



DrumBeat: October 26, 2007

Posted by [Leanan](#) on October 26, 2007 - 8:54am

Topic: [Miscellaneous](#)

[Oil bigger threat than climate change in 10 years](#)

Rising oil prices are a bigger threat to the world economy than climate change in the next 10 years - that was the surprising verdict of company executives from carbon trading, fuel cell, oil exploration and solar power firms who attended the Reuters Smaller Companies Forum.

But climate change is likely to have a greater effect on the global economy over a 50-year timespan, according to those executives from old and new energy companies.

[How secure are Middle East oil supplies?](#)

High oil prices, threats of terrorist attacks, instability in many oil-exporting countries and the rise in so-called 'oil nationalism' have raised serious concerns about the security of oil supplies.

[Peak Oil Passnotes: Fractured Markets](#)

Another week, another record. As you will no doubt have seen, the Nymex crude oil price for delivery to Cushing jumped to more than \$92 per barrel this week. We are now being told that this figure is near the "inflation-adjusted" price for an all-time high. Yet we are also told there is little worry for the economy. We are told that modern economies do not react in the same way as before; we are told to rest easy.

This is not the case - it is not accurate. As readers of this column note, there is little love lost here for the current economic system and its charlatanesque moniker of "free markets." The markets are most certainly not free and quite often they are hardly markets. Especially in the United States and Europe.

[GM tests fuel cell cars in real world](#)

Beginning early next year, General Motors will be lending 100 Chevrolet Equinox Fuel

Cell Vehicles to "everyday" American families as well as to a few celebrities and politicians.

Besides the public relations value - hence the celebrities and politicians - GM will also be gathering feedback on how people use the vehicles, how easy they find fueling them, and how they like driving them day-to-day.

[Boone 'Peak Oil' Call Supported, But Asset Class Leery](#)

Boone may be right.

The point of maximum oil production known as "Peak Oil" is upon us, said Energy Watch Group, a think tank based in Germany.

According to the Peak Oil hypothesis, oil production worldwide will plummet in the wake of Peak Oil.

...Don Paul, chief technology officer of massive energy conglomerate Chevron Corp., called the Peak Oil hypothesis "probably real" and admitted the oil supply will in all likelihood continue to dwindle—though he shrugged off the potential for catastrophe, noting the ascent of alternative energy.

But it was hedge-fund magnate T. Boone Pickens who brought the Peak Oil issue into focus last week with his prediction that oil would hit \$100 a barrel.

[Here comes \\$100 oil, and \\$3 gas](#)

With oil prices setting records over \$90 a barrel and \$100 looking ever more likely, experts say there's a good chance drivers will see \$3 gasoline before the end of the year.

"Three dollar gasoline in this market is unavoidable," said Stephen Schork, publisher of the industry newsletter the Schork Report. "At this rate, we're going to see \$4 a gallon."

[U.S. Strategy With Iran and OPEC to Push Oil Above \\$100](#)

In the coming months, crude oil prices will be heading above \$100 per barrel if all speculations are coming true about increased global demand, lower stocks worldwide and a Middle East conflict with Iran. If OPEC next month at its Saudi Arabia summit will not present a 1.5 million to 2 million bpd production increase, the market should be expecting record price levels without any doubt. Al Badri's comments have come after the U.S. Secretary of Energy Samuel Bodman urged the oil cartel to increase its production volumes to counter a too-tight global supply and demand market. Even though OPEC has repeatedly claimed not to have set its own target price for crude oil, analysts are increasingly indicating that the oil cartel has set a minimum price level of

\$60 per barrel, while the upper range is totally in the open. Some hardliners in OPEC, including Iran and Venezuela, are not at all unhappy with the current price developments.

[Oil CEO Calls for Energy Security Plan](#)

The U.S. risks losing its competitive edge in a global economy if it does not soon address the country's energy needs, climate change and foreign policy in a comprehensive way, the chief executive of Marathon Oil said Friday.

[Research on a dire problem - carbon capture - gets going](#)

"Without carbon capture and sequestration, we are all toast."

Jiang Lin, a scientist with the China Sustainable Energy Program with Lawrence Berkeley Lab, issued that gloomy proclamation earlier this week and it's a fitting description of the current world situation when it comes to global warming. To make it worse, I asked Lin about how the world is responding to the challenge. Not well.

[Trolley, jitney system MCRS meeting topic](#)

Richard Jergensen adds, "but once in place the trolley and jitney system would allow them to park their cars after they come down the hill and then run errands around town without increasing street traffic or pollution in the valley. "Residents in town could literally garage their cars except for trips out of the area by using the Little Lake Trolley and jitneys."

"For three years Willits Economic Localization (WELL) has been informing the community about peak oil concerns and the need for local sustainability," Smith notes. "MCRS is now spearheading an effort to get sustainable transportation in town.

