



DrumBeat: October 25, 2007

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[Oil hits record above \\$90 on OPEC report](#)

NEW YORK - Oil futures jumped to a new record close of \$90.46 a barrel Thursday on news that OPEC production increases aren't coming as fast as expected and that the cartel won't announce new output quotas when it meets next month.

Prices rose in early trading on growing concerns about conflict in the Middle East and declining supplies of crude in the U.S. They got a further boost after Dow Jones Newswires reported that Oil Movements, a company that tracks oil tanker traffic, said crude shipments from Organization of Petroleum Exporting Countries members will grow more slowly than anticipated through early November.

...Light, sweet crude for December delivery rose \$3.36 to settle at \$90.46 a barrel on the New York Mercantile Exchange after rising as high as \$90.60 earlier.

[Darfur rebels attack Chinese oil field](#)

Darfur rebels launched a brazen attack on Sudan's oil fields days before peace talks are scheduled to be held with the government, kidnapping two foreign workers and giving Chinese and other oil companies a week to leave the country, a commander said Thursday.

[Location, location, location](#)

Now a study in this month's Ecological Applications, a journal of the Ecological Society of America, finds that while cluster development is indeed much easier on the surrounding environment, the location of housing developments is key.

[Oil Prices May Impact MDGs - UN Report](#)

A new mechanism to measure the impact of rising oil prices on Asia's poor offers a sobering forecast. There is a clear threat to the region's gains in reducing the numbers living poverty.

[Could Electricity Grid Become A Type Of Internet?](#)

In the future everyone who is connected to the electricity grid will be able to upload and download packages of electricity to and from this network. At least, that is one of the transformations the electricity grid could undergo.

[Israel: Cities find bright way to cut energy use](#)

"The cheapest source of power today is saving energy," says Eran Tagor, CEO and founding partner of Power Electronics. "We have to optimize energy use and take better advantage of energy output, which is partially wasted, thus not creating more pollution by burning fuel, while not compromising the electricity supply."

[Shell chief blames speculators for oil price](#)

A leading oil industry executive has blamed speculators for driving the price of oil to record highs.

Peter Voser, finance director of Shell, said that he believed that soaring oil prices were being driven by speculation and political tension, not a lack of supply.

"We find it hard to explain oil at \$100 a barrel. I don't see anyone queuing for fuel and nor are there any physical shortages," Mr Voser said.

[Pace of coal-power boom slackens](#)

Rising construction costs and potential climate legislation in Congress halt at least 18 proposed power plants in the past nine months.

[Notes on the Looming Global Energy Crisis](#)

In January, the average price for a barrel of oil was just above \$50, by mid-October it had reached almost \$90 a barrel, an impressive 70 percent increase without there having been a major catastrophe or war in between. International investment houses, such as Merrill Lynch and Citigroup, predict the average price will reach well above \$90 a barrel and do not attribute any radical change as a catalyst for this upward trend.

[Peak Or Peaked Oil?](#)

Recently we mentioned ex-Fed chief Alan Greenspan's view. It's not the geology, it's the

politics, says he. He believes geologically there are enough proven reserves to see us right for some years. The problem is, much of the world's reserves belong to countries not overly sympathetic to the needs of Western 4x4 drivers.

A bleak report today disagrees. The Energy Research Group says we're running out and "peak oil" is using the wrong tense. It's "peaked oil". 2006 was the high point, say these German researchers and it's all downhill from here. Production will now fall 7% year on year, and will halve by 2030.

[BP to pay record \\$50 mln criminal fine: sources](#)

The U.S. government on Thursday will announce a record \$50 million criminal penalty against London-based BP Plc for a massive explosion at its Texas City refinery that killed 15 people in 2005, sources familiar with the deal said.

[Russia unlikely to increase diesel fuel deliveries to Europe](#)

European oil producing and processing companies forecast a future major shortage of diesel fuel. They hope Russia will help them solve the problem.

But foreign and Russian experts say that Russian oil companies are unlikely to seriously increase the output of diesel fuel.

