



DrumBeat: October 7, 2007

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Topic: [Miscellaneous](#)

[The coming oil crunch](#)

When the peak-oil theory was publicized in Kenneth Deffeyes' *Hubbert's Peak*, Richard Heinberg's *The Party's Over*, David Goodstein's *Out of Gas* and Paul Roberts' *The End of Oil* earlier this decade, energy industry officials and their government friends quickly ridiculed the notion. The idea of an imminent peak — and subsequent decline — in global petroleum output was derided as crackpot science with little geological foundation.

“Based on [our] analysis,” the U.S. Department of Energy confidently asserted in 2004, “[we] would expect conventional oil to peak closer to the middle than to the beginning of the 21st century.”

Recently, however, high-level government and industry reports have begun to suggest that the peak-oil theorists were far closer to the grim reality of global oil availability than industry analysts were willing to admit. Industry optimism regarding long-term energy supply prospects, these official reports indicate, has now given way to a deep-seated pessimism, even in the biggest of Big Oil corporate headquarters.

[Kuwait to start producing natural gas in December](#)

Oil-rich Kuwait will begin producing free natural gas for the first time ever in December, but it will be for local consumption only, a senior official told the Kuwait News Agency on Sunday.

[Iraqi Kurdish leader defends oil deals](#)

Iraq's Kurdish regional government on Sunday defended its adoption of an energy law and the clinching of global deals, saying the moves were aimed at making oil "work for the people of Iraq."

[Permian Basin's oil and gas riches nearly went unharvested](#)

The United States draws approximately a quarter of its daily domestic oil production

from the Permian Basin.

But this major source of crude was nearly overlooked.

"If you start with 1918-1920, the best-informed geologists really didn't think there was anything here," said Dr. Diana Hinton, J. Conrad Dunagan chairwoman in Business and Regional History and professor of history at the University of Texas of the Permian Basin. "There had been some experimenting earlier around Toyah where they got some small amounts of oil. Then Spindletop came and why bother with small amounts when you had Spindletop?"

[Oil prices barrel ahead toward 100 dollars: analysts](#)

Oil traders appear to have cast aside concerns that high prices will lead to a global recession, and some analysts say the Organization of the Petroleum Exporting Countries has done little to bring prices down.

"It seems like the world is willing to pay more money for oil, it does not seem like it is slowing down growth," Tsocanos said. "OPEC does not have really a lot of capacities and so they could not increase production if they wanted to."

[Of doomers, realists, powerdowners and fantasists](#)

Reverend Norton says that what he is not persuaded of is "that human civilisation is about to come to an abrupt end." Neither am I. I have argued elsewhere, however, that it is much more logical for one's plan for the future at least to entertain that possibility. I will not repeat those arguments here. I simply would like to make the point that we realists (Oh fine, "we doomers") think what we do because of our logical analysis of the facts, not because we like bombs, hurricanes, or death, or because we have a problem with the police, the Man, or whatever status quo. To imply otherwise, especially when one admits to hope (a synonym for "wishcasting" if ever there were one), is vaguely offensive, though I hardly think the Reverend Norton meant it that way.

[Garrison Keillor: Finding St. Paul on the road](#)

Those of us brought up on the Bible remember the parable of the rich man in hell and the beggar Lazarus in paradise, and yet we still do enjoy fine restaurants and four-star hotels -- though we see flames licking at the windows -- because it takes a hardscrabble upbringing to truly appreciate the home beautiful, the exquisite salad, the bison rib-eye in mushroom sauce, the braised tomatoes. As Emily Dickinson said, "To comprehend a nectar requires sorest need."

More than hotels and restaurants, I love the Sunday real estate ads, my favorite pornography -- the big frame house overlooking Puget Sound, the penthouse at 72nd and Broadway, the beach cottage on Antigua, the stone house on the Isle of Harris -- I

look at them and imagine how happy at last I would be, if I could only take one more leap.

[ASPO Newsletter, October 2007 \(PDF\)](#)

- 867. Polar Oil
- 868. Peak Oil hits a political manifesto
- 869. Peak Oil and Geology
- 870. Discovery in 2006
- 871. Oil Price and Financial Chaos
- 872. World Energy Council reports Peak Oil
- 873. 6th International ASPO Conference
- 874. Two New Books
- 875. Conflict in Myanmar
- 876. IEA Medium Term Oil Market Report

[Fuel rationing saves Iran \\$1bn](#)

Iran said on Saturday it had saved \$1 billion in the first hundred days since the world's fourth largest oil producer began rationing gasoline for drivers, the official Iranian news agency IRNA reported.

[China's net oil imports up 18 percent](#)

China's net imports of crude oil rose 18.1 percent in the first eight months of the year as the booming country's voracious energy demands continued to grow, state media reported on Sunday.

[Energy Investments in the Middle East Fall Due to Rising Costs and the Capital Markets Crisis](#)

"Despite higher capital budgets, MENA energy investments appear to be losing momentum." This new and important conclusion has been reached by Apicorp, which was established by members of the Organization of Arab Petroleum Exporting Countries (OAPEC) in 1975 in Saudi Arabia, and appears in Apicorp's most recent monthly economic bulletin.

[Iraq To Seek Term Contracts To Sell Kirkuk Crude](#)

Iraq is planning to ask international oil companies to buy its crude oil produced from its Kirkuk northern oil fields through term contracts rather than the current auction

system, the country's Oil Minister said Friday.

[Clinton Says She Would Shield Science From Politics](#)

In a stinging critique of Bush administration science policy, Senator Hillary Rodham Clinton of New York said yesterday that if she were elected president she would require agency directors to show they were protecting science research from “political pressure” and that she would lift federal limits on stem cell research.

