



DrumBeat: October 31, 2007

Posted by [Leanan](#) on October 31, 2007 - 7:00am

Topic: [Miscellaneous](#)

[Pemex restores much of its oil production](#)

Good news? Well, sort of...

The company, known as Pemex, had suspended **1.1 million barrels** of output on Tuesday after too much crude piled up at storage facilities and ships couldn't move it out due to port closures.

That's almost twice as much oil shut in as they originally reported! No wonder crude is [over \\$96](#) in after hours trading. (And no wonder Pemex waited until after hours to make the announcement.)

UPDATE: [Bloomberg](#)'s take on it:

Petroleos Mexicanos, or Pemex, resumed some oil exports and revealed that a storm caused more output to be halted than had been assumed.

"The shock of the data is understandable when you consider the news from Pemex that they shut in something like 1 million barrels a day, not 600,000," said Chris Mennis, owner of oil broker New Wave Energy LLC in Aptos, California. "Most of that would have been going to the U.S."

[Unsustainable mining harms Australia](#)

Dr Mudd said the statistics were alarming. "On average, 27 tonnes of greenhouse emissions are created to mine a tonne of uranium. That's equivalent to the annual emissions of nine family cars. To mine one kilogram of gold it takes 691,000 litres of water, and it takes 141 kilograms of cyanide to produce a single kilogram of gold.

"There is often talk about sustainable mining, but our latest body of research shows that minerals are being mined at an alarming rate, mining companies have to work harder to source it, and as a result the environmental costs of the process and clean-up are rising exponentially.

[Petrobras caught short on gas supplies](#)

Brazilian state energy company Petrobras was forced by a court injunction to restore natural gas deliveries to some distributors today after it had trimmed supplies to feed gas-fired power plants instead, raising fears of energy shortages.

[URGENT: China to raise gasoline price](#)

China will raise the prices of gasoline, diesel oil and aviation kerosene by 500 yuan per ton, almost a 10 percent rise, starting from November 1, China's economic planner announced on Wednesday.

...The adjustment was made to shorten the gap between high-flying international crude prices and state-set domestic oil prices, according to the National Development and Reform Commission.

[Nepal: Petroleum shortage likely to continue](#)

The Nepal Oil Corporation (NOC) today paid INR 1.5 billion to the Indian Oil Corporation for a new consignment of oil supply but the quantity of oil the money will fetch will still not meet the market demand, said Eccha Bikram Thapa, NOC's spokesperson.

[Wall Street drilling for Middle East riches](#)

NEW YORK (Reuters) - Wall Street bankers are flocking to the Middle East, and it's not for oil or the balmy weather.

Years of raging energy prices have made the states surrounding the Persian Gulf one of the fastest-growing regions and a source of immense wealth seeking investments at home and around the world.

[Horizon oilsands project forecast to go \\$1-billion over budget](#)

Canadian Natural Resources Ltd. expects the cost of its Horizon oilsands project to jump as high as \$7.75-billion, nearly \$1-billion over budget, as some work gets pushed out into winter, the country's No. 2 independent producer said on Wednesday.

[Energy trusts in no hurry to become corporations](#)

Some of Canada's largest oil and gas trusts say they are in no hurry to flip back into

corporations by 2011, when they will be taxed at the same rate as the explorers and producers (E&Ps) they compete against.

[Memo Mr President: get tough on the black-gold cowboys](#)

THE United States is the best-armed nation on earth and I'm not talking about its army. It's time to get out the oil rags, clean the guns and check the condition of the ammo. The great speculators' oil theft has to be stopped.

[Leaders lost on a road to nowhere](#)

The price of oil is heading towards a \$100 a barrel and within the life of the next Federal Parliament the price of petrol could be twice what it is now. Almost certainly freeways — both those recently built and those likely to follow Sir Rod Eddington's report later this year approving Melbourne's multibillion-dollar East-West tunnel — will become "stranded assets" well before the end of their economic life in 60 years' time.

What is now in question is whether Melbourne becomes a "stranded city" or its infrastructure is planned to take into account the impact of peak oil and global warming.

[Gunmen attack Nigerian navy boat, 1 dead](#)

Gunmen in speed boats attacked a Nigerian navy vessel Wednesday on the oil-rich Niger Delta coast, killing one officer and wounding several others, officials said.

The main militant group in region claimed responsibility for the attack, saying it was meant to show that "the presence of the Nigerian military in the Niger Delta can not deter an attack nor provide protection to oil facilities when we decide to attack them."

