



## DrumBeat: October 22, 2007

Posted by [Leanan](#) on October 22, 2007 - 8:53am

Topic: [Miscellaneous](#)

### [A terrifying prospect - sooner or later](#)

The dearth of peer-reviewed scientific work from the peak oil theorists is frustrating to the layperson trying to form an opinion on the subject - particularly when reputable organisations such as the US Department of Energy don't predict peak oil until after 2030. For some readers, this frustration will be compounded by Professor Heinberg's books, which, although packed with fascinating information, are astonishingly light on references.

### [ENERGY MATTERS: Adaptation To High Prices Enables Oil Boom](#)

When Goldman Sachs analysts made their controversial call in 2005 that oil prices would hit \$105 a barrel, they predicted such a spike would cut energy consumption globally and lead to the development of a greater oil supply cushion.

While the price forecast doesn't seem half as far-fetched now with oil futures trading near \$90, the consumption and supply aspects of their argument haven't materialized. If anything, the surge in the price of oil this decade has exposed the tortoise-like effect of efforts to grow energy production, whether from the Organization of Petroleum Exporting Countries or the major oil companies, or their would-be successors in venture capital and renewable energy.

### [Hostage oil workers released in Nigeria](#)

All seven foreign hostages seized by gunmen from an offshore Nigerian oil field were released on Monday after two days in captivity, a state government spokesman said.

### [Rice tells Russia not to use energy as weapon](#)

Secretary of State Condoleezza Rice lambasted Moscow on Monday for using its oil and gas wealth as a "political weapon" and said democratic reforms would strengthen Russia's ties with Washington.

...Russia is a key energy supplier in Europe but it has reduced or even cut supplies over a range of disputes with neighboring countries. For example, this month, it threatened to reduce supplies in a dispute with Kiev over payments.

"We respect Russia's interests, but no interest is served if Russia uses its great wealth, its oil and gas wealth, as a political weapon or that treats its independent neighbors as part of some old sphere of influence," said Rice, an expert on the Soviet Union.

### [Zambia to import 90,000 T emergency crude oil](#)

Zambia has asked Russia's LUKOIL to procure 90,000 tonnes of emergency crude oil supplies worth \$65 million to avert imminent fuel shortages, Finance Minister Ng'andu Magande said on Monday.

Magande said the government had contracted the company's trading arm, Swiss-based LUKOIL International Trading and Supply Company (Litasco), to purchase the oil following a dispute with France's Total over fuel pricing.

### [Analysis: Turkey-Iraq fight won't harm oil](#)

As Turkey's military bares its teeth across the border with Iraq, oil prices sit comfortably above the \$80-per-barrel mark. Any incursion will likely not affect the work of Iraq's oil sector today, but could stifle investment, especially in the Kurdistan Regional Government (KRG), and put Turkey's oil sector - a vital transit route for the world's oil supply - at risk.

### [U.S. sanctions against Iran could threaten LUKoil project](#)

Russia's largest independent crude producer LUKoil said on Monday that possible U.S. sanctions against Iran could threaten the company's Anaran oil project in the Islamic Republic.

### [Kuwait's KOC, Exxon sign heavy oil production deal](#)

Kuwait said on Monday it had reached a preliminary deal with Exxon Mobil Corp to produce heavy oil in the north of the Gulf Arab state and aimed to boost production to 900,000 barrels per day by 2020.

### [A catastrophic loss of 3.9 trillion Dollars in Iran's oil reservoirs](#)

Professor Saeedi said: If gas is injected into our oil reservoirs, the volume of Iran's fossil

energy resources would become more than Saudi Arabia in the long run and Iran can gain the first place in the world.

He warned: Non-injection of gas would diminish Iran's oil production by two million barrels per day and we would be forced to import oil.

### [South Dakota at crossroads of Canadian crude oil projects](#)

Two major oil projects in South Dakota are among several nationwide that would help tap into the world's second-largest oil reserve in Canada.