[Wallace Stegner and Big Oil Oil drillers in Dhahran, Saudi Arabia, circa 1939](#) - review of Wallace Stegner's *Discovery!*

Even when Stegner wrote it in the mid-1950s, it was clear that, as he says on the final pages of his book, "the American involvement in Middle Eastern economic, cultural, and political life . . . would grow deeper, more complicated, and more sobering. Not inconceivably, this thing they all thought of as 'progress' and 'development' would blow them all up, and their world with it."

[Sleepwalking into danger](#)

But what if we faced a problem which is even more widespread and insidious, but for which we had much less data? What if the predictive tools that we had, like the data, were partial and flawed? What if we kept producing grandiose environmental policy goals that were impossible to achieve and programs that were doomed to failure? What if investment programs designed to fix the problem had misconceived goals and, anyway, produced very few demonstrable outcomes because we have no adequate performance measures? What if, in lieu of outcomes, we merely measured progress by money spent and anecdotal evidence? What if market based instruments were problematical? Well, yes, we do face such a problem. It is the destruction of the fabric of the global biosphere caused by the impact of the growing human population.

['Water is running out'](#)

Water isn't the only endangered resource. Forests were chopped down long ago, and the roots were dug up for firewood. Thousands of displaced families are living atop prime agricultural land, preventing farmers from growing food.

As the Darfur conflict approaches its fifth year, the environmental strain of the world's largest displacement crisis is quickly depleting western Sudan's already-scarce natural resources. Experts say the situation is exacerbating chronic shortages of land and water that contributed to the fighting in the first place.

[Hot wheels: Economy cars in vogue](#)

With high gas prices, Shear says, the kind of older Escorts, Neons, Accords, Saturns, Sunfires, Cavaliers and Camrys he buys and sells are among the hottest things on wheels.

“My most frequent customers now are looking for fuel-economy cars,” he says. “When gas hit three bucks, people started really thinking about mileage.”

[Sri Lanka: Sharp drop in bread consumption following price hike](#)

Bread consumption has dropped sharply following the increase in wheat flour prices, market sources said. The drop in demand is clearly seen in rural areas and traders and bakery owners said that the sale of bread has declined by nearly 50%.

[When it's metal, even scrap is precious](#)

The high prices have paid off for legitimate junk peddlers but have contributed to an increase in copper and metal theft. In the South Sound, thieves have stolen wiring from local parks, sports fields and construction sites, and even pilfered a copper gong from a Federal Way yoga studio. The rash of crime led 20 states, including Washington, to pass laws this year aimed at cracking down on shady scrap-metal sales, according to stateline.org.

[Frito-Lay 'Flips Switch' on Solar Power at Phoenix Facility](#)

Frito-Lay employees dedicated the new solar electric power system that has been installed on the roof of their Arizona Service Center, the company's largest distribution center in the country. The 201-kilowatt system, made up of more than 1,000 Kyocera high output 200-watt photovoltaic (PV) modules, is the largest business-owned PV system in Arizona. The system will produce roughly 350,000 kilowatt hours of electricity annually.

[Region not warmed up to solar](#)

Ohio and Kentucky have lagged behind California and other Sun Belt states, where solar power is far more common. And for years, the Cincinnati area has been less interested in solar energy than the rest of Ohio - fewer than 1 percent of households here use solar energy, according to state reports.

But that's starting to change.

[Fuming over city gas prices](#)

Reported gas price differentials of nearly 20 cents per gallon have many locals fuming, questioning why recent history has shifted and Columbus has become more expensive than surrounding communities.

[Businessman miles ahead of taxman on green initiatives](#)

For example, we tax incomes, profits, sales, payrolls and savings — which suppresses jobs, savings, new investment and business formation. The tax system encourages everyone to cheat, and it is ferociously inefficient. The cost of accounting, administration, paperwork and waste may amount to 65 cents for every dollar collected.

But, says Hawken, look what would happen if we shifted our focus to products and processes, and placed heavy taxes on pollution, waste, energy consumption and the use of non-renewable resources. Instead of taxing things we value, like initiative and entrepreneurship, we would be taxing things we wanted to discourage. The tax would induce people and companies to make environmentally sound choices.

[Global Warming, Western Ranching, and the Bovine Curtain](#)

In the summer 2007 report, *Livestock's Long Shadow*, UN researchers concluded that livestock production is one of the ... most significant contributors to the most serious environmental problems, at every scale from local to global." According to the UN, livestock contributes to "problems of land degradation, climate change and air pollution, water shortage and water pollution, and loss of biodiversity." But few environmental groups mention this report or its findings, particularly if they are located in the cowboy West behind the Bovine Curtain. They would have to admit that the findings conclusions apply equally as well to the western U.S.

[The last green taboo: engineering the planet](#)

"Geo-engineering" sounds like a bland and technical term but it is actually a Messianic movement to save the world from global warming, through dust and iron and thousands of tiny mirrors in space. It is also the last green taboo.

[Grim Outlook for Polar Bears](#)

Two biologists who measure field time with polar bears in decades sat in a federal building here, envisioning two possible fates for this denizen of ice in a warming world — and neither future looked bright.

[Melting ice pack displaces Alaska walrus](#)

Thousands of walrus have appeared on Alaska's northwest coast in what conservationists are calling a dramatic consequence of global warming melting the Arctic sea ice.

Alaska's walrus, especially breeding females, in summer and fall are usually found on the Arctic ice pack. But the lowest summer ice cap on record put sea ice far north of the outer continental shelf, the shallow, life-rich shelf of ocean bottom in the Bering and Chukchi seas.



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