific Growth Equities LLC, conducted an informal survey of 25 venture capitalists last year about when they expect to see returns on their cleantech investments.

She's still talking about their answers.

"Almost across the board, everybody felt like they were still looking for companies with exit-time horizons of three to five years, about what they're looking at with their tech investments," she said. "My feeling is they might not want to admit publicly that it's necessarily going to be longer than that, either because they don't think it will be, or they just don't know. We'll see what reality is, but only time will tell how it plays out."

[Biofuel Bandwagon Slows as Feedstock Prices Surge](#)

The biofuels bandwagon may be running out of gas with soaring costs for feedstocks like wheat and palm oil prompting producers to shelve planned plants and cut output at existing facilities.

[Self regulate, to counter anti-palm oil lobby, says state minister](#)

Oil palm companies in the east Asean growth area must adopt "self regulation" through sustainable development to counter the anti-palm oil lobby.

[China's coal industry urged to speed up energy saving](#)

China's coal mining industry has been urged to be more efficient in energy consumption so as to realize the goal of saving 60 million tons of standard coal set in the government's 11th Five-Year Plan (2006-2010).

[Meet the world's fastest electric car](#)

Tesla veteran Ian Wright has built the fastest electric car on the planet.

[Australia: Smart meters may increase energy use](#)

A PROPOSED roll-out of energy smart meters may lead households to use more electricity rather than less, with economic modelling showing they can increase power use.

[Jeff Rubin on CNBC: The Export/Land Model in Action](#)

If you haven't read up on Jeffrey Brown's (aka Westexas on The Oil Drum) Export Land Model, please do so. This will be one of, if not the most important factors affecting the price of oil, and therefore the world economy over the next decade.

CNBC had economist Jeffrey Rubin on one of its live shows this week to discuss future energy prices, and it's obvious that he both gave them an answer they didn't care for, nor one they could easily refute. '

[The holiness of Stuart Staniford](#)

One of the great divides in Peak Oil discussion is between the 'doomers' and the rest (rather like the battles between 'fundamentalists' and the rest in religious spheres). In contrast to Stuart it seems to me that the doomer perspective is a clear example of wishcasting, of, in Christian terms, idolatry. The doomer perspective seems most characterised by an insistence that the future *must* take a particular shape, one constrained by the laws of physics and envisioning a necessary decline in human population as the inevitable corollary of the decline in available energy. The desires here might be a juvenile wish to see big explosions, or, more likely, a deeply rooted hatred for the present order and a wish to see it destroyed (I think to some extent I share both those motives - which is why I often find myself thinking within a doomer framework). Yet what is not encompassed by the doomer perspective is the sense that the future is not written; that there is much that cannot yet be known; and that human nature is not a closed system but one which is open to change - often extremely rapid change. I have no doubt that our present industrial system has only a very short shelf-life left - what I am not persuaded of is that human civilisation is about to come to an abrupt end. In other words I choose to practice the Christian virtue of hope - not as a vague sentiment; not as a denial of publicly available truths; but as the commitment to another spiritual perspective, built upon that humble attention to the truth exemplified in Stuart's work, but which remains open to where God is leading us. This is what it means to pray about Peak Oil: to cleave fast to the truth, and to abide in hope.

[Can a Plucky U.S. Economy Surmount \\$80 Oil?](#)

Oil prices, an economic scourge in decades past, have soared to record levels in recent years. But the fallout often seemed negligible: Americans kept spending; employment kept growing; factories, construction crews and retail stores stayed busy.

Now, however, the economy may be starting to sputter as damage from the weak housing market drags down growth. If payrolls drop significantly, will high-price crude oil begin to cause pain in a way that it hasn't in nearly three decades?

[John Michael Greer: Toward an ecotechnic society](#)

Plenty of people aware of the peak oil issue nowadays, for example, think of it in terms of finding some new energy source so that we can maintain industrial society in something like its current form.

