



## DrumBeat: October 9, 2007

Posted by [Leanan](#) on October 9, 2007 - 8:57am

Topic: [Miscellaneous](#)

### [Japan refiners pay for Iran oil with yen](#)

Japanese oil refiners Cosmo Oil Co. and Japan Energy Corp. have started paying Iran for crude oil imports in yen instead of dollars, company spokesmen said Tuesday.

Iran has been trying to persuade Asian buyers to make payments in non-U.S. currencies to reduce its U.S. dollar holdings, a move that is seen as a response to the dollar's recent weakness and to pressure from Washington to limit Iran's dealings with the U.S. financial system.

### [How global warming will save us from peak oil](#)

The best reason yet not to be worried about global warming: A more pleasant climate in the Arctic will make it easier for oil and gas companies to extract resources in the formerly harsh north.

That is the most delightful nugget to be mined from a front-page article in Tuesday's New York Times by Jad Mouawad, "A Quest for Energy in the Globe's Remote Places." Here is a reporter for whom the glass is always half full, of fossil fuel.

### [CLIMATE CHANGE: Entire Landscapes on the Move](#)

The hot breath of global warming has now touched some of the coldest northern regions of world, turning the frozen landscape into mush as temperatures soar 15 degrees C. above normal.

Entire hillsides, sometimes more than a kilometre long, simply let go and slid like a vast green carpet into valleys and rivers on Melville Island in Canada's northwest Arctic region of Nunavut this summer, says Scott Lamoureux of Queens University in Canada and leader of one the of International Polar Year projects.

"The entire landscape is on the move, it was very difficult to find any slopes that were unaltered," said Lamoureux, who led a scientific expedition to the remote and uninhabited island.

The topography and ecology of Melville Island is rapidly being rearranged by climate change.

"Every day it looked different," he told IPS. "This is a permanent change."

### [Why did Big Oil cave on Hebron?](#)

Clearly, the oil companies, all multinationals, were motivated by the global picture, which has changed a lot in the past 16 months. Mr. Williams's demand for an equity stake -- so small it's a token that gives the province little say over corporate decisions and for which he is paying cash at the market's going price -- is small potatoes next to the nationalization or even expropriation of oil assets that has picked up steam in Venezuela, Ecuador, Russia and now Kazakhstan.

### [Canadian Natural May Cancel Some Oil-Sands Projects](#)

Canadian Natural Resources Ltd., the largest heavy-oil producer in Alberta, said it may cancel oil- sands projects worth as much as C\$7 billion (\$7.08 billion) if the government boosts royalties.

### [Peak Oil questions answered in Houston](#)

Andrews and Baldauf say the Conference will present new findings based on recent research conducted by several of the international experts participating in the conference.

"We'll share the hard facts about the Peak Oil issue as our lineup of experts sees them," Andrews said. "And those facts are sobering."

### [Consider the Costa lack of buses](#)

We'll get public transport because we'll have to. There will be no choice. Sydney, like every other major city, is in a pincer movement whose upper jaw is climate change and whose lower, crushing-and-grinding mandible is peak oil.

Peak oil is the idea not that oil will run out, but that its production will start to decline. Most of us, faced with this possibility, have two immediate but conflicting responses. One is, "I'd better stop driving, now. (And can I grow my own food?)" The other is, "Perhaps I'd better travel everywhere now since there may be no such thing in the future."

### [Astoria couple throws out lifeboat of ideas to save energy, resources](#)

For Black and Paddon, their October Green Fest is a "test" of the homestead they've developed, "a time to check and see how we're doing," according to the couple, who began the nonprofit Titanic Lifeboat Academy in 2005 for education and research on issues related to peak oil - the uppermost point before global oil production descends into terminal decline. They also hoped their home could become a sort of demonstration center for sustainable lifestyles, systems and technologies.

### [Brits get hot under the collar about heating bills](#)

Moneysupermarket.com has published new research which reveals that the subject of heating the home often leads to arguments between couples, with cost of bills often the underlying cause.

### [Steep Price Hikes in Fuel Raises Inflationary Pressures in Greece](#)

Recent steep price increases in wheat, animal feed and fuel oils have created an explosive inflation mix, giving rise to concern on the extent of its future impact on the typical household's weekly shopping list.