Wood MacKenzie, which provides a unique range of consulting services and research products to the energy and life science industries, said the shortage of diesel fuel would grow nearly fourfold by 2020, to 60 million metric tons from 17 million metric tons in 2006.

[Baghdad Suffers Worst Cuts](#)

Despite years of work and billions of dollars spent trying to repair Iraq's decrepit electricity system, Baghdad's power supply remains intermittent and well below pre-war levels.

[Battle over Poltava oil refinery heats up](#)

A fight for control of Ukraine's largest oil refinery threatens the country's oil supplies from Russia while igniting intra-governmental rivalries at home.

[Pay at pump shock as £60 held by bank](#)

The "pay at the pump" system at the re-built Esso petrol station in East Grinstead has been used for the "first and last time" by local resident Laurence Barker.

He told the East Grinstead Courier he paid for £10 worth of diesel with his debit card and was "furious" when he later went to the cashpoint to draw funds but was refused.

The reason, he discovered, was that £60 had been debited from his account as a guarantee of payment.

[Widespread attention for Oakland's Green Jobs Corps](#)

The Green Jobs Corps will provide training opportunities for hard-to-employ populations (read: at-risk youths, low-income people, and those formerly incarcerated) while supporting the development of a greener economy.

[Rwandan researchers highlight mini hydropower](#)

Rwandan researchers have urged government decision-makers to provide more support for mini hydropower plant projects, which could solve the country's energy crisis and deliver power to isolated rural areas.

[A Nobel cause](#)

When I think of it now, the issue started to get political in 1988 when Dr. James Hansen [director of NASA's Goddard Institute for Space Studies] announced to Congress that global warming had started.

...I think back then even the rest of us earth scientists were a little stunned to hear him say that. We knew by then what computer models suggested for some future, decades away, but even we thought it was a little premature to be talking about global warming starting in 1988.

It's interesting. Now that we look back at the graphs over the last 20 years, we discovered he was right.

[Saudi Arabia may hold key to oil and dollar link](#)

After a generation on the sidelines, the US dollar has re-emerged as a central issue in the pricing of oil. Since the credit crunch in August, when the dollar has gone down, oil has gone up, by an average ratio of more than 5 to 1. Since August 21, the greenback has declined 4 per cent versus the euro; West Texas Intermediate crude, the global oil benchmark, meanwhile, is up 25 per cent.

Why are commodities traders fixated on the dollar? Like other oil market puzzles, the answer may lie in Saudi Arabia.

[Regulators seek power over electronic exchanges](#)

Federal commodity regulators asked Congress today to give them greater oversight of electronic exchanges as a way to deter potential price distortion and manipulation, and to protect consumers.

[Winter energy supplies come under scrutiny](#)

Leading energy users met officials from the Department for Business, Enterprise and Regulatory Reform yesterday to discuss supplies for the coming winter. The meeting took place as seven of Britain's sixteen nuclear reactors were out of action, raising concerns that energy supply could be tight again this winter.

Two years ago many heavy energy users, including ceramic tile makers and chemical plants, were forced to stop production for short spells after threefold increases in the price of gas.

[Albania faces deepening energy crisis](#)

The energy situation in Albania is worsening, despite the recent rains and snowfalls. There is no substantial increase of the levels in main accumulations, while the consumption of electric power surged due to low temperatures, triggering prolonged restrictions.

[Nepal: Petro Price Hike Sparks Protests](#)

Kathmandu witnessed street protest marches today after the government raised the price of fuel on Wednesday to beat a shortage and reduce losses at the state-run Nepal Oil Corporation, the sole importer of petroleum products in the country.

[Price hike fails to normalize fuel supply in Nepal](#)

Despite claims by Nepali government officials to normalize supply of petroleum products after raising the fuel price Thursday, very few pump owners in capital Kathmandu dared open their pumps fearing vandalism and protest.

[Saudi SABIC Sees '08 Rise in Chemical Prices](#)

SABIC buys ethane gas from state-owned Saudi Aramco at a fixed price, while many other chemical producers, such as Japan's Mitsubishi Chemical Holdings Corp., rely for feedstock on naphtha, which is linked to oil prices.