[Get used to \\$100 oil, OPEC warns](#)

Several leading oil experts, gathered here yesterday for an annual energy conference, sketched a near-term future in which mounting global demand and shrinking supplies push oil prices well past the \$100-a-barrel (U.S.) mark.

Consuming countries, they argued, will simply have to deal with the fact that new pockets of oil are getting far harder and more expensive to tap. That, combined with years of underinvestment by the industry, has led to a tapering off of new oil supplies that will continue for years, despite rising energy demand in Asia, the Middle East and some industrialized countries.

[Emirates get an early whiff of a Western bugbear - energy shortage](#)

The Emirates have an energy problem. It is not obvious to outsiders, who see in the Gulf a bottomless lake of hydrocarbons. Nevertheless, the tiny kingdoms that make up the United Arab Emirates are struggling with energy.

It is not only Dubai, the ambitious city-statelet that is reinventing itself as the Singapore of the region, pumping the wallets of tourists and financiers as its oil wells run dry. The whole region needs more power and, above all, it needs more natural gas to generate the electricity that keeps the lights on, the water desalinated and the air chilled in the hothouse petrodollar economy. Like tigers chasing their tails, the Emirates are in a frantic dash for gas.

[Diesel fuel supply low in Jamestown](#)

Dave Vining of Vining Oil and Gas said, prior to this fall, there were occasional temporary fuel outages at terminals, but fuel was arriving regularly enough that he could keep up with demand. However, he said, the situation worsened dramatically beginning about 60 days ago, and he's been able to purchase only about 60 percent of his usual supply.

[Tokyo Electric Predicts 1st Loss in 28 Years on Costs](#)

Tokyo Electric Power Co., forced to shut the world's biggest nuclear plant after an earthquake, predicted its first loss in 28 years to pay for repairs and a switch to costlier oil and gas-fired generation.

"I expect next year to get tougher if oil prices stay at current levels," President Tsunehisa Katsumata told reporters in Tokyo today. He will accept a 20 percent pay cut starting November to take responsibility for the expected loss.

[How High Can Oil Go?](#)

Don't be surprised to see a test of \$100 a barrel soon, even though that's far higher than what market fundamentals call for.

[Pemex's Gas Pipeline Bursts in Southern Mexico](#)

Petroleos Mexicanos's natural gas pipeline exploded in Tabasco state in southern Mexico, Reuters reported, citing Oscar Ferrer, mayor of the city where the blast

occurred.

[Mexico sees storm-hit oil sector normal by Thursday](#)

Mexico's storm-crippled crude oil sector should be operating as normal by Thursday morning, state-owned energy monopoly Pemex said on Tuesday as one of the country's three main oil ports reopened.

[Diesel Shortage Strains Ties in Bolivia](#)

A diesel shortage is aggravating tensions between President Evo Morales' populist government and conservative agribusiness leaders, whose tractors need the fuel to begin Bolivia's planting season.

['Pakistan should exploit coal for power generation'](#)

Pakistan needs political consensus and political will, it should utilise its indigenous resources of coal for power generation and in other projects for longer run rather than rely on short-term projects. This was the consensus of speakers presenting their views on the first day of a two-day international symposium and open house discussion on 'Sindh Coal (Lignite) Mining Challenges and Success' on Tuesday at a local hotel.

[BP offers Abu Dhabi green solution to chronic gas shortages](#)

BP is in talks with Abu Dhabi to build a green energy project that would produce hydrogen from natural gas and store carbon dioxide in the Gulf emirate's oil wells.

The novel scheme could provide clean electricity to the emirate and at the same time help Abu Dhabi to find a solution to a gas shortage in the Gulf, which threatens to undermine the rapid economic expansion of the oil-rich city state.

[Is Hydrogen the Answer to Our Future Transport Needs?](#)

Many auto companies are investing heavily in hydrogen fuel cells but battery-electric vehicles are just as compelling.

[Waste wafers give solar power a silicon boost](#)

A simple method of recycling waste silicon from microchips that could help ease the shortage of refined silicon for solar energy panels has been developed by IBM.

[Supersonic, manta rays or slower planes? The future of air travel](#)

A world without air travel is inconceivable, but what might it be like in the future? Is the jumbo's jumbo, the Airbus A320, a taste of bigger craft to come? And with energy sources in question, will we even be flying?

[Engineer guilty of hiding nuclear plant damage](#)

A federal jury convicted a former nuclear plant worker Tuesday of concealing the worst corrosion ever found at a U.S. reactor. A second defendant was acquitted.

David Geisen, the Davis-Besse plant's former engineering design manager, was accused of misleading regulators into believing the plant along Lake Erie was safe. He faces as much as five years in prison.