### [Utah Deputies Told to Watch Mileage](#)

High gas prices are forcing deputies in Utah's third-largest county to watch the odometer.

Officers in Davis County have been told to limit their driving to 75 to 100 miles during a 12-hour shift, through the end of the year, sheriff's Lt. Brad Wilcox said Monday.

Wilcox said the sheriff's department spends more than \$25,000 a month on gas. "Our fuel costs are way over budget," he said. "We had a couple months where fuel prices were through the roof."

### [Home heating bills on the rise](#)

No matter how you heat your house, this year will cost you more than last, according to a government report Tuesday.

### [Bulging Grocery Bills Fed By Global Forces](#)

The forces behind the rise in food prices - China's economic boom, a growing biofuels industry and a weak U.S. dollar - are global and not letting up anytime soon. Grocery

receipts are bulging because the raw ingredients, packaging and fuel that go into the price of foodstuffs cost more than they have in decades.

### [Rising gas prices force florists to charge more to stay in business](#)

To stay profitable, florists have been forced to charge higher fees for delivery. The same goes for eateries that offer delivery, such as pizza restaurants.

### [UK: Poor 'pay more' for energy](#)

Poorer householders are being charged more for their energy via prepayment meters, a trade body has said.

### [City's Boom May Falter Over Costs](#)

New York City's building boom may be brought to a halt by something more mundane than monetary policy or global financial disruptions — it could be as simple as copper, diesel, and steel.

By the end of next year, the Producer Price Index for construction inputs — the price of materials that are used in a construction project plus the cost of diesel fuel — will rise by as much as 8% and continue to do so indefinitely, according to a report released yesterday by the Associated General Contractors of America. This is a drastic change from the previous 12 months, which saw construction inputs inch up just 1.6% for the year ending in August.

### [UK: Carmakers struggle to balance safety and emissions](#)

The drive to create safer cars has pushed the industry towards making larger, heavier and less aerodynamic vehicles.

"For carmakers, it is proving increasingly difficult to balance these objectives - the need to reduce emissions, improve safety, give customers the comfort features they demand, keep prices down - and all within the constraints of a competitive auto sector," according to the SMMT's report, The Evolution of the Car.

### [Currency caps Qantas fuel bill](#)

THE high dollar is helping Qantas deal with a sharp rise in oil prices and has meant the cost of jet fuel in Australian dollars has changed little since May.

### [Documenting ravages of big oil](#)

Imagine one of the most bio-diverse places on earth where there are more tree species than in all of North America. A place named a UNESCO Biosphere Reserve because of its variety of insects, birds, orchids, trees and animals. A place where a people called the Huaorani have lived in harmony with their environment for thousands of years.

The name of this place is Yasuni National Park, in Ecuador's Amazon. Unfortunately, right under the bare feet of the Huaorani is an estimated billion barrels of oil. With crude at \$80 a barrel and climbing, a potential jackpot of about \$80 billion has drawn the interest of oil companies from around the world.

### [Kazakhstan maps demands for Eni oil talks next week](#)

Kazakhstan has mapped out a set of demands for an Eni-led consortium developing the huge Kashagan oilfield and will start talks on them next week, its energy minister said on Tuesday.

### [Risk no longer a dirty word for Shell oil traders](#)

Royal Dutch Shell's high-profile buying spree of Asia's benchmark crudes last month is the clearest signal yet that the major has rediscovered its appetite for trading risk after a five-year hiatus.

Shell hoovered up over 10 million barrels of Dubai and Oman crude, the main benchmarks for Asian refiners, in what appeared to be the market's biggest leveraged trading play in years, drawing flak from Asian refiners still haunted by past squeezes.

### [Petrobras Close to Purchasing ExxonMobil Refinery in Japan](#)

Brazilian state oil company Petrobras has reached the final phase of talks regarding the purchase of a controlling stake in a 100,000 b/d refinery in Okinawa, Japan.

Petrobras has been said to be seeking to expand its assets in the U.S., Asia and Europe.

### [BHP's troubled Atlantis field pumps first oil](#)

OIL has finally started to flow from BHP Billiton's giant Atlantis oilfield in the deepwater Gulf of Mexico - one of the company's most important sources of future earnings and production growth - after a string of delays and cost increases.