From an ecological standpoint, this approach nearly defines the term

“counterproductive,” because it’s precisely the current form of industrial society that makes our predicament inescapable.

[Rising costs, shortages curb rush to cash in on oil boom](#)

RISING drilling and rig costs, combined with shortages of skilled staff and equipment, are affecting hydrocarbon projects throughout the Middle East, with some being delayed and other contracts being renegotiated.

Producers in the region, from Libya to Saudi Arabia, have embarked on ambitious plans to increase production and capacity to meet growing global demand and take advantage of record oil prices. But many will struggle to meet their schedules, experts say, and can expect to pay exorbitant prices if they are to ensure they have the material and personnel in a market suffering severe constraints.

"It's having an impact and that impact is going to increase over the next few years. We are seeing projects being delayed simply because they can't get the equipment delivered on the timescale they used to," says Candida Scott, an analyst at Cambridge Energy Research Associates (Cera).

[Tidelands Oil & Gas Corporation Receives Funding Commitment for Burgos Hub Export/Import Project](#)

Tidelands Oil & Gas Corporation today announced that it has entered into an agreement with Cheniere Energy, Inc. to fund the development of Tidelands' Burgos Hub Export/Import Project, which potentially will connect the North American pipeline grid to natural gas supplies and markets in northern Mexico.

[Pemex, Shell to share productivity know-how](#)

Mexican state oil monopoly Pemex said on Thursday it had signed a collaboration agreement with Royal Dutch Shell to pool research and know-how to help them improve production yields.

[BP to Apply Alaska Skills in Arctic Deal with Rosneft](#)

BP PLC (BP) wants to apply the skills it gained in its Alaskan work on a deal with Russian state-controlled oil company Rosneft (ROSN.RS), for exploration and production in the Russian Arctic, the head of exploration and production for BP said in a speech last week that was closed to the press but released on the company's Web site Tuesday.

[How much money is Indian Oil losing on fuel sales?](#)

Oil giant Indian Oil Corporation (IOC) on Friday said the company is losing a whopping amount of Rs 90-100 crore per day thanks to the subsidized fuel sales.

[Chevron: Abiding by International, Kazakh Sulfur Rules](#)

The top official of the Chevron Corp.-led (CVX) oil consortium in Kazakhstan said Thursday the group is complying fully with international and Kazakh regulations on sulfur disposal.

...The consortium has been fighting off Kazakh government accusations that the group has been remiss in its environmental responsibilities in the Central Asian country.

[Is Ethanol the 'Energy Security' Solution?](#)

But is ethanol a truly renewable energy source, and is it more secure and dependable than oil? The answer to both of those questions, surprisingly, is no.

[Agro-fooling ourselves](#)

EU and US targets and subsidies are fuelling a growing demand for 'agrofuels'. Far from being a sustainable energy source, the increased cultivation of crops for fuel threatens the world's poor with starvation, damages biodiversity and even contributes to global warming.

[Green fuels will save the earth - or not](#)

The earth is too small to accommodate all the biofuels projects envisioned for the globe, and this raises doubts whether green fuels will ever play a big role in weaning the world off crude oil.

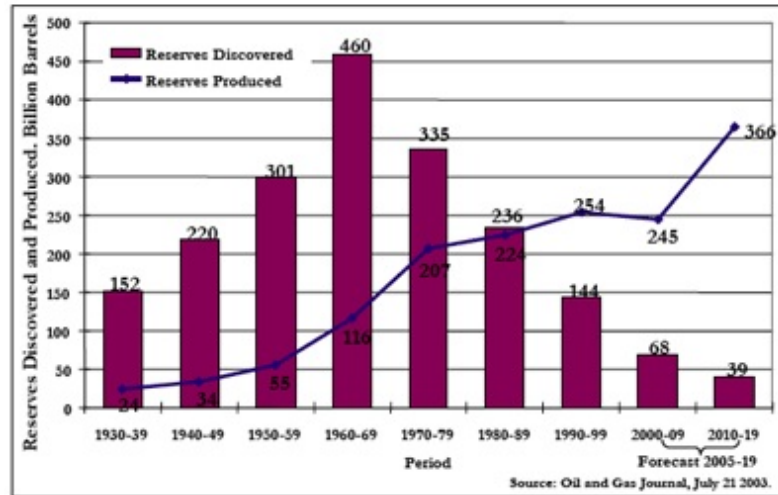
[For some, Rideshare is the only way to go](#)

