



DrumBeat: October 20, 2007

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Topic: [Miscellaneous](#)

[New Theory Predicts Location Of Oil And Gas Reserves](#)

Earlier it was assumed that the formation of oil and gas was related to temperature. The new discovery is that temperature decides where most of the lighter oil and gas is trapped in the reservoirs.

...The fact that oil and gas coexist within the same temperature zone is a new discovery and a surprise. Gas is formed at higher temperatures than oil. Consequently it has been a standard rule that there should be more gas than oil the deeper one drilled into the reservoir. The reason why this is not the case is covered by the new theory which predicts that both oil and gas escape through fissures formed at 120 C.

[The Globalization of Hunger](#)

At first, the numbers don't seem to add up. The world produces more food than ever —enough to feed twice the global population. Yet, more people than ever suffer from hunger; and their numbers are rising. Today, 854 million people, most of them women and girls, are chronically hungry, up from 800 million in 1996. Another paradox: the majority of the world's hungry people live in rural areas, where nearly all food is grown.

[Oil A Familiar Risk To Economy, Even At \\$100](#)

Crude oil futures have set their sights on the \$100 mark, raising concerns that the inexorable rise of energy prices will do significant damage to an economy already struggling with a prolonged housing slump.

But a look back in history should provide worriers with some comfort: not only is the economy far more energy efficient than it used to be, but also the inflation-fighting credibility of the Federal Reserve since the days of Paul Volcker should help keep the ultimate cost to the economy under control.

[Global Sourcing: Is It Really Worth It?](#)

"Is global sourcing really worth it?"

For a variety of reasons, executives at many companies are reconsidering whether or not they should be buying products from international sources. Companies are facing higher than expected costs of materials and labor, a declining U.S. dollar and rising fuel prices, while some are experiencing the persistent quality issues that we continue to read about in today's headlines.

[G7 MEETING: Buba's Weber says oil price rise not likely to continue](#)

Bundesbank president Axel Weber said he does not expect the latest rise in oil prices to continue.

'The latest swings in prices should not be regarded as permanent,' said Weber on the sidelines of the G7 finance ministers' and central bankers' meeting here.

[Is \\$90 Oil Good for Greentech?](#)

Oil-price highs have spurred interest in alternative-energy technologies. But could these new spikes be bad for business?

[FACTBOX: Why oil prices are at a record high](#)

While previous price spikes have been triggered by supply disruptions, demand from top consumers the United States and China is a main driver of the current rally.

[UAE consumers in shock as oil hits \\$90 a barrel](#)

"It's surprising, the market has its own mind," Kate Dourian, editor of energy information service provider Platts Middle East, told Gulf News.

"It looks like the demand projections were not in tune to the market reality; 500,000 barrel increase by Opec members have not filtered in to the market yet."

The news comes to the UAE consumers at a difficult time when they are faced with additional costs on house rents, school fees, higher prices of essentials - especially those imported from Europe and India.

[UAE: Do you see the tank half full?](#)

It isn't really a big deal that I have to pay in cash for petrol as stations won't accept credit cards any more. I have been doing so anyway since they decided to pass bank charges on credit cards to their poor customers last month. Even though the 1.65 per cent seemed pretty insignificant, it was the principle: I wouldn't be paying their bank fees even in return for convenience.

So far my only concern has been to remember to carry enough cash when the car won't make it to the next ATM on the road.

But reactions of many people to the petrol stations' recent announcement seem different and indicate more worries, which may be consistent with how they have been managing transportation costs.

[Tokyo taxi fares to surpass ¥700 line to cope with surging oil prices](#)

The government announced Friday a 7.2 percent hike in Tokyo taxi fares from Dec. 3, increasing the upper limit of the drop fare for the first 2 km from ¥660 to ¥710, to improve drivers' working conditions and help taxi firms cope with surging fuel prices.

[Lebanon to allow price of oil to float if market rises further](#)

The Lebanese government cannot afford to subsidize the prices of oil and its derivatives if these rates exceed the local official threshold, Acting Energy Minister Mohammad Safadi said on Friday. "We are not making any revenues from the sale of gasoline and oil after the prices in the international markets reached [record] high levels," Safadi told *The Daily Star*.