### [Kiev agrees debt repayment terms with Gazprom](#)

Gazprom and Ukraine are to sign a deal today spelling out exact terms for repaying \$1.3bn (€910m, £640m) in natural gas arrears owed by Kiev, the Russian state-run gas group said, potentially resolving a standoff that has raised fears of shortfalls in gas supplies to Europe.

### [Midwest utility in \\$4.6B acid rain settlement](#)

Settling an eight-year legal battle, a major power generator has agreed to spend \$4.6 billion to reduce chemical emissions blamed for spreading acid rain across the Northeast.

### [A mad dash to influence Pa. energy plans](#)

For months, lobbyists for everyone from small-town Pennsylvania farmers to multibillion-dollar oil companies have swarmed the Capitol, jockeying for the best seat at the table to exert influence on Gov. Rendell's alternative energy legislation.

Some are spending hundreds of thousands of dollars on lobbying to make sure they are heard.

### [New Zealand: Biofuel change ensures food not taken from hungry](#)

The Green Party has negotiated a very important amendment to the Biofuel Bill tabled in Parliament today to ensure production of the fuel does not impact food supply and the environment.

### [George Monbiot: In this age of diamond saucepans, only a recession makes sense](#)

Economic growth is a political sedative, snuffing out protest as it drives inequality. It is time we gave it up.

### [Expert claims NZ too dependent on oil](#) (video)

New Zealand's dependence on oil has come under criticism from an American oil expert who says New Zealand is among the worst in the world.

American oil commentator Richard Heinberg says that is too much and he is lobbying the Government to take action.

### [Zambians ration fuel as refinery closure prolonged](#)

Zambia is rationing fuel following a shortage caused by the closure of its sole oil refinery, with long queues of motorists becoming a common feature amid panic buying across the country, officials said on Tuesday.

Zambia shut down its Indeni Oil Refinery on September 1 for 25 days due to crude shortages, energy officials said at the time.

### [Kenya: Oil Shortage? We Are Not to Blame, Says KRA](#)

Under the programme, marketers were supposed to declare stocks that were accessible to them in the Kenya Pipeline system two months ago. They were also required to reconcile volumes that were being lifted against what had been paid for and released before September 1.

KRA said failure by the marketers to implement these steps was the main cause of the impending shortage that has already started being felt in some areas.

### [Paraguay Transportation Out of Gas](#)

Paraguay's Department of Public Transportation (SETAMA) announced semiparalization of operations on Monday due to a lack of fuel in the country.

SETAMA Director Julio Davalos warned that in the last 15 days, transportation firms have had just 50 percent of the gas oil needed and so service will be dramatically affected if they fail to receive fuel by the end of the day.

He lamented that State Oil (PETROPAR) failed to notify authorities of the looming shortage so that a more rational use of fuel could have been implemented.

### [Truckers waiting for shipment of diesel fuel in eastern North Dakota](#)

It's first come, first serve. That's why Wayne Pudil has his tanker truck parked in front of the Magellan pipeline terminal in West Fargo.

The Grand Forks trucker is waiting for a shipment of diesel fuel expected to arrive sometime tonight or early tomorrow.

### [Diesel fuel added to NDSU FeedList](#)

The North Dakota State University Extension Service has updated its FeedList Web site to include a listing of producers needing diesel fuel and producers with extra diesel fuel to sell.

This is in response to a temporary diesel shortage in some areas of North Dakota.

### [Stagflation–Proof Yourself with Agriculture, Part II](#)

Which leads to what may be the most compelling evidence behind this agriculture story: weather. Or the lack thereof.

Aside from wheat in recent weeks, as mentioned above, this is perhaps the first time in modern history when the steady rise in agricultural prices has not been due to weather—a crop freeze, drought, flood, etc.—which is what has always been the driver of past price spikes in soft commodities. No, this rise has been slow and steady, the result of all the demand-side pressures listed above, which means agriculture may be in the early stages of a bull market that ends up looking a lot like the ones other raw materials have witnessed in recent years.