### [Peak oil means peak economy - Hirsch](#)

Robert Hirsch: When oil goes into decline yes. World GDP will decline, I am perfectly convinced of that. In talking to economists, they believe very much in their models and their models are econometric so they don't deal directly with shortage, they deal with oil price and their models can handle oil prices changing relatively slowly but to a person, economist that I have talked to and I have talked to a number of very significant economists, they admit that their models cannot handle significant changes, rapid changes, shock changes, and that is what peak oil is likely to be.

(A transcript of this [podcast](#) from DavidStrahan.com)

### [Carolyn Baker: Stop Calling Me a "Doomer"](#)

Last week a review of the documentary "What A Way To Go: Life At The End Of Empire" was posted on *Energy Bulletin* and sub-titled "a review of a new doomer cult classic." While the review was favorable, I must state that as someone who has seen the documentary dozens of times, who consistently shows it to my history classes, and who is a personal friend of the film makers, I was appalled at the use of the word "doomer" to describe the film. The reviewer's use of the term was the culmination for me of the inappropriate use of "doomer" to label individuals who have rejected the soporific of "hope" with respect to the terminal state of planet earth. I am equally unnerved by those who consistently describe me as "negative" and obsessively attempt-almost beg me-to offer them "something positive." Hence, the inspiration to write this article.

### [Oil & Housing: A Volatile Combination](#)

For the U.S. economy, already staggering from the housing bust, oil at nearly \$90 a barrel comes like the second half of a one-two punch. On Oct. 17 oil for November delivery closed at \$87.50 on the New York Mercantile Exchange after peaking during the day at an astonishing \$89. The impetus, on top of soaring global demand and paltry supply growth, was a fresh threat of conflict in the oil-rich Middle East, where Turkish lawmakers voted to allow the use of military force against Kurdish rebels in northern

Iraq.

### [Kunstler: Peak Universe](#)

So, while the price of oil ratcheted up hour by hour, the ASPO conference members heard from an impressive range of experts who have been leading the public conversation on the Peak Oil story – with no help from the mainstream media or the political sector. Among them were Robert Hirsch, co-author of the now-famous 2005 Hirsch Report, commissioned by the US Department of Energy, which, much to the consternation of its sponsor, first told the nation in no uncertain terms that it was heading for a catastrophic set of disruptions in “normal” American life if we heedlessly continued energy business-as-usual. Hirsch went a little further now, two years on, than he had in his famous report, predicting a future of “oil export withholding,” panicked markets, and allocation disturbances that would make the 1973 OPEC embargo look like a golden age.

### [Soaring oil prices](#)

In 2006, ARAMCO, the state-owned national oil company of Saudi Arabia, announced an \$ 18 billion plan to increase its capacity to 12.5 mbd by 2009 and 15 million by 2020. However, its capacity has not increased significantly since 1980-81 when it produced 10.2 mbd and has not made any significant discoveries.

### [Fears over rural filling stations](#)

Rural Scotland could end up running on empty with large areas of the Highlands and Islands becoming "petrol deserts," according to industry experts.

New figures show that almost half of remote filling stations now survive on handouts from taxpayers through the rural petrol stations grant scheme, with payments trebling in the past three years.

Independent garages have been hit hardest by closures as supermarkets tighten their grip on the market.

The latest Scottish Household Survey reveals that people in rural communities now shell out an average £100 a month - almost 25% more than townsfolk - to top up their vehicles.

### [Pakistan to import 5b cubic feet gas per day under \\$3.6b project](#)

Islamabad has communicated to Teheran that Pakistan is ready to import 5 billion cubic feet gas per day under the proposed \$3.6 billion Iran-Pakistan (IP) gas line to make the project more economically viable in the backdrop that India was currently pursuing a

wait and see policy, a senior government official said.

### [India: Nuclear plants shut down for want of fuel](#)

Five of the 17 nuclear power plants in the country had been shut down and the remaining are operating at an average of less than 50 per cent capacity for want of fuel, a top official of the Nuclear Power Corporation of India Limited said.