[Thailand: Time to scrap price controls, says FTI](#)

The Commerce Ministry should scrap its price controls in order to allow goods prices to rise in line with actual costs, according to Santi Vilassakdanont, the chairman of the Federation of Thai Industries (FTI).

He said skyrocketing fuel prices were pushing up production costs in the overall industrial sector, especially for those that use petrochemical products such as the plastics and automotive industries.

[Tanzania: Subsidized fertilizer for Southern regions](#)

"Instead of distributing subsidized fertilizer in all parts of the country, we will give priority to the southern highlands regions since it is mostly used in those areas", he said.

Mr Lowassa was reacting to grievance raised by a resident of the area that the farm

input had become very expensive and inaccessible.

Mr Lowassa explained that the prices of fertilizers had gone up worldwide due to increased demand of the product by wealthy countries like US.

He said that America was using the product in cultivating maize and cassava not for consumption but for making alternative energy (organic fuel).

[Government money short to help poor pay heating bills](#)

About 30 million low-income American households who will need help paying heating bills this winter from a U.S. government program will be left in the cold because of a lack of funding for the program.

The poor, already digging deep to pay for expensive gasoline, also will face much higher heating fuel costs, especially if oil prices stay near record levels.

[Amazon rainforest fires "worst" in memory](#)

Scientists are concerned that continued burning in the Amazon could cause the world's largest rainforest to tip towards large-scale ecosystem change, whereby tropical forest is replaced by savanna.

"The threat of a 'permanent El Niño' is therefore to be taken very seriously," said Dr. Philip M. Fearnside of the National Institute for Research in the Amazon (INPA) in an interview with mongabay.com last year. "Disintegration of the Amazon forest, with release of the carbon stocks in the biomass and soil, would be a significant factor in pushing us into a runaway greenhouse."

[Dancing the Brazilian Samba: Ending Our Oil Dependence](#)

The first bitter fact is that in the-not-too-distant future (some analysts put it at between 40 and 60 years; that is, if not in our lifetime, certainly in our children's), all the world's oil reserves would run dry. There'll be no more oil left to meet the needs of a demanding world. And before that, in the approach to the end, when reserves would have started to dwindle, it is apparent that only the very big and powerful nations would have the wherewithal to get supplies. It is only when Sierra Leoneans accept this reality that we will start realizing the urgency of looking for alternative energy sources.

[Top 10 most fuel-efficient luxury SUVs](#)

All of the most fuel-efficient sport utility vehicles forsake their truck roots for car-like

qualities that not only improve fuel economy, but make for a better ride on the road. A lot of people, from automotive analysts to manufacturers to marketers, are pretty excited about the growth prospects of this new breed of SUV called the "crossover."

[Brazil plans to search for oil in remote Amazon, raising environmental concerns](#)

Plans to search for oil and natural gas in Brazil's remote western Amazon have raised concerns that one of the last untouched areas of the world's largest wilderness will be spoiled.

The National Petroleum Agency, or ANP, plans to invest \$36 million to look for oil and gas in Acre, an Amazon state bordering Bolivia, the government news agency Agencia Brasil said Saturday.

[Big Tractor, Green Hypocrisy](#)

So too, a tractor that burns only a gallon of fuel per acre, ethanol or regular, while steaming along tearing up the earth at the rate of a football field every two minutes, isn't telling the whole story. How much fuel was used mining and smelting and refining the steel used in that 570 hp behemoth? How much fuel used turning the steel into machined parts? How much fuel used transporting workers to and from the mines and the factories? How much fuel needed to heat the factories? To transport the tractor to its ultimate buyer? To transport the executives and advertisers on their worldwide rounds to publicize a heap of iron big enough to rip up a football field in two minutes? And don't forget to add in the airplane fuel used to fly them to meetings where they mostly play golf.

[Get ready for still-higher energy costs](#)

NEW YORK - Jim Ammons grumbles to himself every time he fills up his Ford Expedition, but he says gas prices would have to almost quadruple to \$10 a gallon before he'd ditch his SUV.

Still, paying \$55 to fill his 20 gallon tank isn't easy for the information specialist.

"This right here is catastrophic for a lot of families," Ammons, 54, said this week at a Houston Chevron station that was charging \$2.65 a gallon for regular unleaded. "A lot of them have to choose: Do I buy food, do I send my kids to school or do I fill up my tank."