### [Corn ethanol is not alternative fuel](#)

Chevrolet has been advertising its new “ethanol-powered cars,” and according to its Web site: “E85 ethanol fuel is a cleaner — burning mostly renewable fuel source made from mostly U.S. — grown biomaterial, such as corn or other grain products. It helps reduce greenhouse gases and can enhance the nation’s economy and energy independence.”

What Chevrolet and other automakers have overlooked is that the transition to corn from fossil fuels is not an economic or environmental decision but a political one.

### [Obama Proposes Deep Greenhouse Gas Cuts](#)

Democrat Barack Obama is calling for sharply reducing U.S. greenhouse gas emissions and forcing power companies and other businesses to pay for all of their pollution.

### [Shell to work on Deer Park, Texas, coker compressor](#)

The maintenance is taking place now as the next scheduled unit shutdown is not until 2012, it said. It gave no details on the impact to operations or production rates.



### [Aramco adds new price for Mediterranean refineries to ensure parity](#)

The world's largest oil exporter, Saudi Arabia, has begun issuing a new price for sales to Mediterranean refiners as it seeks to standardise prices to both north and south Europe, a Saudi Aramco source said yesterday.

### [Oil to soar above \\$90 next year says expert](#)

Oil prices will soar above \$90 per barrel next year, a Bahraini economist has predicted.

Bahrain Economic Society senior economist Mohammed Habib Ali told the GDN that a combination of the growth of economies such as China and India, continuing global population increases and rising consumption within top oil-producing nations will push the price of crude to record levels next year.

He also said it was time GCC countries used their high surpluses to fund renewable energy projects and begin moves to end fuel subsidies in the region.

"Oil will reach above \$90 next year and the problem is not politics or economics as much as it is geology," he said.

### [Inconvenient Truths](#)

I'd like to spend a few minutes on a topic that Jim frequently covers on his radio program – Peak Oil. It bears mentioning – over-and-over – because too many folks are still caught up in the notion that Peak Oil is something “we all” don't have to worry about in the here-and-now.

Nothing could be further from the truth.

Let's stop and consider just how wrong the 'don't worry be happy crowd' have been where the current / observable oil market situation is concerned – shall we...

### [Qatar says oil prices should top 100 dollars](#)

Qatar's energy minister said crude oil prices, which have surged recently to record levels above 80 dollars a barrel, should be more than 100 dollars.

"If we take into account inflation from 1972 to the present day, the real and fair price for oil should be more than 100 dollars," Abdullah bin Hamad Al-Attayah said in remarks aired by Al-Jazeera television on Tuesday.

### [An Interview with Richard Nehring](#)

Richard Nehring, an expert on U.S. and world oil reserves, chaired the Hedberg Conference, which received much attention at the recent ASPO-6 conference. Nehring has been a critical observer of peak oil theory, and has been following discussion at The Oil Drum. He comments: "The main difference between the imminent peakists and the delayed peakists is our view of recovery growth. But growing net production additions is hard."

### [Foreign Oil Companies Skip Meeting with Ecuador Government](#)

Foreign oil companies Monday skipped a meeting with the Ecuadorean government, which was supposed to kick off negotiations over new contracts.

Ecuador's oil minister, Galo Chiriboga, said he assumed the oil executives were still consulting with parent companies in their home countries.

### [Ecuador Govt Aims to Rejoin OPEC This Month](#)

Ecuador's government aims to rejoin the Organization of Petroleum Exporting Countries this month, the country's oil minister, Galo Chiriboga, said Monday.

"We are finishing up administrative, financial and technical aspects but we aim to rejoin OPEC this month," Chiriboga told reporters.

### [One-third of Venezuela's Estimated Oil Reserves Confirmed](#)

Venezuela on Sunday raised to 100 billion barrels its proven petroleum reserves, out of the more than 300 billion barrels estimated to exist under its land and maritime territory.

The new total was achieved after the latest partial certification of 12.4 billion more barrels in the Orinoco Petroleum Belt in the central portion of the country, the Menpet energy and petroleum ministry announced in a communique.

### [Is Big Oil Losing The Race For Iraq?](#)

If the war in Iraq was fought on behalf of major international oil companies, consider it lost. The race to gain access to the grand prize of Iraq's vast energy reserves is actually being won by small risk-takers willing to carve out a profit at great risk, while the majors wait for firm legislation and improved security that may never come.

