



Drum(stick)Beat: November 22, 2007

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Apocalyptic vision of a post-fossil fuel world

An apocalyptic vision of how the world will look after the oil runs out has been given by a top scientist.

Richard Heinberg, one of the world's leading experts on oil reserves, warned that the lives of billions of people were threatened by a food crisis caused by our dependence on dwindling supplies of fossil fuels.

The Age of Petroleum draws to a close

If oil is the planet's drug, then cold turkey time is coming up way faster than we think. The moment of 'peak oil' - the moment when the maximum global petroleum production has been reached - could be just a few years away according to some estimates. Yet by 2030 the world is projected to need nearly double the quantity we are using now.

Peak Oil II: Global Peak Oil Production Can Only Decline Now

In the previous piece we saw that the history of oil exploration in the United States suggested that production rises steadily to a peak, at around 50 percent of total oil reserves. This peak also marks the onset of declining production. This decline occurs without any plateau, beginning the year after peak, and declining inexorably at a rate between 1 percent and 2 percent per year. For the United States, this peak occurred in 1970, exactly 40 years after the peak of oil discovery in 1930.

Here we will apply the American experience to attempt to predict the timing of global peak oil, the time after which world oil availability will steadily decrease. The problem with such predictions is that many oil-producing countries exaggerate their true oil reserves, while Government agencies, including here in the USA, often accept such exaggerations.

Would scrap metal end the bloodshed for oil

Firstly, they made an energy-economic blunder by confusing energy and petroleum. It is true to say that there is a petroleum bottleneck looming in the horizon. But the world has started to think "out of the box" to harness other resources of energy-hence there is no energy bottleneck. People learn to use energy more efficiently and make consistent progress in finding new innovative energy sources. There are other hydrocarbon sources such as natural gas, coal, tar, sands, ethanol and others. Corresponding environmentally friendly methods are being worked out to transform them into affordable energy sources. The cost of synthetic fuel derived from the above sources likely to fall below the cost of liquid fossil fuel - petroleum products. The cost advantages become more prominent if we built in to the present cost of liquid petroleum, all the other hidden costs of US military operations in the Middle East. These hidden costs are in fact paid by the American tax payer and indirectly by the world are not readily reflected in the high price that we pay at the pump.

Russia stops Lithuania refinery oil supply

WARSAW, Poland, Nov. 22 Russia has announced it will stop supplying oil to a Polishowned refinery in Lithuania because its "Friendship" pipeline link was damaged beyond repair.

Gazprom deal with Eni drives new wedge into hopes for EU energy unity

Gazprom, the Russian state-owned energy behemoth, strengthened its grip on the European natural gas market Thursday after signing a contract with Eni, the Italian energy group, a move analysts said would further weaken the European Union's chances of establishing a united energy policy.

Under the $\pounds 10$ billion, or \$14.8 billion, deal, Eni and Gazprom established a company to build the South Stream pipeline, an underwater project linking Russia to Europe via the Black Sea.

EU refutes Gazprom accusations on gas price

The European Union's top energy official denied Thursday accusations by Russian energy giant Gazprom that the EU plan to liberalize its natural-gas market could lead to a sharp rise in prices.

Putin, Prodi hail gas pipeline deal

The leaders of Russia and Italy on Thursday hailed an agreement to push forward plans for a new southern European gas pipeline, part of Moscow's efforts to maintain its position as Europe's dominant gas supplier.

After permit uproar, BP faces challenge of cutting discharges

Every day, 20 million gallons of industrial waste carrying everything from hard hats to thick globs of oil flow from BP's Indiana refinery to its last stop before Lake Michigan: a 30-acre wastewater treatment plant.

Three months ago, the London-based oil company said it would scrap the Whiting refinery's planned \$3.8 billion expansion if it could not find ways to cut the amount of additional waste that project would send into the lake.

Now, as the clock ticks toward a decision on whether the project can proceed, BP PLC says it has not yet figured out how to cut its expected higher discharges. Officials say they have scoured BP's more than dozen refineries spread across the globe and come up empty-handed.

Still scrambling

SINCE the late 1990s China has been hoovering up the world's oil and mineral deposits to sustain its rise to the top table of world manufacturing. The resource-hungry Asian country gets its raw materials from wherever it can, and asks few questions along the way. Nowhere has this been more true than in Africa; many noted the moment in 2006 when Angola surpassed Saudi Arabia as China's largest supplier of oil.