[China grants BP venture fuel storage permit](#)

The move is part of Beijing's ongoing efforts to free up its tightly state-oil-major dominated sector in line with its commitment when it joined the World Trade Organization at the end of 2001.

[Jeremy Leggett: Surrendering our future](#)

Our common enemy is global warming, and it is already at our gates. But while our German allies are turning out the renewable energy equivalents of Messerschmitts by the factory-load, Britain is again slow to spring into action. Worse, as we learned yesterday, officials responsible for UK mobilisation have told the prime minister it is impossible for us to build modern-day Spitfires in any number. We should instead oppose European targets set recently for such mobilisation and join other laggards in order to persuade the Germans to scale back their own efforts.

[Global Warming and the Politics of the California Wildfires](#)

To cast doubt on the scientists' warnings -- and perhaps fill space -- Buchanan lists examples in history of dire predictions that didn't come true, ignoring those that did. He also tries to equate the squishy prophecies of social science with the findings of hard science, now aided by sophisticated computer modeling.

And he has found a helpful scientist, the contrarian Dr. William Gray. A meteorologist at Colorado State University, Gray holds that human-caused global warming is "a hoax." Gray has yet to publish his theory in a peer-reviewed journal -- where fellow scientists could tear it apart -- but he gets a lot of media attention, as you can imagine.

[Climate expert says drought, flooding threaten Texas](#)

James Hansen, in Houston to speak before the Progressive Forum on Wednesday night, said predictions made two decades ago about the effects of a warming world are now beginning to come true.

"Texas is in the line of fire for double-barreled climate impacts," said Hansen, who heads the NASA Goddard Institute for Space Studies. "What we said in the 1980s, and is beginning to come true now, is that both ends of the hydrological cycle get intensified by global warming."

[If Gore Were Arrested...](#)

Fresh from winning the Nobel Peace Prize for his climate change evangelism, Al Gore is apparently considering an invitation from a prominent environmental group to engage in civil disobedience against the construction of new coal-fired power plants.

[Use these four principles for global warming bill](#)

By taking a smart approach to global warming, we can reduce global warming emissions while curbing our dependence on fossil fuels and creating new economic opportunities for America. And while addressing global warming will cost money, the cost of inaction is greater: rising seas that threaten our coastal cities, more frequent droughts, more intense hurricanes, and a host of threats to public health and well-being.

[The Peak Oil Crisis: A Message from Houston](#)

The most ominous development for countries such as the U.S., which must import most of its oil, is the emerging concept of “peak exports” which was discussed by several speakers. Peak exports simply means that oil-producing countries are using more and more oil at home – leaving less to sell abroad. Moreover, sentiment is starting to develop in many nations that they must save some oil for future generations, not just sell it to the foreign devils as quickly as possible.

This clearly means that major oil importers will face a shortfall in their ability to obtain oil many months or years sooner than they had been anticipating. The fall in the amount of oil available for purchase is likely to drop much more quickly than declines in production. When world oil exports fall, if they have not started doing so already, effects are likely to sharp and painful.

[Global over-population is the real issue](#)

How the hell can we witter on about tackling global warming, and reducing consumption, when we are continuing to add so relentlessly to the number of consumers? The answer is politics, and political cowardice.

[Oil Prices: Up to no good](#)

One fact appears clear: no-one really knows what's happening.

[Crude proposition](#)

Though an oil price that would cause such a reaction would have to be somewhat higher than current levels, at some point it will move high enough to cancel out the cheap labour benefits of many low-cost production bases. This is increasingly true for large, bulky goods. A colleague believes that in the coming years, local manufacturing will make a come back, thanks to rising oil prices. In his view, critical goods such as electricity turbines will still be imported. But the price may be higher than we were expecting. And fridges, TVs and shoes are not likely to be imported.

[Governments look at oil money and drool](#)

The oil industry is under assault globally by nations and even provinces that want companies like Exxon Mobil and Chevron to cough up more royalties they can use to address issues like poverty and education.

[Iraq oil flows to Turkey despite threats, attacks](#)

Oil keeps flowing from Iraq to Turkey through a pipeline skirting Iraq's Kurdish region despite threats to infrastructure from Kurdish rebels and insurgent sabotage attacks further south, an oil shipper said on Thursday.