### [An aviation global warming tax could prove very useful](#)

There no evidence to indicate that an aviation tax will have any impact on travel volumes. On the contrary, if well used, a tax can be extremely beneficial for the purpose it is intended to serve.

### [Edible oil should not be used for bio-fuel production: SEA](#)

Concerned over the rising price of edible oil in domestic market, an industry body on Monday said use of edible vegetable oil overseas for non-food purposes like making bio-fuel needs to be discouraged.

### [Energy solution sought formulating a plan to lower power bills for businesses](#)

Having heard cries of pain and anguish from local companies staggering under the weight of their power bills, having watched prospective companies move to locations where the cost of power is cheaper, and having seen three local paper mills announce closings and hundreds of layoffs largely because of the cost of power, local economic development officials are moving to change the future.

### [America's efforts to add more corn-based ethanol to the nation's gas tanks will fuel little more than inflation: CIBC World Markets](#)

The report states that to meet the policy goal of significantly increasing U.S. production of ethanol to reduce dependence on imported oil, federal and state governments are extending huge subsidies to ethanol producers to expand capacity and to corn farmers to supply the crops needed to make the fuel. This diversion of an ever-increasing share of the American corn crop from human consumption and livestock feed to energy production is putting steady and unrelenting pressure on food prices.

### [Hydrogen's role in a nuclear renaissance](#)

Nuclear energy is key to establishing a hydrogen-powered rail corridor in Toronto, says

Greg Naterer, a professor of mechanical engineering at the University of Ontario Institute of Technology (UOIT).

### [S Korea to allow hikes in airline fuel surcharges](#)

South Korean officials said today that the government plans to allow domestic airlines and freight companies to increase their fuel surcharges due to the rapidly increasing international oil prices.

### [Taiwanese may drive less amid high oil prices](#)

A total of 62 percent of adults in Taiwan say they will consider driving less in the face of skyrocketing oil prices, according to the results of a public opinion poll conducted by the Ministry of Transportation and Communications (MOTC) released yesterday.

### [Taiwan - Most motorists still prefer their cars to public transport: poll](#)

Despite soaring gas prices, close to 80 percent of motorists said they still prefer to commute by driving and will not consider taking advantage of public transportation, a survey by the Ministry of Transportation and Communications (MOTC) said this week.

### [Australia: Shut up and drive](#)

Consumer demand has driven motor vehicle sales comfortably above the million mark, but while cars are cheaper consumers still feel that petrol prices are taking them for a ride.

In spite of this, on the latest vehicle sales data, petrol guzzling SUV's have again been a particular favourite.

### [Beijing fuel oil prices may rise 3% next year](#)

Fuel oil prices in Beijing may rise 3%, from the current RMB 5, 000 per ton to RMB 5,190 in January next year, forecasted Wang Yongjian, president of Sinopec Beijing Yanshan Corp, a subsidiary of the nation's largest oil refiner, China Petroleum and Chemical Corp (Sinopec).

The price increase will take effect as Beijing introduces the Euro IV emission standard to cut pollutant emission before 2008 Olympic Games. It will help the company to counter rising crude oil costs in oil processing, as crude oil futures hit a record high of RMB 669 per barrel recently.



### [Climate change is a war that we must fight](#)

With the global population heading from 6.5 billion today towards 9 billion by 2050, we are already exceeding the ability of the planet to absorb the impact of human activity. The immediate sustainability priorities are water, climate change and the peaking of global oil supply. But our leaders, having supposedly crossed the threshold of accepting that sustainability, in particular climate change, is a serious issue, seem to believe it can be solved by minor tweaking of business as usual. That is demonstrably not the case.

### [Hopes for coal gasification ride on one project](#)

Much talked-about U.S. efforts to build a coal-fired power plant with near zero emissions are now concentrated in a single project, as the costs and difficulties of the endeavor have mounted and the stakes have risen.