Canada: NDP yet to break its silence on peak oil

The federal Green party's B.C. organizer wonders how committed the NDP is to climate change and addressing peak oil, especially when its provincial leader, Carole James, drives a crossover SUV.

EcoDensity Initiative bends to criticism

The mayor and Toderian have promoted EcoDensity as a way to lower the consumption of resources and to enhance the livability of neighbourhoods. In conversation, Toderian often mentions the importance of global warming and planning for "peak oil", a term used to describe the point when global oil production peaks and begins to decline.

Clarke's Wager

Some 350 years ago, mathematician and philosopher Blaise Pascal argued that it is better to wager for the existence of God than against it since the benefits of believing in God are so great. The argument became known as <u>Pascal's Wager</u>. Today, author Duncan Clarke asks us to make a kind of inverted Pascal's Wager in favor of continued

Mexico oil output falls, natural gas imports soar

Mexican crude oil production and exports fell in October after a storm in the Gulf of Mexico disrupted output for days, while natural gas imports soared 23 percent from September, state oil monopoly Pemex said on Thursday.

Pemex said oil production last month fell to 2.995 million barrels per day from 3.161 million bpd in September.

Oil exports also slipped to 1.503 million bpd from 1.679 million bpd in September, when oil operations had recovered from an earlier storm disruption in August.

China Oct oil demand up 2.4 pct amid shortage

China's apparent oil demand rose a tepid 2.4 percent in October on a year ago, as record global crude prices led to diesel shortages, but demand should pick up further as Beijing has ordered firms to boost output and imports.

The yawning gap between global oil markets, now racing toward \$100 a barrel, and capped domestic pump rates has forced Chinese refiners to cut processing to stem losses, sparking a widespread shortage of diesel since early October.

Bad News from Canada May Raise Short & Long Term Commodity Prices of Oil and Natural Gas

A new report from Canada's National Energy Board says the U.S. should expect exports of Canadian natural gas to the U.S. to fall approximately 30% between now and 2015. The report from Canada's energy regulator further warns that, due to rising costs, the U.S. should expect to import less oil from the Alberta oil sands region than previously forecast.

Oil and Gasoline Prices: The Crack Spread

When a major US refinery shuts down, why do oil prices go up? This is counterintuitive. After all, a shut-in refinery means reduced demand for oil. And less demand should mean lower price pressure, right? Wrong. Here's an account of the strange ties between oil and gasoline prices, from a Canadian's perspective.

Primer: Where does US gasoline come from?

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The fact that you purchase gasoline from a given company does not necessarily mean that the gasoline was actually produced by that particular company's refineries.

Nepal: Petrol lines return as NOC unable to pay import bills

An oil shortage has hit the market once again as the Nepal Oil Corporation (NOC) has not been able to bring in adequate stocks from last week.

NOC spokesperson Ichchha Bikram Thapa attributed the short supply to the corporation's sliding back into the red. "Amid a sharp rise in international prices, the corporation's losses have once again mounted to Rs 370 million a month," he told the Post.

Czechoslovakia: Diesel prices hit a record high

Even though the strengthening crown softened the oil price hike, retail diesel prices hit 31.79 Kč per liter Nov. 19 - a new record in the seven-year history of CCS monitoring. Diesel prices have been rising twice as fast as those of gasoline.

The Philippines: 'Three-bill package' vs oil price hikes filed at House

Five militant legislators at the House of Representatives are pushing for the immediate passage of a "three-bill package" that will address the continuing oil price increases in the country.

Mexican Oil Leak Uncontrollable

A PEMEX bulletin said two fires erupted on Tuesday made attempts to block the broken well with cement and check the hydrocarbon loss impossible.

Nigerian parliament rejects hand over of peninsula to Cameroon

Nigeria's Senate (upper house of parliament) on Thursday in Abuja rejected the handing over of the oil-rich Bakassi peninsula and other areas under Nigerian control to Cameroon, declaring the handover was unconstitutional.

A new source of water: Floating nuclear power plants

Nuclear power plants have a lot of excess heat, so why not use that heat to make fresh water?

That's the idea of S.S. Verma, with the Department of Physics at the Sont Longowal Institute in Punjab, India. If located offshore near large population centers, the plants could provide cheap electricity as well as fresh water to megacities like Mumbai.

