



DrumBeat: November 9, 2007

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Topic: [Miscellaneous](#)

[Shell's Mars Oil Production Cut In US Gulf - Sources](#)

Output of the largest source of lower-quality crude in the U.S. Gulf of Mexico has been partially curtailed, people familiar with the situation say.

Volumes for the Mars crude blend, which is produced on several platforms operated by Royal Dutch Shell PLC, may be down as much as 150,000 barrels a day, said one trader who spoke on the condition of anonymity. Mars production averaged 273,459 barrels a day in September, the most recent month where figures were provided by Shell.

Also: [Production halted at Mars platform](#)

Royal Dutch Shell halted production at its Mars platform for repairs last weekend and hasn't been able to resume operations because strong currents are delaying the repair of a valve.

[Peak Oil Passnotes: Neo-Liberalism's Ultimate Failure](#)

Peak oil is not the result of geological constraints though of course they play a part. It is not the absence of hydrocarbons on the planet, we still have loads. Peak oil is not the failure of Middle Eastern countries to pump lots of oil. Peak oil is also not the failure of individual consumers like you and me. Peak oil is the failure of the modern economic system we know as “free markets” or “neo-liberalism.”

[Valero: Port Arthur refinery at 60 pct of capacity](#)

Independent refiner Valero Energy Corp said Friday crude oil processing rates at its 325,000 barrels per day (bpd) Port Arthur, Texas, refinery were 185,000 bpd -- 60 percent of capacity -- and were set to increase over the next few days.

[BP plans reformer overhaul at L.A. refinery-sources](#)

BP Plc plans a three-week overhaul on a reformer at its 265,000 barrel per day (bpd) Los Angeles-area refinery in Carson, California, beginning as early as Tuesday, according to sources familiar with refinery operations.

[North Sea storm shuts Nexen's Buzzard platform](#)

Nexen Inc said on Friday it had temporarily shut production at the Buzzard field in the North Sea after storms damaged the upper section of one of three power generation turbine exhaust stacks.

Nexen said a full examination of the damage to the platform, which produced 177,000 barrels of oil a day in the third quarter, will take place when the weather improves but said it did not expect production to be down "for an extended period".

[End Year OECD Oil Stocks Seen Under 5 Year Average - EIA](#)

Commercial oil inventories held by the world's major industrialized countries will fall below their five-year average at the end of 2007, a U.S. government forecast said Tuesday.

Stocks in the major industrialized nations that comprise the Organization for Economic Cooperation and Development are forecast to be 4.8% below a year ago, the Energy Information Administration said.

EIA projects that OECD commercial oil inventories will be sufficient to meet 50 days of forward demand cover at year-end, down from 53 days a year ago. At the end of the first-quarter 2008, the relative level of stocks will remain at 50 days, also down 53 days at the end of March 2007.

[A Crisis to Shatter the Whole World](#)

But if you – an oil producing nation – were concerned that one day soon your wells might run dry, wouldn't you want to get top dollar for the barrels you were selling today? Especially if the very Dollar itself was increasingly losing its value?

[Cycles of History. Boom and Bust](#)

When the economic situation changes, when peak oil has its say, when the Middle East crisis cannot be solved, when American politics reduces to a sharp ideological division, when the real estate bubble continues to burst, what will happen? What will the Russians and Chinese do? For thousands of years the world was about war and dominance, the power of oligarchies and the exploitation of peasants. Does anyone believe that the world cannot revert back? Does anyone think that the fall of modern

capitalism will result in any other outcome?

[Saudi 'showcase' opens OPEC to the world](#)

With oil prices bent on hitting US\$100 a barrel as soon as next week, and energy consumers around the world increasingly fretting about where the next oil supplies will come from, cloistered Saudi Arabia, the world's largest oil producer, is taking an unusual step: borrowing a page from marketing-savvy Western organizations and putting on a charm offensive on a grand scale.

...Rather than keeping usually arcane discussions about world oil supplies, prices and energy policies behind the scenes, organizers are switching on the spotlight.

[United CFO Says Escalating Fuel Prices Could Ground Aircraft](#)

Back in the 'good-old days,' when oil prices were closer to \$80 per barrel, United had predicted its 2008 capacity would be relatively flat, with decreases in domestic seats available offset by increases in international travel.

That plan may not work in a \$100-per-barrel world, though... and Brace says the answer lies in increased fares, or fewer planes.

[Higher costs may up your grocery bill](#)

"It's hard to transform a raw product into retail food," said Jim Sartwelle, livestock economist for American Farm Bureau Federation. "When you have only 22 percent of the retail value going back to the farmer, it becomes clear that a larger percent is going toward the amount of energy it takes to process and transport the product."