[The End of Big Politics](#)

As award-winning environmental journalist Ross Gelbspan explained in his book *Boiling Point*, "[Emissions trading] assumes that nature will accommodate our economic

system. It will not. There is no way that a market-based system can accomplish a global transition to clean energy." But this isn't just one journalist saying so. Anyone who has heard NASA climatologist James Hansen's prediction that there is only a 10-year window to prevent cataclysmic climate change -- and you would have to assume Gore has heard the message because he based most of *An Inconvenient Truth* on the man's research -- must understand that nothing short of ending our fossil fuel dependence will have an effect. Yet, when Gore testified before Congress this past March, he touted the same cap-and-trade system.

[Is energy solution beneath our feet?](#)

THE nightmare of digging coal underground, suffered by generations of Welsh colliers, could soon be a thing of the past with Wales tipped to benefit from a new mining technology.

Experts claim underground coal gasification could create tens of thousands of jobs across Britain, particularly in coal-rich places like Wales.

[Energy Management Holds Promise During Peak Usage](#)

IN THE QUEST FOR alternative energy, ethanol is harvesting rewards and solar is having its day in the sun, but less light has been shed on an already viable solution to part of the nation's energy needs: "virtual power plants."

[North American infrastructure deficit rapidly growing](#)

On the one hand, established cities are grappling with aging infrastructure, while younger, faster growing cities have infrastructure that is aging as well as demand for new infrastructure that will help them compete as emerging centres.

In addition, Chamley believes climate change is beginning to add to the burden.

[The Phillipines: New company to build Cebu power plant](#)

Salcon Power Corp. and Kepco Philippines Corp. have formed a special purpose company that will construct and operate the 200-megawatt coal-fired power plant in Colon, Naga, Cebu.

[Synthetic fuels offer energy hope](#)

It is easy to see we could achieve oil independence for the United States in about 10

years if we push the production of synfuel, making it a sort of Manhattan Project. This is a good thing, but let us look beyond this worthy goal to an even greater long-term strategic security issue.

[The Philippines: Fuel prices go up for 5th time in 5 weeks](#)

As world oil prices hit a record \$90 a barrel, local oil firms on Saturday jacked up pump prices of gasoline, diesel, and kerosene by 50 centavos a liter and liquefied petroleum gas prices by 56 centavos a kilogram, inclusive of the 12-percent value-added tax.

[Thailand: Diesel prices set to rise again](#)

Sources said oil traders in Thailand are being forced to raise their prices by at least 40 satang per litre next week as they could no longer suffer losses. Most oil dealers wanted to increase prices but could not in the past because PTT, Thailand's largest fuel trader, maintained its prices, forcing other dealers to follow suit.

[Dominican Republic: Record world oil price sends Dominican fuel prices soaring](#)

Local fears that fuel prices would go through the ceiling as a result of the record international market price of US\$90 per barrel came true last night when the Ministry of Industry and Commerce raised the price of premium gas by RD\$8.60 per gallon and RD\$7.90 per gallon in the case of regular gasoline. Diesel is up by RD\$7.30 and LPG (propane) by 56 cents.

[Rising food prices put restaurants in a pickle](#)

Owners of local eateries are being battered by surging expenses, and they have few options: whisk the difference onto customers — making them blanch — or find a way to slice and dice other costs.

[Record Matson 26% fuel surcharge to hit clients](#)

Matson Navigation Co., the state's largest ocean shipper, is raising its fuel surcharge to a record 26 percent, a move bound to have an effect on Hawaii's already high consumer prices.

[Winglets could mean fuel savings, study finds](#)

The Air Force could reap some fuel-cost savings by adding winglets — vertical wing-tip additions — to mobility and tanker aircraft, according to a recent study.

Rising fuel prices, coupled with the high operations tempo for Air Force airlifters, have made Congress eager to find ways for the Air Force to save on fuel.

[Helium Demand Ballooning](#)

An international helium shortage, warned about for years, has become more evident recently, industry experts said, as rising global demands for the lighter-than-air, nonflammable gas mean short supplies for low-priority, consumer-level uses.

[Hundreds say World Bank needs an oil change](#)

More than 200 organisations from 56 countries are calling on the World Bank and other international financial institutions to end subsidies to the oil industry. In a statement released today, the groups refer to 'oil aid' as one of the most glaring barriers to fighting climate change and addressing energy access in developing countries.