[Can GM crops end food supply shortage fears?](#)

Predicted bioethanol growth means that in this state alone, corn production will have to increase by 160% to meet the food and fuel demand. Mike Owen from Iowa State University believed GM technology would be crucial to doing this in an environmentally sustainable way.

"Perhaps one of the most important successes has been the savings, environmental and economic, resulting from the change to conservation tillage - particularly no tillage - attributable to GM crops."

[Oil reserves over-inflated by 300bn barrels – al-Huseini](#)

The world's proved reserves have been have been falsely puffed up by the inclusion of 300 billion barrels of speculative resources, according to the former head of exploration and production at Saudi Aramco, and this explains the industry's inability to raise output despite soaring prices.

Sadad al-Huseini's presentation to the Oil and Money conference in London went substantially as previewed by [lastoilshock.com](#), but the analysis he delivered may also throw light on the infamous OPEC reserve additions of the 1980s.

[Efficiency replaces conservation as the goal of energy saving policies](#)

Governments around the world that used to promote energy conservation are shifting

their focus toward energy efficiency as a way to curb global warming without constraining economic growth, according to energy and environmental officials.

[Oil industry experts predict supply crunch in coming years: Underinvestment, skill shortages and difficult-to-access reserves, likely to keep oil above \\$100 a barrel for sustained period](#)

As the price of a barrel of crude oil heads for the \$100 threshold, and will soon exceed the real dollar all-time record value reached in 1980,* the annual Oil & Money Conference was told in London on Monday, that shortages of skilled labour and long-term under-investment mean oil supplies are unlikely to meet the expected growth in demand over the coming years.

[Analysts play down concerns over UK energy supplies this winter](#)

Analysts have played down concerns that the UK is facing an energy crisis this winter, following an electricity supply warning posted yesterday by National Grid, the UK gas and electricity transmitter.

[This Chart Will Scare You](#)

I can't think of a more ghastly Halloween tale than the current situation in oil and gas. Let's start with a few important facts...

[Sentiment Grows In Oil-Hungry U.S. For Extended Middle East Presence](#)

Sentiment is growing in both political parties for extending the U.S. military presence in Iraq in order "to ensure the safe flow of petroleum," according to the Nov. 12th issue of *The Nation* magazine.

Not only is President Bush protracting U.S. engagement in Iraq but the two leading Democratic contenders for his job, Senators Hillary Clinton and Barack Obama, don't appear eager to quit Iraq, either.

[Monbiot: Civilisation ends with a shutdown of human concern. Are we there already?](#)

A few weeks ago I read what I believe is the most important environmental book ever written. It is not *Silent Spring*, *Small Is Beautiful* or even *Walden*. It contains no graphs, no tables, no facts, figures, warnings, predictions or even arguments. Nor does it carry a single dreary sentence, which, sadly, distinguishes it from most environmental literature. It is a novel, first published a year ago, and it will change the way you see the world.

Cormac McCarthy's book *The Road* considers what would happen if the world lost its biosphere, and the only living creatures were humans, hunting for food among the dead wood and soot. Some years before the action begins, the protagonist hears the last birds passing over, "their half-muted crankings miles above where they circled the earth as senselessly as insects trooping the rim of a bowl". McCarthy makes no claim that this is likely to occur, but merely speculates about the consequences.

[A wake-up call](#)

We are in deep trouble. Yet, despite the fact that we have been told we are facing an unprecedented climate crisis, life goes on pretty much as it always has. We celebrate the seasons with new fashions, we employ designers en masse to aesthetically cise our environment, we have elevated design to art status and are now reaping the rewards. TV ads tell us that we are doing well by the environment – so, are we?

[Building post carbon cities](#)

Record-setting prices for oil are creating huge problems for America's cities as they struggle to cope with soaring fuel costs. In *Post Carbon Cities: Planning for Energy and Climate Uncertainty*, Daniel Lerch of Post Carbon Institute shows city leaders how to create their own plans to reduce local vulnerability to rising prices and volatile energy markets.

[Don't Rush It. Dig In: Defining Advice for the Possibilities Ahead](#)

This is not the first time I have grappled with the end of the world. Usually the images that flash through my mind, involve drowning, fire, or thirst; it always ends the same way: I calm down and go back to the work I was doing before the news flash told me the world was ending.

In short this is how I spend most of my crazy "environmental" life. Everyday I work, in my own small ways, to create a more sustainable world; but I oscillate constantly between the practicality of these small daily actions, and the need for large-scale change with the greatest urgency.

