



DrumBeat: October 30, 2007

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[World oil output struggling, say Arab experts](#)

Leading figures from the Middle East oil industry added their voices on Tuesday to those warning that the world is struggling to sustain rising oil production.

"There is a real problem -- that supply may not be possible to increase beyond a certain level, say around 100 million barrels," Libya's National Oil Corporation chairman Shokri Ghanem said at an industry conference.

"The reason is, in some countries production is going down and we are not discovering any more of those huge oil wells that we used to discover in the Sixties or the Fifties."

Sadad al-Husseini was a key architect of Saudi Arabian energy production policy for more than a decade whilst a top official at state oil firm Saudi Aramco. He was even more pessimistic, saying world oil production had already plateaued.

"We are already three years into level production," Husseini also told the annual Oil & Money conference, a gathering of top executives.

The views are far more conservative than those of the International Energy Agency, adviser to consumer countries, that supply will rise to 116 million bpd by 2030 to meet demand, from about 86 million bpd now.

[Recession risk rises with record oil](#)

Economists say economic expansion that shrugged off \$70 or \$80 oil could finally be tripped up by oil above \$90 a barrel.

NEW YORK (CNNMoney.com) -- There was a time when economists predicted that \$60-a-barrel oil would cause a recession. Then they said \$70 oil would. Then \$80.

So it might be tough to take the recession threat of \$90 a barrel oil very seriously. But some economists say that would be a mistake. They note that the current record-high oil prices are hitting when the economy is at its most vulnerable point in years - with the housing downturn, credit crunch and sliding value of the dollar posing threats that weren't present when oil passed its previous benchmarks.

"The whole game has changed," said John Silvia chief economist of Wachovia. "If they're sustained here, going into the holiday season, you're going to have a pretty horrendous fourth quarter."

[OPEC President Says Group's Spare Capacity Is Currently 3.5 Million B/D](#)

OPEC President Mohamed Al Hamli said Tuesday that the cartel's "spare production capacity is 3.5 million barrels a day" though he gave no details on how that figure, a key number watched by analysts, is broken down.

The Paris-based International Energy Agency said in its most recent monthly oil market report that the 12-member group's usable spare capacity, which strips out the spare volumes in troubled oil producers such as Nigeria and Iraq, is around 2.66 million barrels a day.

Spare capacity rises if producers cut back production levels to more closely match demand, and it is Saudi Arabia that possesses the most usable spare capacity, with around 2.15 million barrels a day on tap at short notice.

[Global warming opens Arctic seabed to the search for oil and gas](#)

Large, discovered oil and natural gas reserves totaling 233 billion barrels of oil or its equivalent can be found in the Arctic Basin, according to a recent study by two British consulting firms, Wood McKenzie and Fugro Robertson, "with potential additional resources estimated at 166 billion barrels of oil equivalent."

The study, "The Future of the Arctic," found that natural gas accounted for 80 percent of all available reserves, and that 69 percent of it belonged to Russia.

[Oil sands seen as 'threat No. 1' as U.S. may target dirtier fuels](#)

Canadian oil sands producers should brace for further bad news - this time from south of the border, as the U.S. government moves toward a national climate change policy that could target dirtier fossil fuels such as the oil sands bitumen, a former U.S. energy official said yesterday.

[Mud, sweat and tears](#)

The vast tar sands of Alberta in Canada hold oil reserves six times the size of Saudi Arabia's. But this 'black gold' is proving a mixed blessing for the frontier town of Fort McMurray, fuelling both prosperity and misery.

[A Dose of Reality for NPC's EOR Projection--Where EOR Succeeds and Where it Does Not](#)

With their projection, NPC perpetuates the misguided belief that EOR might be successfully applied to the full spectrum of oil fields worldwide, thus extracting additional oil from formations that have been depleted of primary and secondary reserves. Royal Dutch Shell promoted the same belief in 2006. In its webcast, Shell declared that extracting an additional 10 percent of original oil in place (OOIP) from the world's oil fields with EOR, also called tertiary recovery, would yield another 500 billion barrels of oil.

[Repeat of 1970s oil crisis not expected](#)

Fast rising oil prices are bringing back uneasy memories of the 1970s, but there is optimism a return to the economic darkness can be avoided.

[Pollution blamed as China confronts surge in number of deformed babies](#)

An alarming rise in birth defects was acknowledged by China yesterday, amid concern that heavy pollution is damaging the country's children.