[The meltdown of Greenland's way of life](#)

Studies show that Greenland is undergoing a rapid meltdown, one with severe consequences for global sea-level rise and the 56,000 people who live on the world's largest island. Scientists report that glaciers draining the ice cap are picking up speed, while Arctic sea ice shrank this summer to its smallest extent on record, defying computer models that suggested such changes would not occur for decades.

"Arctic sea ice looks like it's reached the tipping point," said Robert Bindshadler, a polar ice expert at NASA's Goddard Space Flight Center in Greenbelt, Md. "The suddenness of these changes we've seen in the Arctic over the past five years have really startled us, and we've been struggling to understand what is going on."

[G7 MEETING France's Lagarde says G7 wants OPEC to increase output](#)

French Finance Minister Christine Lagarde said the G7 would like OPEC oil producing countries to increase output to meet rising demand.

'We can only reiterate what the International Energy Agency said when it suggested a significant increase in output,' Lagarde said at a news conference at the end of the G7 meeting here.

[Reserves, know-how key to next oil round](#)

Foreign companies wishing to take part in Algeria's next oil and gas exploration licensing round must offer access to reserves and technology to qualify, Energy and Mines Minister Chakib Khelil said.

The stipulation about reserves, a novel requirement for firms competing in an exploration tender in Algeria, is in line with the Opec member country's ambition to boost its growing international upstream role.

[Crude Price to Rise Until Early 2008, Algeria Oil Minister Says](#)

Crude oil prices, which reached \$90 a barrel in New York for the first time yesterday, are likely to rise until early 2008, Algerian Oil Minister Chakib Khelil said.

[Chevron Supports Peaceful Resolution in Myanmar](#)

Chevron supports the calls for a peaceful resolution to the current situation in Myanmar in a manner that respects the human rights of the people of Myanmar.

[Texas town lures industry, at a cost](#)

PORT ARTHUR, Texas - There is a quiet battle for the future of this industrial town, one of America's most polluted places.

[Investigation continues into gas leak alert at refinery](#)

INVESTIGATIONS were continuing today after a gas leak at one of Hampshire's biggest industrial sites resulted in thousands of residents being told to stay indoors.

[Refinery leaking propane](#)

A 20-million gallon propane storage pit at the Valero refinery near Delaware City has been leaking continuously since at least 2004, state regulators said Friday.

Environmental officials said they have not determined the size of the leaks, which have not been stopped. But officials are concerned that huge amounts of the volatile gas may have been released over time.

[Shell Gas Plant In Nigeria Shut Again After 2nd Fire In Week](#)

The second pipeline fire in a week has forced the closing of the Utorogu Gas Plant

operated by Shell Petroleum Development Company in southern Nigeria, one day after the plant reopened, the company said.

[Tank catches fire at Anacortes refinery](#)

Just after noon today, a the tank holding some 2.4 million gallons of diesel caught fire at the Shell Puget Sound Refinery in Anacortes.

[Why China Can Withstand \\$90 a Barrel Oil - And Higher](#)

The rest of the world is wincing as crude oil prices surge past \$90 a barrel, yet China - the world's second-largest oil consumer - appears set to continue sucking up oil at ever higher prices.

What's it got that the rest haven't?

Experts say the country's not entirely immune but that a timely combination of extremely robust finances, strong political incentive to uphold costly fuel subsidies, and less exposure to world oil price fluctuations than many realize is what's keeping Chinese oil demand seemingly insatiable.

[\\$90 pb crude not good enough](#)

The caretaker oil minister and managing director of the National Iranian Oil Company (NIOC), Gholam-Hossein Nozari, noted that, in terms of purchasing power, today's 90-dollars-a-barrel oil is not stronger than the crude prices of \$47 barrel in 2002.

[Real Reasons for \\$88 a Barrel](#)

The finger-pointing at unrest here and a worker strike there is just avoidance of the fact that oil is far more expensive than market fundamentals can support. (I do credit the analysts who are finally saying this, if not getting to the root of it.)

So what is this upward race about?

Start with speculative trading.