## [Treasures Fueled by Petrodollars From Mideast Funds](#)

The biggest quarterly rally for U.S. government securities in five years is getting an extraordinary boost from the burgeoning reinvestment of petrodollars by the Organization of Petroleum Exporting Countries.

## [FTSE ET50- a new clean technology index 09.10.07](#)

With investment in clean technology passing \$1.1 billion in the first six months of 2007 the clean technology sector is one of the hottest industry sectors for investors. Following the spectacular crash of Bio Fuels Corporation share price, and its subsequent delisting from AIM in August the sector has been compared to the .com bubble era. However unlike the wilder .com years there are strong underlying factors- such as increased energy prices, peak oil, and climate change motivated legislation that clearly show that while not all the present players may survive the market is set for sustained growth into the future.

## [Is Australia's auto industry imperilled by ignoring climate change and peak oil?](#)

The fact that Australian-made vehicles continue to lose market share locally came as no surprise to me. My proposition today is that the auto industry in Australia has, with a few exceptions, ignored the threats of climate change and peak oil, and I see no end in sight to this myopia.

## [Stop your sobbing - Doomsayers like Al Gore and Jared Diamond aren't doing the environment much good. To save the earth, we need to stop blaming and start celebrating ourselves.](#)

Grounded in a tradition of eco-tragedy begun by Carson and motivated by the lack of progress on the ecological crisis, environmental writers have produced a flood of high-profile books that take the tragic narrative of humankind's fall from Nature to new heights: Sir Martin Rees's 2003 "Our Final Hour," Richard Posner's 2004 "Catastrophe," Paul and Anne Ehrlich's 2004 "One with Nineveh," James Kunstler's 2005 "The Long Emergency," James Lovelock's 2006 "The Revenge of Gaia," and Al Gore's 2006 "An Inconvenient Truth," to name just a few.

For the most part, these environmentalist cautionary tales have had the opposite of their intended effect, provoking fatalism, conservatism, and survivalism among readers and the lay public, not the rational embrace of environmental policies. Constantly surprised and angered when people fail to behave as environmentalists would like them to, environment writers complain that the public is irrational, in denial, or just plain foolish. They presume that the failure of the public to heed their warnings says something meaningful about human nature itself, attributing humanity's disregard for Nature to desires like the lust for power and concluding that, in the end, we are all little more than reactive apes, insufficiently evolved to take the long view and understand the complexity and interconnectedness of the natural systems on which we depend.

### [Ethanol isn't sole food price culprit](#)

The cost of food spiked right on cue last year when economists warned that the country's thirst for ethanol would drive up the cost of the grain used to feed livestock for meat, dairy and other foods.

But economists say it isn't all ethanol's fault, and warn that Americans have yet to feel the full force of the corn-based fuel additive on food prices.

### [Firms 'need clear climate policies'](#)

Fossil fuels are going to remain the main source of power in an increasingly energy-hungry world for decades to come, says James Smith in this week's Green Room. However, he urges governments to urgently provide policies to encourage investment in cleaner technologies.

### [Clean Coal May Not Be Viable Until 2025, CLP Says](#)

Clean coal technology, involving trapping carbon in waste gases from coal-fired power plants and disposing it underground, may not be commercially viable until 2025, CLP Holdings Ltd.'s Australian unit said.

### [Carbon-heavy growth 'suicide' for India, says climate expert](#)

High incomes and high carbon dioxide emissions go hand-in-hand all over the world, but the head of the globe's top scientific body on climate change says India can be different.

### [Expert studies climate change in Arctic](#)

Climate change may make Arctic energy resources easier to reach but it could also make them harder to exploit because of changes to sea ice, a U.S. scientist said ahead of an international oil and ice conference in Alaska.

### [Scientist: Greenhouse gas levels grave](#)

Strong worldwide economic growth has accelerated the level of greenhouse gas emissions in the atmosphere to a dangerous threshold scientists had not expected for another decade, according to a leading Australian climate change expert.

Scientist Tim Flannery told Australian Broadcasting Corp. that an upcoming report by the U.N. Intergovernmental Panel on Climate Change will contain new data showing that the level of climate-changing gases in the atmosphere has already reached critical levels.



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