[Kremlin concerned over Kiev inaction on oil refinery raid](#)

A Kremlin source said Moscow was concerned about Ukraine's inaction over an oil refinery, which was raided October 19 as part of an ongoing row between Russian and Ukrainian shareholders.

[US Auto Industry Faces Growing Headwind From High Oil Prices](#)

The continuing rise in oil prices poses a growing challenge for auto makers already dealing with the effects of housing market weakness and a crisis in the subprime mortgage market.

[Report: Cambodia vulnerable to rising oil prices](#)

A sharp rise in the consumer price index (CPI) can be directly attributed to higher prices of gasoline, while Cambodia has been found to be extremely vulnerable to rising oil prices by the United Nations Development Program (UNDP), local press reported Tuesday.

[White House: Energy price too high but economy firm](#)

The White House reiterated on Tuesday that it considered energy prices too high but said the economy would weather the impact.

"We've had high gas prices for a while. They've been too high for as many months as I can remember, but our economy has been remarkably resilient to it," White House spokeswoman Dana Perino told reporters.

Asked whether the Bush administration was considering tapping U.S. oil stockpiles to deal with the higher energy prices, Perino responded, "The Strategic Petroleum Reserve is there for emergencies and we have not played politics with the SPR."

[The Right Was Right After All](#)

There is another factor that has arisen that makes our exclusive control of the mideast oil resource even more necessary: the possibility of our reaching "peak oil" in the very near future. According to peak oil theory, we are about to reach (or have already reached) a point of no return in oil production where, just to maintain present production levels, we, like Alice, have to run faster and faster. As demand equals and then surpasses supply it will become more difficult and much much more expensive to maintain even present levels of fulfilled consumption. The greatest country on earth is not about to have to go hat in hand along with inferior nations like China to beg at the table of Mohamed (blessed be He) for our oil at a quantity and a price beyond our control. We cannot even for a moment consider playing such a cruel game of musical chairs. It is only prudent for our survival and appropriate to our rightful position as the dominant world military power, that we assume a controlling influence in this part of the world. It would be preferable to do this through diplomatic means and puppet "democracies," but, since that appears unlikely, we must do it through military force. Such is the not so well concealed wisdom of our Neoconservative rulers. Even if we are not in a precondition of peak oil, current growing demand both in this country as well as in the developing world make our control of the worlds oil an absolute necessity.

[Food or fuel? New technology offers both](#)

The BioExx process, however, produces both oils and proteins. The extracted oil - whether from corn, canola or soybeans - can be marketed for biofuels, while the protein can be sold as fish meal for the booming fish-farming market or as additives for animal feed.

[Wood could be the fuel of the future](#)

With the prospect of oil running out some time in the foreseeable future, Swiss researchers are looking for ways of keeping our cars running and our homes warm.

They have turned their attention to a familiar ally and one of Switzerland's few plentiful

renewable resources – wood.

[UK: Fuel's Gold](#)

Seven years ago the country was gripped by fuel blockades as petrol prices hit 81p a litre.

The Treasury only defused that crisis by postponing fuel tax increases.

[IOC seeks increase in petrol, diesel prices](#)

Indian Oil Corp, the nation's largest refiner, on Tuesday sought an increase in prices of petrol, diesel, domestic LPG and PDS kerosene as spiralling global oil prices had put "enormous" burden and may result in a revenue loss of over Rs 8,500 crores this fiscal.

[Google's love for solar may extend to other renewables](#)

When it comes to bragging rights and solar power, Google's on top: it has the largest corporate installation of solar-powered electricity yet.

But that apparently is just the beginning. The search giant is also considering other forms of renewable energy, according to Robyn Beavers, the director of environmental programs at Google. Google intends to generate 50 megawatts of electricity from renewable forms for its operations by 2012.

[Dream of a low-carbon, rural idyll getting closer?](#)

The falling cost of renewable energy could fuel a city stampede for the country to exchange clean air for carbon emissions, says Nick Rosen, author of a new book, "How to live Off-Grid".

[Truck lines show fuel shortages in parts of North Dakota](#)

Matula said began seeing long lines in Jamestown in late August, about the time harvest started. Diesel is still in demand as harvest continues, and he expects supplies to be lower because several Midwestern refineries are operating at reduced rates because of maintenance.

[The Music of the Gears](#)

FOR sanity's sake, most New Yorkers try to keep the city's cacophony at bay. But the composers Bruce Odland and Sam Auinger, who go professionally by the name O+A, insist that the time to listen is now, before it is too late. In their opinion, the bell tolls for the sounds generated by oil-fueled transportation because fossil fuels are running out.