### [Venezuela's PDVSA to increase workforce as oil production levels increase](#)

Venezuela's state oil company PDVSA has committed to gradually increase its workforce, to cope with the predicted increase in production levels.

### [Solar Power Edges Towards Boom Time](#)

Solar power could be the world's number one electricity source by the end of the century, but until now its role has been negligible as producers wait for price parity with fossil fuels, industry leaders say.

### [Carbon capture plea from energy firms](#)

A group of energy companies angered by a Government U-turn on carbon capture technology are pressing for assurances that there will be no similar back-tracking when ministers hold the next round of emissions trading talks with the European Union.

### [Platts Report from ASPO: Dark clouds, no silver linings](#)

It is difficult to walk out of the peak oil meeting here in Houston and not feel miserable.

Yes, there are some attendees who might be considered a bit offbeat, ex-hippie types who see their long-held dreams of "the end of oil" nearing reality.

But the majority of the 500+ attendees at the US meeting of the Association for the Study of Peak Oil are not in that category. They are geologists, economists, professors,

consultants, economists. And no matter who steps up to the podium to make a presentation, the forecast is grim.

### [Is OPEC the New Fed?](#)

At least for now, our civilization and most of the widgets produced require oil's bounty in one way or another. Our productivity is intimately tied to oil's price and ultimately its availability. Yet, we continue to pretend that oil is just another economic variable, never to approach the sacred cost of, or supply of money. Isn't it obvious that oil is becoming the global currency, far more important than anyone's fiat money?

### [Oil and Iran](#)

The prospect of Turkish tanks rolling into northern Iraq – current oil exports: virtually zero – was enough to send crude prices soaring. So what would happen if bombs started dropping on Iran, the world's fourth largest exporter?

### [Rocketing oil prices won't last – Kudrin](#)

The rocketing oil prices won't last, Russian Vice-Premier and Finance Minister Alexei Kudrin told the media on Sunday.

...“An average long-term price will stand at \$50 per barrel [in comparable prices] and slightly enlarge because of the inflation to about \$60 per barrel in a decade,” Kudrin said.

### [Oil prices to remain high this winter; calls on OPEC to raise production - CGES](#)

The Centre For Global Energy Studies has said that oil prices will remain high this winter due to lack of supply in the market, and has called on OPEC to increase production.

### [Kashagan oil dispute a step closer to resolution](#)

An oil group led by Italy's Eni is believed to have taken a first step towards resolution of a dispute with Kazakhstan over the development of Kashagan, the giant oilfield in the Caspian Sea area, according to media reports.

### [Citgo Carries Out Three-Day Maintenance at Corpus Christi Plant](#)



Citgo Petroleum Corp., the U.S. refining subsidiary of Venezuela's state oil company, is carrying out three days of maintenance at its Corpus Christi, Texas, refinery, according to a Texas Web site.

### [U.K. oil and gas companies hit by refining despite strong crude prices](#)

U.K. large oil and gas oil companies will post either a sharp drop or a slower growth in profits in the third quarter as lower gas prices and refining margins offset higher crude prices.

### [Marathon To Buy 4 Ohio Terminals, Pipeline Stake From Citgo](#)

The Houston energy giant said the transaction, which will increase its flexibility in supplying transportation fuels to the Midwest, is slated to close in the fourth quarter.

### [Indonesia to extend LNG export contract to Japan](#)

Indonesia will extend the period of its liquefied natural gas (LNG) exports of 25 million tons to Japan for another 10 years after the current contract expires in 2010-2011, a spokesman said Monday.

### [Sasol, union say strike talks stalled](#)

Talks have stalled to end a pay strike at coal mines owned by South Africa's Sasol, the world's biggest maker of fuel from coal, the company and the workers' union said on Monday.

### [Worldwide solutions are needed to deal with the effects of climate change](#)

Nothing annoys scientists who study climate change more than the question of whether it is really happening. Nothing, that is, with the possible exception of the related question of whether climate change is a man-made phenomenon.