[Ireland: Police break up gas plant protest](#)

Several hundred police overpowered about 300 protesters who tried to block construction of a natural-gas processing plant in western Ireland. Three protesters were arrested and another was taken to hospital as officers cleared a sit-down protest at the gates of Royal Dutch Shell's planned refinery in the unpopulated bogland of Bellanaboy, Co Mayo, police said.

[Oil Market Is Bubbling Along Nicely](#)

Stripping speculation out of the oil price could see the price of a barrel of oil following the price of a three-bedroom house into a black hole. It is difficult to sell a solar panel or a

wind turbine to someone who has seen their heating oil bill halved – even more difficult if their house has been repossessed.

[RAND paper finds diesel, hybrid vehicles can provide more societal benefits than gas-powered autos](#)

Cars and light trucks powered by advanced diesel technology or hybrid technology can provide larger societal benefits than traditional gasoline-powered automobiles, according to a RAND Corporation working paper presented today.

The research by RAND, a non-profit research organization, also found that light trucks and cars continuously fueled by a mixture of 85 percent ethanol and 15 percent gasoline – known as E85 – compare unfavorably with the other two alternatives.

[Peak oil: We ignore it at our peril](#)

Oil supplies in the world are tightening. Even a small shortage of oil can cause a big tremor in people's lives. Oil is the lifeblood of our society and economy. A reduction in oil supply will push up costs for everything.

Just look how far your dollar goes in the supermarket these days. The cost of oil has already hit your pocketbook. Heating our schools and homes, keeping the lights on in hospitals, and the production and transportation of every product from shoes to medicines has and will continue to cost more. The ugly truth is we either have arrived at or are nearing "peak oil."

[Still waiting to cash in on Iraq's oil](#)

Bush officials originally said oil money could help pay for reconstruction. But with production lagging, these funds barely cover the cost of running the government.

[Norway seeks land power for offshore fields](#)

Norway's centre-left government pushed ahead on Friday with controversial plans to power some offshore oil and gas platforms by electricity produced on land, in an effort to cut carbon emissions by the oil industry.

[David Strahan - Oil: running out for good this time](#)

With the markets hypnotised by the approach of \$100-a-barrel oil, analysts are ready to point the finger at all the usual suspects: speculators, the Opec bogeyman, the weak

dollar, soaring consumption in China and India and geopolitical tensions.

All play a part - but the real cause is altogether less palatable. The world is running short of oil, and this time it is likely to be permanent.

[Jeremy Leggett: Truth in reserve](#)

The world's supplies of oil are running out, experts around the world are agreeing. But is Britain listening?

[China seeks 30 pct increase in Saudi oil imports](#)

- China has asked for a 30 percent increase in crude oil imports from Saudi Arabia for 2008 and also aims to raise imports from Iran, partly to feed two new refineries amid steady demand growth, trading sources said on Friday.

[The Empty Threat Of \\$100 Oil](#)

It doesn't even matter overly much if that barrel is selling for \$80 rather than \$100. The rule of thumb is that every 10% rise in the price of oil cuts global economic growth by a third of a percentage point over the following year. So if oil is at \$100 a barrel in 2008 rather than \$80, the projected global GDP growth rate of 5.2% would be cut to 4.4%. A hit to growth, yes, but not a plunge into recession.

Even in the 1970s, it took a quadrupling of oil prices (from \$3 a barrel to \$12) to do that. Adjust for inflation and that would be \$50 oil in today's prices. Yet we stand now at the threshold of oil twice as expensive.

After an eight-year bull run in commodity prices, the world has simply gotten used to living with expensive oil.

[China says oil price not key to strategic tank fill](#)

Oil prices are not China's main consideration when deciding whether to pump oil into strategic reserve tanks, a senior official said on Friday, even as crude markets restarted a drive towards the \$100 watershed. "Oil prices are one of the factors we consider, but they are not the key factor," Wang Siqiang, vice director-general of the country's energy office, said when asked whether record prices had pushed the government to reconsider plans for the reserves.

[World economy can live with \\$100 oil](#)

Oil will breach the \$100 barrier, but this will not kill off global economic growth, the head of Germany's Deutsche Bank said at the Reuters Finance Summit.

...But oil at \$100 a barrel would not make much difference to cost pressures on the world economy, although it is psychologically significant, he said.

[Bodman says government won't tap oil reserve](#)

Energy Secretary Sam Bodman said on Thursday the Bush administration will not change its policy of using the government's oil reserve only for major supply problems and not to curb prices, in spite of record high oil prices and market fears about tight winter supplies.

Bodman also said at an energy conference that the Energy Department's plan to keep about 12 million barrels of crude oil off the market and begin delivering it to the Strategic Petroleum Reserve in January won't "materially affect" oil prices.