Yet how do you say goodbye to fuel?

[Carolyn Baker: Enhancing emotional wellness in a collapsing world](#)

I recently had the extraordinary privilege of sitting down with therapist and mentor, Carla Royal, to talk about collapse and how we can enhance our emotional well being as we prepare for and navigate it. Carla's perspective is incisive and her work essential in the current milieu of climate chaos, energy depletion, and economic upheaval.

[Residents look to mold future of the county](#)

Linda Mastny, who's on the board of the sustainability alliance, recommended some ideas that are working in other places.

San Miguel County has a Sustainability Department. Berkeley, Calif., is looking at allowing people to install solar panels and pay for them through property taxes, and Portland, Ore., has created one of the country's first peak-oil plans. A peak-oil plan, she said, addresses how the city will handle decreasing oil production and the resulting rising prices.

[The Green Goals of the Delta-Montrose Electric Association](#)

Delta-Montrose Electric Association is gaining a reputation as both an iconic, and ironic, rural co-op.

Located between Aspen and Telluride in west-central Colorado, the co-op is determined to at least partially unhitch its wagon to centralized coal-fired electrical production. It is studying local renewable resources with the goal of generating 5 percent of electricity from those sources. At the same time, Delta-Montrose earlier this year attracted broad attention in the Rocky Mountains when it turned a cold shoulder to a new coal-fired power plant proposed in Kansas.

[Inventing a sustainable city](#)

Meyer started the Abundant Iowa City campaign, which, he said, seeks to create a self-reliant, permanent community that enhances the health of its people and environment.

The group has had three meetings, which are breeding ground for further outside discussion with other activist groups.

[The climate change censor](#)

IT IS A RACE against the eraser. By the end of the Bush administration, we could all be rubbed out.

Utterly unashamed, the White House heavily deleted yet another major document on global warming. It blached out the Senate testimony of Julie Gerberding, director for the Centers for Disease Control and Prevention.

[Our Moderate Climate Crisis](#)

Ours is a truly strange global warming crisis. The warming has been only about 0.7° C, spread over 150 years. Our ancestors lived through much more dramatic climate changes.

Just 10,000 years ago, insect fossils tell us, air temperatures dropped as much as 20° C over a few centuries. Then temperatures zoomed back up to levels warmer than today in perhaps 50 years, according to Dr. Dorothy Peteet of the Lamont-Doherty Earth Observatory in New York.

That period, at the end of the last major Ice Age, was also when humans killed off the last of the massive cave bears--because we wanted their caves. The caves were the best-insulated places for humans to live, so hunters risked their lives to attack the groups of massive bears with nothing more than stone-tipped spears.

[Some 'Vampires' Prefer Energy Over Blood](#)

A force as insidious as Dracula is quietly sucking a nickel of every dollar's worth of the electricity that seeps from your home's outlets.

Insert the little fangs of your cell phone charger in the outlet and leave it there, phone attached: That's vampire electronics.

[Nuclear Renaissance In Russia?](#)

Russia, the world's second nuclear power, has long had an active nuclear-energy industry, including exporting reactors to countries such as India and Iran. Yet until recently, the Kremlin devoted far less attention to nuclear energy than to the country's massive and profitable oil and natural-gas industries. In 2005, President Vladimir Putin

indicated his interest in the sector by appointing former Prime Minister Sergei Kiriyenko to head Russia's Federal Atomic Energy Agency (Rosatom).

[Answer to energy crisis is blowing in the wind](#)

Environmentalists tend to swoon over Scandinavia's progressive green policies. Stories about the region's sustainable communities have achieved near mythic proportion. And indeed, eco-towns like Övertorneå, in Sweden, have become 100 per cent fossil-fuel free. Eco-cities like Malmo, also in Sweden, feature entire neighbourhoods using renewables and waste, including human waste, to produce their energy.

But it is not just Northern Europe that excels in sustainable urban development. Canadian communities like Vancouver and Quebec City show up on lists of the world's greenest cities.

[Pakistan: Energy crisis and the industrial sector](#)

In the wake of the looming energy crisis in the country, the supply end has to be substantially increased on a war footing in order to avoid any severe consequences that such a massive shortage of energy as experienced in the recent months could damage the socio-economics and the sovereignty of the country. The multi-dimensional ongoing energy crisis has been having a knock on the life of every Pakistani and has shaped up into a matter of national concern. In the present age, without sufficient energy the wheel can't run on roads, industry and agriculture can't sustain, hospitals and operation theatres can't function, schools and laboratories can't work and public and private sector businesses can't operate. This is indeed the situation we are facing in Pakistan. The shortage of sufficient and affordable energy has not left any of the above-mentioned institutions operate smoothly.