At \$20.50 a week for the van ride, Hiller figures she comes out way ahead on gas and vehicle maintenance. And what she loses in independence by not driving alone, she makes up for in lower stress by not fighting traffic on U.S. 12.

[Forget Your Silver Bullet](#)

US Task Force finds unconventional fuels from tar sands to shale oil will make little contribution to future energy needs.

Figure I-1. World Oil Discoveries Peaked in the 1960's



While there are no known proponents of "peak oil" to be found among the senior task force members, nonetheless, Volume One of "America's Strategic Unconventional Fuels" reads as if it might have been produced by the Association of the Study of Peak Oil. There are references to M. King Hubbert and energy return on energy invested (EROI).

[US oil refinery plans may hit Europe fuel exports](#)

An expected wave of expansions at United States refineries could reduce demand for fuel imports from Europe, which supplies a tenth of US petrol, traders and analysts say.

[Baker Hughes Reports Increase In Rig Count For September](#)

Baker Hughes Inc. announced a sequential as well as year over year increase in international rig count for September. While US rig counts declined sequentially and increased year-over-year.

[Japan Finding It Hard to Tap Africa for Oil, Gas](#)

Japan's government has sent delegations to African countries such as Angola and Madagascar in search of opportunities for exploration, development and production of oil and natural gas as part of efforts to increase its energy stakes while diversifying its sources of energy supplies.

But getting into the upstream businesses there seems mostly difficult due to intensifying competition with other countries, especially China, said a senior official at Japan's Ministry of Economy, Trade and Industry.

[Venezuelan Congress Approves New Orinoco Oil Venture Deals](#)

Venezuela's congress on Tuesday approved brand new joint venture contracts signed between state oil company Petroleos de Venezuela, PdVSA, and foreign oil companies involved in the Orinoco river belt, among other projects.

[Why the end of cheap oil could spell death to suburbia](#)

Will much of American suburbia become the “new slums” peopled by the “new and impoverished proletariat”, while others scramble to escape? Are we soon going to be talking about America’s “former middle class”? To quote Sam Goldwyn, it’s a “definite maybe.”

How come? At its root, there’s a simple unvarnished fact. And it’s not about overstretched borrowers. It’s a crude and brutal fact that the ‘cheap oil fiesta’ is over. And what exactly is the problem? It’s this. Americans remain oblivious to the red light on the fuel gauge, and the long and short of it is that the whole suburban phenomenon was and is built around the car, and the central dogma that oil will remain abundant and cheap for ever and anon. Upon that is predicated the system that has sustained the daily lives of the vast bulk of Americans - the ‘American dream’ - since the late 1940s.

[Oil produces expensive Caesar salad](#)

And in MoneyWeek.com, I was captivated by their headline, "Why the end of cheap oil could spell death to suburbia", which is oddly reminiscent of Jim Kunstler's The Long Emergency. As the editor-in-chief around here, I find that I disagree with the use of the word "could" to describe the probabilities of the phrase "death to suburbia" when oil (and thus gasoline) get to be horrendously expensive, the economy is in the toilet and nobody makes enough money to buy the energy necessary to ride around in their cars when they can't even afford to keep their damned little houses warm in the winter!

[Valero's Port Arthur Refinery to Shut Units for Maintenance](#)

Valero Energy Corp., the largest U.S. refiner, said it shut unspecified units at its Port Arthur plant for "planned catalyst maintenance."