[TransCanada Advances Keystone Oil Pipeline Project](#)

TransCanada continues to make significant progress on the Keystone Pipeline project. Based on strong industry support, TransCanada has entered into contracts or conditionally awarded approximately U.S. \$3.0 billion for major materials and pipeline construction contractors and is continuing to secure land access agreements in preparation for the start of construction in the spring of 2008. Based on the increased size and scope of the project and the executed material and service construction

contracts, the capital cost of Keystone is expected to be approximately U.S. \$5.2 billion.

[Nuclear ambitions fan controversy in Bulgaria](#)

As governments around the world struggle to secure energy supplies, cut carbon emissions and adapt to rising oil prices, Bulgaria has adopted an ambitious solution: Construct a new nuclear power plant, the country's second, near the northern town of Belene, across the Danube from Romania.

[Are you ready to pay for light rail to Fife?](#)

The junk mail from "Roads & Transit," the marketing name for the proposed 9.5 percent sales tax, arrived at my house the other day. It says, on one side, "Turns out, it really is ALL ABOUT YOU." A little arrow points to the photo of a car stuck in traffic.

That's you.

Turn the card over and on one half is the 520 bridge. It says: *Roads & Transit is all about you*. On the other half it says ... *and everyone else, too* — and shows a light-rail car.

There is the message: You drive, they take the train.

[ASPO-China is formed](#)

It was unanimously agreed that ASPO-China should be formed and that Peak Oil research and modeling is essential to China. As seven of the nine new leaders in China have been engineering students it is expected that Peak Oil will feature in future government policy-making decisions.

[\\$3-a-gallon gas around the corner?](#)

Demand for oil has been increasing faster than supply. Iran-U.S. tensions have been growing. Traders have seen more danger in bidding low than high.

Worse, muttering about reaching a global limit on production — "peak oil" — has become increasingly common. Add it all together and predictions of \$100-a-barrel oil have gone from beyond-the-fringe to mainstream.

[Cause for concern on Main Street, USA](#)

We are rapidly approaching a time of reckoning. What happens when the American people discover that our nation will soon be fighting with Asia and Europe for control of a rapidly dwindling supply of petroleum? When they discover the dollar is becoming an increasingly worthless currency on the world markets? When they discover that other countries are tiring of lending America money to prop up a bankrupt government? When they discover that most of the wealth created over the past decade is based on fraud? When they discover that our current way of life is unsustainable in a world of scarcer resources caused by the double whammy of peak oil and climate change?

[Check out the world's largest Oil Reserve](#)

What if I told you the world isn't running out of oil and that we've got more than 3.7 trillion barrels left to burn through?

You'd consider me downright crazy. After all, with oil prices surging to new highs on a weekly basis, it's apparent we must be running out.

[The end of the industrial age](#)

How will the world look when we finally wean ourselves from our oil-addiction – whether because we embrace new low-carbon advances, or just because the oil runs out? The graphic artist who worked on the series, Andy Mosse, reworked Turner's masterpiece so that the Fighting Temeraire, rather than being towed into port by a hardy little tug, is instead towing a clapped-out giant passenger ferry into harbour, through waters strewn with oil drums, shopping trolleys and plastic bottles. The age of coal and steam power has come to a close, and a new age of wave and wind is dawning. Gas turbines now give way to windmills, steam-ships to sail.

[Azerbaijan passed quite pessimistic medium-term forecast with GDP growth cutback to 3.5%](#)

In 2009-10 the country is forecasted to reach peak oil production (around 65 million tons a year) to start reducing since 2011-12.

[Latest Price Jump Discourages Big Oil Mergers](#)

Major oil companies are more likely to use the extra revenue from the latest jump in oil prices to continue share repurchases rather than undertake costly acquisitions, analysts said.

[Foreign oil workers released in Nigeria](#)

The hostages were freed unconditionally and no ransom was paid, police spokeswoman

Ireju Barasua said.

The Movement for the Emancipation of the Niger Delta, or MEND, said in an e-mail to The Associated Press that the workers had "poor hostage value" because of their nationalities.

[Changing climate haunting tourism](#)

It is often said that farmers are on the front lines dealing with global warming, their livelihoods being extraordinarily dependent on the weather. But tour operators and resort owners are not far behind.

[Peak oil: How serious is it?](#)

Oil is the lubricant of our society. Transport is the obvious point of consumption, but the use of oil pervades almost all aspects of modern living. Agriculture (not only tractors, but also pesticides and fertilisers), plastics, pharmaceuticals, toothpaste, clothing, cars, and the generation of power are all, to some extent, dependent on oil.