[What About Oil Price? Voter Asks Clinton](#)

Long-term energy plans are fine, the voter said, but with winter coming on what was Hillary Rodham Clinton going to do about rising heating prices?

[Oil prices high due to high demand, not Iran: Bush](#)

"Oil prices are going up because the demand for oil outstrips the supply for oil. Oil is going up because developing countries still use a lot of oil," Bush said, speaking at a joint news conference with French President Nicolas Sarkozy.

[Canadian village calls for end to oil sand projects](#)

A small aboriginal village downstream from Alberta's massive oil sands plants is calling for a moratorium on new projects in the region after a study found high levels of heavy metals and carcinogens in its fish and drinking water.

[Ukraine, Russia Mull Oil Transit Fees](#)

Ukrainian and Russian oil transit monopolies Ukrtransnafta and Transneft will start talks next week on raising transport prices through Ukraine's network, Ukrtransnafta head Ihor Kyryushyn said in an interview published Thursday.

[Shell Suggests Developing Yamal Field With Gazprom](#)

British-Dutch oil firm Shell has proposed developing oil and gas reserves in the far northern Yamal Peninsula with Gazprom.

The project, put forward with other Dutch companies, involves the production and transportation of oil, natural gas, gas condensate and liquefied natural gas on the Yamal Peninsula and surrounding Arctic Ocean, Kirill Fyodorov, spokesman for the Industry and Energy Ministry, said by telephone Thursday.

[Italians' Pipe Access Blocked](#)

A unit of Italian firms Eni and Enel will fail to start gas production at two Siberian fields from 2008 because Gazprom has denied them access to pipelines, Kommersant said Thursday.

[North Sea storm closes oil platforms, Europe's largest port](#)

A storm in the North Sea forced the closure Thursday of oil platforms off the Norwegian coast as well as Europe's largest port as British forecasters warned of the worst swells in 20 years, AFP reports.

Authorities in Rotterdam closed the giant barrier that guards access to the Dutch port for the first time since its construction in the 1990s, shutting off sea traffic until at least 0500 GMT on Friday.

[PetroEcuador Asks to Revoke City Oriente Contract](#)

PetroEcuador, the state-owned oil company, said it asked the energy ministry to rescind the contract of the last U.S. oil company operating in Ecuador, saying it has refused to comply with a windfall profit levy.

[Unseasonably Higher, Gas Prices Add to Strain on U.S. Consumers](#)

“Usually Americans have more money to spend each holiday season because gasoline prices tend to give up 25 percent of their value after summer,” said Tom Kloza, an analyst with the Oil Price Information Service. “But this year there is a second coming of the gasoline rally that may be the Grinch that stole Christmas.”

[Young Daniel Yergin as peak oil activist](#) (book review)

I first learned about Peak Oil several years ago and have spent much time investigating the accuracy of our energy problems. The more you learn the worse it gets. I came across a book at a flea market entitled *Energy Future: Report of the Energy Project at the Harvard Business School*, edited by Robert Stobaugh and Daniel Yergin. At first I put it back due to Daniel Yergin's position on Peak Oil. About a year later I returned and found the book still there. I bought it for 50 cents.

[Is \\$100 Oil Cheap?](#)

Twenty years ago, a dozen fields produced a million or more barrels of oil per day. Now there are four, and one of them, Mexico's Cantarell in the Bay of Campeche, is collapsing. Mexico's state-owned oil company, PEMEX, projects Cantarell's output will decline 14% per year from now on. That's the best-case scenario. 2006 actual production from the aging field actually fell 27%!

If PEMEX's worst-case forecast comes true, Cantarell will soon break below the million barrel a day, leaving the world with just three million-barrel-a-day fields by the end of this year.

[How China is eating the world](#)

China's remarkable economic growth is powering the global economy, but can the world afford to keep on supplying its ever-growing demands for food and raw materials?

[Big Oil CEOs Point To Constraints On Supply Growth](#)

Pointing to a variety of political and technological constraints on energy investment, chief executives at two oil giants Thursday highlighted systemic limitations on the growth of the supply of oil, implying that there will be high oil prices for at least the medium term.

[Taking the tasty approach](#)

But one day Eric read an article about Peak Oil and Climate Change and became a convert to earth-friendly living.

"It really seemed to make the most sense," Stephanie said. Even beyond Peak Oil and Climate Change theories, "it came to make sense on its own."

"After our eyes were opened, we saw a lot we could do, and it's fun," Eric said.

[Australia: As I see it](#)

The price of oil is volatile: it may well go down again at some stage. But even if it does, we need to keep investing in alternatives, so our children can enjoy what we take for granted.

[Hydrogen: The Fuel Of Tomorrow](#)

We are in the throes of peak oil prices, if not fully there yet, we are suffering the same effects where fossil fuel is so much in demand that it, as I write, is US \$92 a barrel. We see the effects at the fuel pumps when we fill our cars and in the cost of things that have to be transported from near and far.