[All About: Waste heat](#)

For all the bad mouthing we dish out to the auto and manufacturing industries for the foul pollutants they force us to breathe, a wealth of evidence is suggesting that we should be looking a little closer to home for the other villains of global warming.

It turns out that our homes gobble up 25 percent of the world's energy and are to thank for 19 percent of global greenhouse gas emissions (that's 4,400 million metric tons of carbon dioxide, or CO₂), according to a recent McKinsey report, "Curbing Global Energy Demand: The Energy Productivity Opportunity."

[Electricity Company Shifts Generators To Maintain Even Energy Flow In Zimbabwe](#)

In a bid to minimize the damage caused by the rising energy crisis in the country, the

Zimbabwe Electricity Supply Authority or ZESA, has now started shifting the few remaining transformers from one area to another, to ensure a steady supply of power.

[Poor outlook for grain stokes fight over biofuels](#)

FOOD producers who rely on feed grain stepped up their attack on biofuels yesterday as the forecast for Australia's grain harvest was slashed by another 4.5 million tonnes after two more months of exceptionally warm, dry weather.

[No real alternative to oil: Rise in demand seems unavoidable](#)

The largest reservoirs, or "super giants," are the cheapest to develop, in terms of cost per barrel. But the last true super giants were discovered in 1967 and 1968, according to a paper by Robert Hirsch, Roger Bezdek and Robert Wendling that has become seminal to "peak oil" theorists, who argue that reserves will soon peak at a maximum production rate, and decline thereafter.

The 2005 paper, "Peaking of World Oil Production" collated estimated dates for the peak, ranging from last year to beyond 2025. It concluded that government intervention to slow demand was required, "because the economic and social implications of oil peaking would otherwise be chaotic."

...Still, "this is the fifth time that the world is said to be running out of oil," said Yergin, the chairman of Cambridge Energy. Each time, "technology and the opening of new frontier areas has banished the specter of decline. There's no reason to think that technology is finished this time."

[Please don't blame us for \\$93 oil: OPEC](#)

OPEC has no power over many of the factors buffeting oil markets and the group is worried by record high prices that are threatening the world economy and future demand growth, OPEC ministers said on Tuesday.

"Please don't blame us for \$93 oil," Qatari Oil Minister Abdullah al-Attiyah told reporters on the fringes of an international energy conference.

"The market is out of control."

[EIA Head: Extra OPEC Oil Could Relieve Pressure In Oil Markets](#)

Additional oil from Organization of Petroleum Exporting Countries could relieve some of the pressure in global oil markets where prices have topped \$90 a barrel, the head of the U.S. Energy Information Administration Guy Caruso said Tuesday.

[CERA: Market Just 1 Or 2 Events Away From \\$100-Plus Oil](#)

Cambridge Energy Research Associates Chairman Dan Yergin believes the "oil market may be only one or two events away from \$100-plus oil," adding they have become increasingly decoupled from the fundamentals of supply and demand

[Libya Oil Head: Global Oil Output Can Only Reach 100 Million B/D](#)

Global oil production can go no higher than 100 million barrels a day, the head of Libyan oil policy and Chief Executive of Libya's National Oil Co. Shokri Ghanem said Tuesday.

"There is a ceiling or 100 million (barrels a day) and the world cannot continue to produce oil indefinitely," Ghanem told an energy conference in London.

Once that ceiling is reached, global oil production will start to decline, Ghanem said. He didn't specify where the data came from.

[Kenya: Shell Executives Forecast New Era in Africa After BP Takeover](#)

BP's takeover has opened a new era in the firm's operations in Africa, where big multinationals are walking out due to the loss of market dominance positions in wake of an onslaught from smaller oil distributors.

Energy analysts say the foreign multinationals and their subsidiaries are no longer profitable in Africa due to higher overhead costs, including branding of fuel stations, fat-pay cheques for top executives and other emoluments.

[BP refinery safety violations revealed](#)

A 5-month investigation of BP's Whiting refinery following a deadly explosion at a Texas refinery owned by BP found untested fire hoses, broken equipment and outdated safety procedures, The Times of Munster reported.

[Chris Skrebowski on alarming new peak oil report](#) (transcript of previously released podcast)

Julian Darley: Are you foreseeing, in fact, an earlier peak for tar sands' output?