So, a rising oil price actually means an overall increase in the cost of living. And that is just scratching at the surface of the problem. Our casual reliance on oil as an energy source, aside from wrecking the environment, is about to hit some serious hurdles. If peak oil theorists are to be believed, the end of the Oil Age is nigh.

[China fuel crisis spreads](#)

China's worst fuel crisis in two years spread to the capital and other inland areas by Wednesday, and one man was killed in a brawl at a petrol station queue, upping pressure on the government to intervene.

Diesel shortages in China's political heart, which escaped previous supply crunches unscathed, highlight tensions between the government and its increasingly independent oil firms about who should pay for the country's generous fuel subsidies.

Top refiner Sinopec on Wednesday pledged more supplies and bought additional diesel fuel abroad, but it may fall to Beijing to end the stand-off by raising domestic prices, easing taxes, promising another year-end pay-off -- or simply strong-arming suppliers into selling more fuel at a loss.

[Why the Economy Can Withstand \\$100 Oil](#)

Forget the credit crunch and mortgage crisis for a moment. What about rising oil prices?

So far, the economy has shaken off high prices at the pump, *no problemo*. But what if oil hits \$100 or more? Don't fret, says Jim Glassman of JPMorgan.

[£1 a litre is now normal at the pumps](#)

The AA warned motorists last night that they face a “winter of misery” as petrol prices rose to their highest levels.

[Rising fear of energy crisis this winter](#)

Britain faces the prospect of power shortages and soaring prices this winter after the National Grid warned of a shortfall in electricity-generating capacity yesterday. The alert coincides with a surge in gas prices, which are now 40% higher than in continental Europe, and the confirmation that a vital import plant in South Wales will not be operational this winter.

[East Siberia oil growth uncertain - TNK-BP CEO](#)

Lack of exploration in new East Siberian oil fields means it is unclear to what extent that region can make up for declines in West Siberian production, the boss of one of Russia's biggest companies said on Tuesday.

[Iraqis say ready to take control of oil terminals](#)

For the first time since U.S.-led forces toppled Saddam Hussein more than four years ago, Iraqi soldiers are taking charge of protecting the country's greatest assets against insurgents under a plan to hand over control to Iraqis.

[World's growing dependence on coal leaving a trail of environmental devastation](#)

It takes five to 10 days for the pollution from China's coal-fired plants to make its way to the United States, like a slow-moving storm.

It shows up as mercury in the bass and trout caught in Oregon's Willamette River. It increases cloud cover and raises ozone levels. And along the way, it contributes to acid rain in Japan and South Korea and health problems everywhere from Taiyuan to the United States.

This is the dark side of the world's growing use of coal.

[Transport growth will not increase emissions, government claims](#)

The road, rail and air networks of Britain can all be greatly expanded without undermining Britain's commitment to reducing climate change emissions, a government report claims.

The "pro-green, pro-growth" discussion paper launched today by the transport secretary, Ruth Kelly, wants to see a new high-speed rail linking London, Birmingham and Manchester, wider motorways, congestion charging in more cities, and bigger sea and air ports.

[Government 'puts the economy before the environment' with transport plan](#)

Ministers were accused of downgrading the drive to cut carbon emissions from Britain's transport network after revealing a long-term strategy for increased road, rail and air travel.

[UK invites private funding for 'green' transport](#)

Britain invited the private sector to play a bigger role in plans to ease congestion of the UK's clogged transport network on Tuesday while keeping a lid on CO2 emissions.

[How to Build a Local Energy Economy](#)

Is it possible to get our power from local sources? Yes, and an interview with one expert explains how.

[Hello, I'm your personal travel adviser. Can I persuade you to get on your bike?](#)

The doorbell will be ringing unexpectedly in millions of homes from next year as an army of government-funded "travel advisers" tries to persuade people to switch from driving to walking, cycling and public transport.

If you are out, they will keep coming back and will call up to ten times, even in the evenings or at weekends.

[Could a Melting Ice Sheet Really Raise the Oceans 23 Feet?](#)

1 melted Greenland ice sheet = 23-foot rise in global sea level

That's the rough equation behind a frequently cited stat in news coverage of climate change. According to a transcript, Anderson Cooper said in a CNN special report this

week, “If the entire ice sheet dissolved, sea levels would rise by 23 feet — spurning a global catastrophe that would flood coastal cities and displace tens of millions of people. Scientists don’t think the entire ice sheet can melt any time soon, but every inch of sea level rise counts. Millions live near coastlines less than three feet above sea level.” The dire 23-foot number also appeared in a CNN.com article this week, as well as in the Washington Post.

Boo!



(Happy Halloween!)



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