[Crude realities for 'A Crude Awakening'](#)

Oil is a finite resource, so the more of it the world's energy companies extract, the less will remain. On that, everyone agrees. One day, we will reach the mathematical peak of the world's reserves. When that day will be – or if it has already passed – is a question that continues to divide opinion.

[The Energy Question: Who Decides?](#)

Global energy security is the greatest challenge of our time, inextricably interlinked with our economic security and our national security. The exponential growth in demand for energy – for which there is abundant evidence – presents both extraordinary challenges, and offers equally extraordinary economic opportunities.

A multiplicity of converging factors makes it bluntly obvious that a comprehensive global energy system restructuring has begun.

[An Energy Crisis Of Our Own Making](#)

As oil climbs toward an unprecedented \$100 a barrel, we can only blame ourselves. By falsely demonizing oil in the debate over global warming, we assure an energy-impooverished future.

[Tesoro refinery damaged, fuel output cut](#)

Tesoro Corp.'s Oahu refinery was damaged during a thunderstorm early Sunday, reducing its capacity for producing gasoline for Hawaii customers.

[Rising cost of oil threatens vulnerable economy](#)

With oil prices advancing so rapidly, the immediate unknown is where they will stop before taking a breather. But the longer-term question may be even tougher to answer: How high can oil prices go before the higher cost of energy tips the U.S. economy into recession?

[Rising Demand for Oil Provokes New Energy Crisis](#)

With oil prices approaching the symbolic threshold of \$100 a barrel, the world is headed toward its third energy shock in a generation. But today's surge is fundamentally different from the previous oil crises, with broad and longer-lasting global implications.

[Officials talk energy at forum](#)

With oil approaching \$100 per barrel, a prediction the price could double within a year grabbed the attention of local officials gathered here to learn how to cope with energy problems.

"We actually do face the possibility of \$200 a barrel oil within the next year," author Daniel Lerch told the forum on "climate change and energy" convened by the Delaware Valley Regional Planning Commission.

[They've Got the Power](#)

About 5,500 people, most under the age of 21, traveled from all over the country to the unremarkable suburb of College Park, Md., this past weekend to take part in the largest climate-change conference and rally in U.S. history. At Power Shift 2007, these college and high-school students established in clear terms the major differences between today's young Americans and their political leaders in Washington -- whereas the former can punch high above their weight, their elders are sitting out the fight.

[Weather Channel Founder: Global Warming 'Greatest Scam in History'](#)

It is the greatest scam in history. I am amazed, appalled and highly offended by it. Global Warming; It is a SCAM. Some dastardly scientists with environmental and political motives manipulated long term scientific data to create an illusion of rapid global warming. Other scientists of the same environmental whacko type jumped into the circle to support and broaden the "research" to further enhance the totally slanted, bogus global warming claims. Their friends in government steered huge research grants their way to keep the movement going. Soon they claimed to be a consensus.

[Global warming doomsayers would radically alter our economy](#)

But just as the advocates of big government are past masters at harnessing Americans' charitable instincts, so does a new generation of bureaucrats and politicians now aim to use Americans' warm feelings about "environmentalism" to consolidate even more power in Washington.

[China signals rejection of emission caps](#)

A Chinese official gave the clearest sign yet that Beijing will reject binding caps on greenhouse gas emissions at a global meeting next month, saying Friday developing countries must be allowed to raise emissions to fight poverty.

"Climate change is caused mainly by developed countries," Vice Foreign Minister Zhang Yesui said. "They should have the main responsibility for climate change and to reduce emissions."

[Third of Africa coastline at risk from climate change: UN](#)

Achim Steiner, executive director of the UN's Environmental Programme, told reporters at a press conference that the impact of climate change was already clearly in evidence and would become more serious in the coming years.

"By some projections, global warming could affect up to one third of Africa's coastal infrastructure by the end of this century," Steiner said at a press conference in Johannesburg.

"We know that we are on the course of having sea-levels rising from 20 (7.8 inches) to 60 centimetres (23.6 inches) in this century," he said adding that "port facilities, refineries will be affected."

[Australia: The major parties' green credentials are off the rails](#)

A fixation with road transport compromises climate change policy.

[Chile's San Rafael glacier fast disappearing](#)

Chunks of glacial ice tinkled in whisky glasses as chilled tourists gazed in wonder from their boat at the massive San Rafael glacier and the markers tallying its losing battle against global warming.

"How can we stop this," asked German visitor Herman Kirst, 70, reflecting on the 100 meters (yards) that the glacier has shrunk this year, and every year since Captain Luis

Kochifas began ferrying tourists to this spot in 1978.



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