[PopTech: The World's Problems, as a Tag Cloud](#)

What is the biggest phenomenon today that will drive change tomorrow? The climate? Peak oil? Nuclear terrorism? Gay-marryin' spotted owls? It's just a tiny question that

Chris Luebke -- Director for Global Foresight and Innovation at the London-based engineering and design firm Arup -- would like to ask.

The voting booth is open for the next month. The tag cloud, like those uncanny Magic 8 balls, tells all.

Larry Hagman is a peak oiler: [A storied life](#)

In September, you and Ted Turner were keynote speakers at Solar Power 2007. I read that you own one of the largest personal solar installations in California, one that generates more electricity than you use in your home. Is your interest in solar energy business or environmentalism or both?

It may be the largest solar installation (of its kind) in the world. My interest is survival. Not that I'm going to live that long - I'm 76 years old. People just don't seem to realize that the end of oil is right next door. In about 15 years, you'll have to make a decision to eat or run the air conditioning. It will come to that. In 2004-2005, I paid \$37,000 in electricity for my farm, and in '05 to '06, I paid \$13. Initially, it cost \$750,000 to put in, but the electric company paid me \$310,000. So, it will pay for itself in five or six years. (Then, Hagman recommended reading the book "The Long Emergency: Surviving the End of Oil," by James Howard Kunstler.

[Bolivia Aims to Double Gas Output but Private Spending Uncertain](#)

Bolivia wants to double its natural gas output in five years, its hydrocarbons minister said Friday.

Yet, it is still unclear where the necessary investment in new exploration and production to meet that goal would come from.

[Heating Up: The Energy Debate, October 2 and 3, 2007](#)

The 43rd annual Nobel Conference, "Heating Up: The Energy Debate," which drew more than 6,000 people to Gustavus Adolphus College Oct. 2-3, is now available online in audio and video format. The conference's seven lectures, which discussed an array of issues including global warming, climate change, peak oil, biofuels, and greenhouse gas emissions can be viewed by going online to www.gustavus.edu/nobelconference.

Ken Deffeyes and Jim Hansen were among the speakers.

[Peak Oil Passnotes: \\$100, Here We Come!](#)

Who would have thought it? Oil at \$9 per barrel. You could never have imagined the price would fall so low.

But just nine years ago in 1998, that is exactly where oil was: \$9 per barrel. It is now trading at around 10 times that amount, and all bets are off as to where it will end up. We have had two quarters of draw-downs in stockpiles in the U.S. and around the globe. What is worse, there are no signs of any builds in crude stocks for the next four to five months. That is what the market is betting on, at least.

[Global Oil Output Has Already Peaked, Pickens Says](#)

World oil output has already peaked, and prices that have surged to record highs above \$90 a barrel are a sign of things to come, said investor Boone Pickens, chairman of Dallas-based BP Capital LLC.

Global production has peaked at 85 million barrels a day, Pickens, 79, said in an interview today at a Houston conference sponsored by the Association for the Study of Peak Oil & Gas, a non-profit think tank. Oil will rise to \$100 a barrel before falling to \$80 again, he said. Earlier this week, he said crude would reach \$100 by year's end.

[Dollar woes take sting off Euro oil pain](#)

While Americans gape wide-eyed as oil passes \$90 a barrel, countries with stronger currencies haven't felt the same sticker shock: the rapidly falling dollar has provided a de facto discount.

Or it did. That was until oil's 30 percent surge since late August eroded what small benefit holders of euros, British pounds, Indian rupees and other currencies enjoyed from the dollar's decline over the same period.

[Bitter Harvest for Small Farms: Legal Troubles Mount as Local Producers Buck Food Safety Rules](#)

The growing defiance from small farmers illustrates their increasing frustration with rules that they say penalize them and favor industrial producers, who were the source of headline-grabbing disease outbreaks such as the E.coli-infected spinach that killed three people last year and last month's recall of 21.7 million pounds of E.coli-infected ground beef.

[Oceans are 'soaking up less CO2'](#)

Results of their 10-year study in the North Atlantic show CO2 uptake halved between

the mid-90s and 2000 to 2005.

Scientists believe global warming might get worse if the oceans soak up less of the greenhouse gas.

Researchers said the findings, published in a paper for the Journal of Geophysical Research, were surprising and worrying because there were grounds for believing that, in time, the ocean might become saturated with our emissions.



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