Chris Skrebowski: I think, I think at this stage it is just too early to tell; but, it is a plausible and ultimately a respectable argument to say that if you can't get the economics to add up well as the ores become leaner, you probably would have a tar sands peak, and that it would decline.

[Jeff Randall's Interview With James Smith - In Full](#)

JEFF RANDALL: What do you mean by peak oil?

JAMES SMITH: Well that somehow people are saying that oil is running out, as part of your question, I don't think that's the case. Probably the easy oil has been found, the big fields with the light crude that's easy to produce and what we are looking into a future of is very substantial hydro-carbon resources but those hydro-carbon resources are going to be more difficult to produce, they are going to be heavier ?

[Connecticut Legislative Caucus Holds Peak Oil Hearings](#)

Co-founders of the Connecticut Legislative Peak Oil and Natural Gas Caucus State Representative Terry Backer (Stratford) and Senator Bob Duff (Norwalk, Darien) announced an informational hearing will be held on November 1st 2007 12:30PM room 2A Legislative Office Building Hartford CT.

According to Representative Backer and Senator Duff Peak Oil is the event when oil supply reaches its maximum production, plateaus and then falls into terminal decline. There has been consistent evidence that the world's oil supply either has or will reach peak production in the near term. The impact on the economy of the State and its people could be dramatic, enough so that more information is needed to plan appropriately by state leaders.

[North Korea to split aid between fuel and goods](#)

Regional powers agreed on Tuesday to give half the aid they promised North Korea for disabling its ageing nuclear plant to help refurbish the communist state's dilapidated infrastructure.

[Panel urges Bush to drop nuke waste plan](#)

A panel of the National Academy of Sciences urged President Bush on Monday to abandon an ambitious plan to resume nuclear waste reprocessing that is the heart of the administration's push to expand the civilian use of nuclear power.

A 17-member panel of the Academy's National Research Council said the proposed Global Nuclear Energy Partnership, or GNEP, has not been adequately peer reviewed and is banking on reprocessing technology that hasn't been proven, or isn't expected to be ready in the time the administration envisions.

[Power plants are focus of drive to cut mercury](#)

Despite decades of government attempts to regulate it, ban it and erase it from household use, the poisonous metal mercury remains a threat to the environment and public health, especially to children and to women of childbearing age.

[Opposition takes on coal plants](#)

BLAKELY, Ga. — Sammy Prim says he always thought environmentalists were "a little bit nutty."

Then a New Jersey-based utility, LS Power, decided to build a \$2 billion coal-fired power plant here, just a few miles across the Chattahoochee River from his rural Alabama home. If built, it could emit up to 9 million tons of carbon dioxide, the primary gas blamed for global warming, every year.

"I've been a Republican my whole life, but I'll be doggoned if Al Gore isn't right," says Prim, 64, a retired radiologist. "Is it fair for you and me — this generation — to pollute for all the generations to come when we're already seeing the effects — global warming, mercury, particulate matter?"

[Schwarzenegger regrets US's poor effort on global warming](#)

California Governor Arnold Schwarzenegger told a conference in Lisbon on Monday that he regretted Washington's lack of engagement on global warming but insisted it was not ignoring the issue.

"Just because you don't see Washington leading this issue, don't be thinking that America is shirking its responsibilities," he said in a video message transmitted for an international conference on global warming.

[Countries launch carbon trading market](#)

Senior officials from the European Union, three U.S. states, Canada, Norway and New Zealand launched an international effort Monday to fight climate change by building a global carbon trading market.

The International Carbon Action Partnership aims to add momentum toward low-carbon economies by grouping countries and regions that cap and trade environmentally damaging carbon dioxide emissions.

[Children particularly at risk from global warming: report](#)

"Anticipated direct health consequences of climate change include injury and death from extreme weather events and natural disasters, increases in climate-sensitive infectious diseases, increases in air pollution-related illness, and more heat-related, potentially fatal, illness," the report presented at the annual congress of the American Academy of Pediatrics said.

"Within all of these categories, children have increased vulnerability compared with other groups," it said.

[Past the threshold for dangerous warming](#)

One of the main headlines in the first week of the election campaign was Opposition Leader Kevin Rudd's announcement that Labor would sell additional Commonwealth land, much of it in outer metropolitan areas, to help ease the housing crisis. The Howard Government has a similar plan.

While there is a need for affordable housing, these policies will promote further urban sprawl and, in doing so, undermine measures to tackle climate change.



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