[Charges may follow BP settlement](#)

A federal grand jury is scheduled to meet today to hear testimony in the case. The government has alleged in previous court documents that the traders tried to manipulate the price of propane flowing through a pipeline from Mont Belvieu, in Chambers County, to markets in Ohio, Pennsylvania and New York in 2004. Indictments could be issued today as well, the sources said.

[ConocoPhillips CEO: To Begin Arbitration with Venezuela in 'Next Weeks'](#)

ConocoPhillips Chief Executive Jim Mulva said Wednesday the energy company will probably file for arbitration in the next weeks over assets it formerly owned in Venezuela.

[Shell Posts 16 Percent Gain in 3Q Profit](#)

Royal Dutch Shell PLC said Thursday that third-quarter net profit rose 16 percent despite a drop in production, but it warned that the underlying performance of its refining operations was weaker than it appeared.

[Organic air-freight food to be stripped of status](#)

Three-quarters of the organic food flown in to Britain from overseas could be stripped of its valued status, as part of a plan to cut carbon emissions by eliminating air-freighted food from supermarket shelves.

[World ministers set for serious environment talks: UN official](#)

Ministers and officials from 40 nations who met in Indonesia this week are prepared to launch talks on a post-2012 climate change regime this year, a UN official said Thursday.

[1200 days to peak oil](#) (podcast)

There are only 1200 days to go until global oil production reaches its all-time peak, according to the editor of the Petroleum Review. Worse, says Chris Skrebowski, the chances are the crisis will break even sooner.

[Peak oil meeting mostly discouraging](#) (podcast)

John Kingston, director of oil, attended the ASPO meeting in Houston and reports on the theories of peak oil and the timeliness of the meeting in regards to high crude oil prices.

[Brent crude price soars to record high above 86 dollars](#)

The price of Brent crude oil struck an historic peak of 86.28 dollars per barrel in trading here Thursday on renewed concerns over tight global energy supplies.

New York crude also surged as Turkey vowed to "purge" Kurdish rebels in the northern region of oil-rich Iraq, and following news that US energy stockpiles fell sharply last week.

[Death toll in Gulf oil rig accident rises to 18](#)

At least 18 oil workers were killed when a drilling rig hit an oil platform in stormy weather, spilling gas and oil into the Gulf of Mexico, the state-owned oil company said Wednesday. Seven workers were still missing. Rescuers have pulled 61 oil workers to safety from storm-tossed waters but have yet to control the oil leak, Mexico's oil monopoly Petroleos Mexicanos, or Pemex, said in a news release.

[Nigeria to Revise Foreign Company Oil Deals](#)

Nigeria, Africa's largest oil producer, is looking to renegotiate several contracts with foreign oil companies, senior Nigerian oil officials said Wednesday, in a move to boost the government's share of oil revenues.

The planned changes will make it harder for foreign firms to pocket energy profits and to book crucial crude oil reserves in the West African nation.

[Norway's StatoilHydro clinches Russian gas field deal](#)

The Kremlin said on Thursday that Norway's StatoilHydro had won the right to join in developing the vast Shtokman gas field, ending long uncertainty over one of the world's largest untapped deposits.

[Climate change a top US election theme, Gore says in Austria](#)

Climate change will be a top theme of the American election campaign, overcoming partisan divides, former US vice president Al Gore said in Vienna Wednesday, according to Austria's chancellor.

[US Senate tackles new global warming plan](#)

Shaking off years of inaction, US senators vowed Wednesday to make the United States a world leader on climate change, at a public hearing on a new plan for mandatory cuts in greenhouse gas emissions.

[Climate change will hurt NM water supply](#)

Researchers at New Mexico's two largest universities are painting a grim picture of New Mexico's economic and agricultural future with predictions that climate change will mean less water in the Rio Grande watershed.

[White House chided for editing testimony](#)

Two chairmen of key committees in the House and Senate on Wednesday criticized the White House for editing testimony from a government expert about the health impacts of global warming and demanded documents involving the testimony he provided to Congress.



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