[Alberta royalty grab stuns oil industry](#)

Alberta Premier Ed Stelmach infuriated the province's oil industry Thursday with surprisingly aggressive plans to take more money from the energy business, but the increases are less than a government-commissioned panel recommended last month.

The government said that under the new regime, money collected from the energy business could be 20 per cent higher in 2010 than forecast, potentially bringing an additional \$1.4-billion to the treasury. That figure is nearly half a billion dollars less than the expert review panel wanted.

[Is Alberta out of step with the world?](#)

OTTAWA — You would think from the anguished cries of the oil companies that the Alberta government's decision to increase royalties was a bolt from the blue.

Far from it.

[How California reaped its firestorm](#)

Cities such as Tucson, Arizona, are built in a desert, where golf courses, lawns and swimming pools guzzle up precious water supplies, fed largely from the Colorado River. Unfortunately that river also supplies 30 million people across seven states and Mexico, including cities such as Los Angeles and Phoenix, and it is fast running low on water. The Colorado has been in drought for more than a decade and is flowing less than during the Dust Bowl years in the 1930s. The river's water management now relies mostly on prayer. "Nature never intended to support this many people here," said David Nahai, president of the Los Angeles water and power commissioners.

[Different natural disaster, same risky human habits](#)

But one thing that the wildfires share with Katrina is that both natural disasters were made worse by the propensity of people to build homes in high-risk areas. Katrina's economic impact was magnified by development along the vulnerable Gulf Coast. Similarly, the wildfires have been particularly brutal in newly developed communities in fire-prone scrublands and dry pine forests.

[Diesel shortage hits Victorian ambulances](#)

Rural Ambulance Victoria says a shortage of diesel caused two of its ambulances to almost run out of fuel this week.

Low supplies forced ambulance crews to abandon some vehicles in Swan Hill and Morwell this week, and replace them with others.

[Crude Realities: Oil Production and Politics](#)

You probably use oil in one way or another every day of your life: powering your car, heating your house and even manufacturing all the plastic around you. It has also been a source of war, made millions for some and ruined the lives of others. Here is a look at some major oil infrastructure and the conflicts surrounding the black gold.

['This is like a highway with no cops and no speed limit'](#)

But something funny is going on now. It appears increasingly obvious that oil prices are being pushed into the stratosphere by speculators in a lightly regulated global trading market that has grown by leaps and bounds.

Traditional supply-and-demand factors can't explain the price jump. There's no shortage of oil or gasoline, nor major supply disruptions. World oil demand has stabilized at about 85 million barrels a day.

[Mexico probes fatal oil rig crash](#)

Mexican President Felipe Calderon has ordered an inquiry after an accident on an offshore oil platform in the Gulf of Mexico left at least 19 people dead.

Huge waves knocked the platform onto its side and into a drilling rig, setting off gas and oil leaks.

Desperate workers scrambled into life rafts to escape.

[Pemex says two U.S. deepwater fields may leech Mexican oil](#)

Two deepwater oil fields under development in U.S. Gulf waters may cause Mexican oil to leak into wells on the other side of the maritime border, said the head of Mexican state oil firm Petroleos Mexicanos on Thursday.

While the U.S. is busy developing deepwater oil reservoirs in up to 10,000 feet of water, Mexico is watching from the bleachers. Pemex, as the state firm is known, currently lacks the technology to drill deeper than 3,000 feet and is constitutionally prohibited from teaming up with outside firms who can.

[Nuclear power isn't the answer](#)

There's again a move to "revive" nuclear power. Every decade or so those with a vested interest in this deadly dangerous technology have sought to get the public to swallow the nuclear pill — and it's happening again.

[India: The Myth Of Free Nuclear Energy](#)

THE Congress and its spokespersons have been on overdrive selling a number of myths about the benefits of the India-US Nuclear Deal. Foremost in that has been that of a

mythical nuclear bus, which if we do not hop on right now, will leave us in permanent electricity deficit. The bus apparently carries free nuclear energy; all we need to do to tap into this free source of energy is hop on to the bus. In this spin, it is this intransigent Left, stuck in a time warp, which is causing India to miss the bus. The media has been lapping up this vision of free nuclear energy, without any application of either mind or checking up on the facts of nuclear energy. Given the wide-spread credence that the myths about nuclear energy are being given, we are now forced to spend some of our energy on de-constructing these myths.

[Arguments on Sustainable Oil Supply Gone Haywire](#)

In the meantime, Matthew Simmons, having made a name for him in projecting the imminent end of oil era, is back in trade suggesting Saudi Aramco may not hit its oil production goals.

...The current Simmons' diatribe is despite the fact that Aramco is boosting spending on projects to raise its capacity from 11.3 million barrels to 12.5 million bpd by 2009. Riyadh will raise output to 9 million bpd from around 8.7 million now, under OPEC's new ceiling effective Nov. 1. Other Gulf oil producers have ambitious programs too. Oil and natural gas producers elsewhere are also pouring money into oilfield services to jack up production declines from fields in the North Sea and Mexico.