[Wilmington refinery closes after outage](#)

A Wilmington oil refinery has been shut down since Wednesday because of complications resulting from a power outage that the Department of Water and Power has been unable to explain.

...ConocoPhillips spokesman Andy Perez said he did not know when the facility would resume operation. It can take days for the complicated refining process to be restarted after such a long electrical disruption, he said.

[Oil shipments to Ukrainian refineries down 6.4% in Sept](#)

Oil shipments to oil refineries in Ukraine dropped 6.4% in September to 1.119 million tonnes, a source in the Fuel and Energy Ministry told Interfax.

[Nigeria military: Kidnapped Briton freed](#)

Nigerian troops freed a kidnapped British oil worker during a dawn raid Friday on the outskirts of the country's oil industry hub of Port Harcourt, a military spokesman said.

[UK: £1-a-litre is defended](#)

The petrol station boss who sent diesel through the £1 barrier this week insisted today: "I am not robbing anybody – I am just surviving."

[Expo's growth mirrors boom in ecofriendly building techniques](#)

A decade after the first Green Building Expo played to about 600 people, this year's event is expected to draw up to 12,000 people, or double last year's attendance.

[Thomas Homer-Dixon: A Swiftly Melting Planet](#)

THE Arctic ice cap melted this summer at a shocking pace, disappearing at a far higher rate than predicted by even the most pessimistic experts in global warming. But we shouldn't be shocked, because scientists have long known that major features of earth's interlinked climate system of air and water can change abruptly.

A big reason such change happens is feedback — not the feedback that you'd like to give your boss, but the feedback that creates a vicious circle. This type of feedback in our global climate could determine humankind's future prosperity and even survival.

[Bush's good idea on global warming](#)

Imagine this: The Republican governor of a large, trendsetting state works with leaders of his state legislature from both parties to enact groundbreaking legislation that

requires private corporations and others operating in the state to meet stringent pro-green goals. Is this Gov. Arnold Schwarzenegger in California, 2007? It could be. But it could also be Gov. George W. Bush in Texas, 1999. The Renewable Portfolio Standards Act adopted by Texas that year required the state's energy retailers to produce 5,000 megawatts of electricity from renewable sources by 2015.

[Indonesia aims to plant 79 million trees](#)

Indonesia, which is losing its forests faster than any other country, hopes to plant 79 million trees in a single day ahead of a major U.N. climate change meeting this year, a forestry ministry spokesman said Friday.

[Finland, Finland, Finland, it's the country for me](#)

The Nordic countries are the world's greenest and, despite the cold winters, Finland is the best country to live in, according to a Reader's Digest study released on Friday.

Finland was followed by Iceland, Norway, Sweden and Austria.

"Finland wins high marks for air and water quality, a low incidence of infant disease and how well it protects citizens from water pollution and natural disasters," the study said.

[Britain near the bottom of the table for energy efficiency](#)

Britain came behind Ireland (7th), France (16th) and even the United States (23rd) in the study carried out by US environmental economist Matthew Kahn using the UN 2006 Human Development Index and the 2005 Environmental Sustainability Index.

[Official says US will regulate carbon](#)

The United States is moving toward the regulation of carbon emissions, a U.S. energy official said Thursday, despite the Bush administration's adherence to a voluntary approach to controlling the primary gas blamed for climate change.

[Democrats eye key climate summit](#)

A team of leading US Democrats is planning to send a delegation to a key UN climate conference to rival President Bush's official team.

They are so frustrated by Mr Bush's refusal to support US emissions cuts that they will travel to Bali to set out their alternative vision.

[Climate activists tipped for peace prize](#)

Former Vice President Al Gore and other campaigners against climate change lead experts' choices for the 2007 Nobel Peace Prize, an award once reserved for statesmen, peacemakers and human rights activists.



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