They get annoyed because the scientific consensus is that the world is getting warmer, that the climate is changing in dangerous ways we can't fully comprehend and that change is being triggered by gases that humans are pumping into the atmosphere. The debate over "whether" is over, they insist. The urgent question now is how we should respond.

### [Canada can assume a leadership role in deciding how to tackle global warming](#)

The protocol on climate change initialed a decade ago in Kyoto represented the best deal negotiators could achieve at the time to address a threat that could only be tackled through international cooperation. Yet it was deeply flawed. It did nothing to curb the growth of emissions from the two most populous countries in the world, India and China, and the world's largest emitter, the United States, refused to agree to its terms.

### [Hardly 'junk' science: Royal Society examines climate change](#)

In the wake of the Nobel Prize awarded Al Gore and the Intergovernmental Panel on Climate Change, skeptics have once again been fussing, fuming and fulminating. Assertions are flying that the evidence for climate change is either bunkum spun by charlatans, a gigantic anti-capitalist hoax or alarmist "junk" science.

So let's give one of the world's most prestigious science academies an opportunity to address some of the counterclaims presented as fact by climate change deniers.

### [Japanese carmakers vie to be greenest](#)

Despite the success of the Prius, automakers are still hedging their bets on green technologies, with electricity, biofuels, clean diesel and fuel cells also seen as potential alternative power sources.

### [Steep decline in oil production brings risk of war and unrest, says new study](#)

World oil production has already peaked and will fall by half as soon as 2030, according to a report which also warns that extreme shortages of fossil fuels will lead to wars and social breakdown.

The German-based Energy Watch Group will release its study in London today saying that global oil production peaked in 2006 - much earlier than most experts had expected. The report, which predicts that production will now fall by 7% a year, comes after oil prices set new records almost every day last week, on Friday hitting more than \$90 (£44) a barrel.

The complete report is [here](#).

### [Energy industry can do little as oil rises](#)

The energy industry can do little to counter the factors beyond market fundamentals that have driven oil prices to record levels, a senior executive at Saudi Aramco said.

### [Liebscher Says Oil Prices Pose 'Significant' Inflation Risks](#)

European Central Bank governing council member Klaus Liebscher said rising oil prices are creating ``significant upside risks" to price stability, suggesting he will back further increases in borrowing costs.

### [Weak Mexican Peso Shows Oil Threatens Growth, Surplus](#)

Mexican President Felipe Calderon is delivering a grim message: The largest oil producer in Latin America is running out of crude.

``Our oil reserves have been consistently falling," and the decline is ``severely threatening" government finances, Calderon told a nationwide television audience in an address last month at the National Palace. That's the same place where seven decades earlier Lazaro Cardenas cemented the anti-American legacy of his presidency by nationalizing the petroleum industry.

### [OPEC's agreed crude output hike from Nov 1 could cut oil price - Kuwait](#)

Kuwait's acting oil minister said OPEC's agreed production output increase of 500,000 barrels per day from Nov 1 could bring down the price of crude oil.

'We believe supply and demand will be influenced positively once OPEC production is increased by 500,000 barrels a day' to cut the price of a barrel of crude, said Mohammad al-Olaim to journalists.

### [British Energy shuts reactors on safety fears](#)

Shares in British Energy plunged by nearly 9 per cent in early trading as the beleaguered group revealed fresh safety concerns at one of its ageing nuclear power plants.

### [Global Warming Delusions:](#) *The popular imagination has been captured by beliefs that have little scientific basis*

Global warming doesn't matter except to the extent that it will affect life--ours and that of all living things on Earth. And contrary to the latest news, the evidence that global warming will have serious effects on life is thin. Most evidence suggests the contrary.

### [Foot-Dragger? No, a Fighter.](#)

The scientist who shared the Nobel with Al Gore says the tide is turning on global warming.



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