Bringing back the clothesline

A week after Premier Dalton McGuinty said he'd consider the issue, local environmentalists are eagerly awaiting a decision about whether Ontarians, no matter where they live, will be permitted to fly clotheslines in their backyards and hang their pants, shirts, towels and unmentionables outside.

A cause to diet for

Tea, coffee, wine and soya are off the menu but cabbage pie is on as residents in the ancient kingdom of Fife take part in an experiment to reduce their carbon footprint by eating only local produce.

Win-win situations? Don't trust them

Before industrialised food kicked in, Scots enjoyed a diet based on kale (every Scotsman had his kale patch), barley, oats (porridge for breakfast is the healthiest start you can possibly have), turnips, butter and cheese - a poor diet but surprisingly well balanced and rich in complex carbohydrates and fibre. Then they were eating white bread, sausages, potatoes, condensed milk, sugar, margarine and jam. More calories, more fat, more protein, but far, far fewer nutrients. By the end of the twentieth century the Scots were the sick men of Europe; eating almost the lowest rates of fruit and vegetables in the world, and doctors were discovering that Scottish babies were being hardwired for obesity by the poor diet of their mothers.

Big growth, big fight over water

More than two years have gone by, but it still galls Joe Peck that he was ordered to shut off water to the whole city of Roslyn while the owners of the new, supersized homes just out of town got to keep watering their lawns.

The big drought of 2005 was fast drying up the Yakima River, and Roslyn's water had to be rationed for farms and others downriver. But the wells of the vacation homes are exempt from the law.

Can Chávez push oil prices to \$200?

Venezuelan President Hugo Chávez says oil would shoot to \$200 a barrel if the US invaded Iran. He and Iranian president Mahmoud Ahmadinejad are "united like a single fist," Mr. Chávez said earlier this week.

Does Chávez, with or without Iran's help, have the power to push oil to \$200 a barrel? Can he "tip the world into a recession" as an opinion piece in the Los Angeles Times asserted last week?

Review of Naomi Klein's "The Shock Doctrine"

The theory Klein develops is that the main reason for the rise of democracy and socialwelfare with its old age pensions, public hospitals, public housing, and universal education after the Great Depression of the 1930s was that the beneficiaries of the robber-baron culture which had dominated until then were aware that if people were kept sufficiently miserable, they would turn to communism and socialism.

But the robber-barons, land-sharks and bankers were only waiting for an opportunity to break down any political system which would stop them from having anything they wanted. Their method was tried and true: a religion embracing trickle-down economics, endless growth and total deregulation.

Markets plunge as oil heads for \$100 a barrel

With the price of oil flirting yesterday with the once-unimaginable level of \$100 a barrel, investors fled equities for government bonds that might better weather any economic storm.

The States of High Gas Prices

All else being equal, oil-efficient economies are more insulated from oil price shocks than are economies that require large oil inputs to function. I'm not talking about the amount of oil consumption, but about the "oil-intensity" of an economy. New York state consumes a lot of oil and it also produces a lot of wealth. Other states, such as Louisiana, consume a lot of oil, but don't produce anywhere near as much wealth per unit of energy. (In fact, New York produces five times as much wealth per barrel of oil as Louisiana.)

Cnooc Interested in Shell Nigeria Stakes

China's Cnooc Ltd. (CEO) is looking into interests in Nigerian blocks held by Royal Dutch Shell PLC (RDSB.LN), according to a person familiar with the matter, the latest indication of China's rising assertiveness in Africa's oil sector.

Not enough oil troubles Cambodia's waters

Could Cambodia's much-touted energy potential, which the World Bank and others had earlier estimated in total at 2 billion barrels of oil and 10 trillion cubic feet of natural gas, become a bust before it ever boomed? Expectations of an energy resource bounty have now suddenly dampened as top Cambodian officials strike a more cautionary tone.

The approaching holiday shopping spree as the U.S. economy declines

As Americans head into the annual holiday shopping orgy, it is a good time to explore how our excessive spending damages us. The ten busiest shopping days of the year are between the day after Thanksgiving and two days before Christmas.

Peak Possibilities

In July 2006, the world's oil rigs pumped out crude at a rate of nearly 85.5 million bbl. a day. They haven't come close since, even as prices have risen from \$75 to \$98 per bbl. Which raises a question of potentially epochal significance: Is it all downhill from here?