[Oil Price To Hit US\\$100; One Thing That Could Cause a Correction](#)

"It's not a question of when we'll hit US\$100 but how quickly," Nauman Barakat tells Bloomberg. Barakat, the senior vice president of global energy futures at Macquarie Futures USA Inc. was not talking about Macquarie Bank's share price. He was talking about oil. "There are no bearish factors in the market right now."

None?

[BP axes jobs as BNP proved right on Peak Oil](#)

Further evidence that peak oil is a reality comes today from one of the world's energy giants as falling production and refinery shutdowns are blamed for a 45% plunge in quarterly profits at BP.

[John Michael Greer: The age of salvage societies](#)

We may attempt to build any future we happen to like, but unless the earth's remaining stock of natural resources provides the raw material that the future in question requires, we'll find sooner or later that we're out of luck. Furthermore, even if the future we have in mind can be made to work within the hard limits of ecological reality, the

future we want will once again turn out to be a pipe dream if another form of society or economy does the same thing more effectively.

[Should Scientists Embrace Economic Growth?](#)

The assumption of continuous economic growth lurks behind most scientific endeavors. Should scientists embrace this growth which is often presented as a panacea for the relief of poverty, the stability of society and even the improvement of the environment? Or is unbridled growth increasingly undermining these important aims?

[Saudi King Tries to Grow Modern Ideas in Desert](#)

On a marshy peninsula 50 miles from this Red Sea port, King Abdullah of Saudi Arabia is staking \$12.5 billion on a gargantuan bid to catch up with the West in science and technology.

[GE hopes to cut mercury in "green" light bulbs](#)

General Electric Co is working to cut the amount of mercury in energy-saving fluorescent lightbulbs which have soared in popularity.

[Beck falsely claimed "the globe was the hottest" in 1934 -- it was actually 2005](#)

Glenn Beck declared that "the globe was the hottest" in 1934; in fact, according to NASA's Goddard Institute for Space Studies, the hottest year on Earth was actually 2005, and 1934 -- now designated the hottest year on record in the U.S. after a revision in climate data -- does not even rank among the globe's five warmest years. Beck also suggested that the statistic "was, I believe, intentionally distorted by the guy the left holds up as the scientist on global warming," an apparent reference to GISS director James Hansen. In August, the GISS revised historical climate data because "the monthly more-or-less-automatic updates of our global temperature analysis had a flaw in the U.S. data."

[No to coal](#)

Before approving a costly and irreversible program to build a new generation of coal-fired power plants, Texas officials should carefully study the statements of James Hansen. He's the director of the New York City-based NASA Institute for Space Studies and one of the first scientists to speak out on the threat of global warming caused by man-made greenhouse gases.

[Oil price hits record-high 92 dollars in New York](#)

World oil prices surged to historic highs Friday, breaching 92 dollars for the first time in New York on rising tension in crude-rich Iran and tight US energy supplies, analysts said.

"Now that oil is in the 90s, it is much easier to reach 100 dollars. Anything can happen in this market," Astmax fund manager Tetsu Emori said.

New York's main futures contract, light sweet crude for delivery in December, soared to a record-high 92.22 dollars per barrel.

[A slap in the face for Big Oil](#)

Premier Ed Stelmach rolled out a new deal yesterday on oil and gas development, the mainstay of his economy and Canada's biggest spender, that is sure to deflate a phenomenal boom and redefine the province's image.

In Calgary, the mood was somber among big players and small. The new terms reinforce the message that even in the country's top oil-producing province, this is a new anti-oil industry era.

[What now for the oil industry?](#)

Some 350 BP staff are now facing the axe, the majority in Aberdeen.

At a time when oil prices are soaring, we might wonder why a cull should be needed.

BP's argument is simple - to restore profit and viability.

[6 oil workers kidnapped in Nigeria](#)

Gunmen in speedboats attacked an oil vessel off the coast of Nigeria at dawn Friday and kidnapped six workers, Italian energy giant Eni SpA said.

['Food miles' soared by 31% in a year, study reveals](#)

Almost a third more food was flown into Britain last year than in 2005, embarrassing the Government which has promised to slash the pollution and congestion from "food miles".

[Not an environment scare story](#)

A landmark assessment by the UN of the state of the world's environment paints the bleakest picture yet of our planet's well-being. The warning is stark: humanity's future is at risk unless urgent action is taken. Over the past 20 years, almost every index of the planet's health has worsened. At the same time, personal wealth in the richest countries has grown by a third.

[White House defends 'health benefits' of climate change](#)

The White House on Thursday defended its prediction that climate change would bring some "health benefits" to humans, a forecast unlikely to endear it to critics of the US environmental record.

[Climate change seen hurting poor regions](#)

Latin America and other poor regions of the world will bear the brunt of climate change, a top official from the organization that shared this year's Nobel Peace Prize said Thursday.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).