It's not as if nobody predicted this. The true believers in what's called peak oil--a motley crew of survivalists, despisers of capitalism, a few billionaire investors and a lot of perfectly respectable geologists--have long cited the middle to end of this decade as a likely turning point.

New Presentations by Matthew R. Simmons, including:

- Is Bermuda Bracing For Our Pending Energy Storm?
- For Lack Of A Nail, The War Was Lost: Overview of Global Oil Service And Contract Drilling Industry
- Is The Future Of Energy Sustainable?

Handy Hints For Post-Petroleum

The world now has an average of 116 people for every square mile of land surface. In foraging (hunting-and-gathering) societies, on the other hand, there is an average of only about 0.1 person for every square mile. Since the survivors will be living closer to a "foraging" way of life than to an "industrial" one, the first and most obvious step is to move to somewhere with a low population density. (Crowded countries, on the other hand, will be experiencing famine.)

Petrobras CFO: 1M b/d from Tupi 'Not Out of Reach'

A peak oil output of 1 million barrels a day at the ultra-deep Tupi field in Brazil's Santos Basin is "not out of reach," the chief financial officer of state-run oil firm Petroleo Brasileiro SA (PBR), or Petrobras, said Wednesday.

The field, which is in the promising pre-salt area off Brazil's coast, could reach its peak output as early as five to seven years from now, CFO Almir Barbassa said.

U.S. crude stocks up 1.4 mln barrels in latest week: API

Crude stocks rose by 1.4 million barrels to 318 million barrels in the week ending Nov. 16, American Petroleum Institute reported on Wednesday. Distillate stocks fell by 3.6 million barrels to 132 million barrels in the same period, while gasoline stocks rose by 2.6 million barrels to 197.9 million barrels, API said.

EU urges investment in renewable energy

European Commission President Jose Manuel Barroso said Thursday that countries should invest more in renewable energy to mitigate the impact of expensive fossil fuels such as crude oil.

"It's quite obvious that the prices of oil and gas and fossil energies are indeed creating new scenarios," Barroso said at a news briefing following meetings with the Association of Southeast Asian Nations in Singapore.

South Africa: Rolls-Royce, Oil Firms Team Up On Synthetic Jet Fuel

IN A bid to reduce greenhouse gas emissions in the aviation industry, aircraft manufacturer Airbus and engine maker Rolls-Royce have joined forces with petroleum companies.

They will explore likely benefits of using synthetic jet fuels.

Zambia: 'We Want Lower Tariffs'

ELECTRICITY Consumers have proposed a lower electricity tariff increase than what Zesco intends to effect, which they say will be beyond the reach of many Zambians and could kill industry.

Zesco managing director, Rodnie Sisala has, however, said the current tariff increase

proposals were imperative if the company was to continue operations and meet the ever-soaring demand for power.

Hydrogen gas leak forces Tesoro refinery evacuation

Hokama said the problem was unrelated to lingering problems resulting from a power outage earlier this month. That rain-induced power failure forced a suspension in gasoline production at the plant, which is expected to last until mid-December.

Yates wants NASCAR to go green

This man who has so greatly prospered, who has achieved financial wealth and personal and professional acclaim beyond his wildest dreams because he produced more power than the next guy, is gravely concerned about that which gave him so much -- energy.

Clinton says Nevada could be model for solar power

With the amount of wind in Nevada each year, Clinton said the state should be packed with wind turbines and, in an energy crisis, could easily become a model for solar power.

Australia: Election silence on Peak Oil

How astonishing that just yesterday, as crude oil prices rose above a record \$99USD per barrel, the Labor Party was announcing yet another billion dollars for a highway, without, as is now typical, any mention about the imperative to upgrade the nearby rail line out of the steam age. They think there are fewer votes in rail, obviously.

The UK's HSE Says Offshore Safety Record Must Improve

The offshore oil and gas industry will today be given a stark warning that its safety performance is not good enough.

A report is expected to reveal that maintenance is not being given enough attention and not only is there a wide variation between companies but also within companies.

UN climate panel co-head pessimistic about progress in Bali

The co-head of the UN climate-change panel that shared this year's Nobel Peace Prize said Thursday he was pessimistic about progress at next month's global environmental

Scientists to discuss ways to 'climate-proof' crops

Experts from 15 international agricultural research centres will discuss how to "climateproof" crops, at the three-day meet starting Thursday, said Gopikrishna Warrier, spokesman for the International Crops Research Institute.

Happy Thanksgiving!



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