



DrumBeat: November 28, 2007

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Topic: [Miscellaneous](#)

[Nafty Business: "Super Corridor" will pave over the heart of America](#)

Not since the Gilded Age, when the railroads blazed a trail across the girth of the nation — stealing Indian lands and blasting through majestic landscapes — has a government-sanctioned transportation project of this scale been attempted. Think about it. The biggest highway in the nation is being built after we've already reached peak oil, after the usefulness of a road-centric paradigm has run its course. Further, in the areas through which it is planned, no one wants it but a handful of corporate con men slurping at the public trough.

[Ecuador's Correa: To Push OPEC To Switch To Stronger Currency](#)

Ecuador will continue defending a proposal that the Organization of Petroleum Exporting Countries should use a stronger currency than the U.S. dollar for its transactions, President Rafael Correa said Wednesday.

"This is an Ecuadorian thesis. Venezuela, Iran and other countries had supported it and we will defend our proposal," Correa said at a press conference after returning from a trip to Saudi Arabia, China and Indonesia.

[Logging damage revealed by secret filming](#)

Secret filming by villagers has revealed the damage being caused to the Indonesian rainforests by uncontrolled logging and palm oil plantations.

[OPEC unlikely to decide on output hike - Ecuador](#)

Ecuador Oil Minister Galo Chiriboga told Reuters on Wednesday that it is unlikely OPEC will decide to raise oil production when the cartel's ministers meet in Abu Dhabi on Dec. 5.

"I don't think OPEC will make any decisions about raising or lowering production ... we are waiting for the market to adequately regulate the prices," Chiriboga said in a

telephone interview.

[Dubai to boost oil production](#)

The United Arab Emirates (UAE), which is home to 8.1 per cent of the world's oil reserve, will make huge investments to boost its oil production capacity.

Apart from oil, the UAE has an estimated gas reserve of six trillion cubic metres. UAE's current oil output stands at 2.7 million barrels per day, while its gas output is at 65 billion cubic metres per annum.

UAE's oil output is expected to rise to 3.5 million barrels per day at the beginning of next decade. Its oil refinery capacity, which currently stands at 6,00,000 barrels per day, is also expected to rise to 1.1 million barrels per day in the near future, said a report by the official Emirates news agency.

[Nigeria oil union threatens strike over LNG dispute](#)

Nigeria's second main oil union will call a nationwide strike next week unless the government resolves labour disputes at the Nigerian Liquefied Natural Gas (NLNG) company, union leaders said on Wednesday.

[CNOOC: Iran Gas Not Critical to Supplies](#)

The CEO of Chinese offshore oil producer CNOOC Ltd. said Wednesday that a deal to buy natural gas from Iran would help the state-owned company's development but is not critical to securing its supply needs.

[BP: Skilled labour supply key to hitting ME oil & gas production targets](#)

The role of geoscientists in the development of the oil & gas industry in the Middle East is crucial. This vital component of exploration operations is a facet of the petroleum industry that is currently challenged by severe shortages of skilled scientific and engineering staff. It may take between seven and ten years to train such staff, filling in job vacancies created by the retirement of the current generation of geoscientists. This effort is required to sustain and grow production levels in response to rising energy demand, according to BP Principal Geophysicist Leon Thomsen during a recent visit to Abu Dhabi from Houston.

[Prosecutors: port directors criminally negligent in shipwrecks, Russian oil spill](#)

Russian transport prosecutors accused the directors of two Black Sea region ports of criminal negligence in connection with a series of shipwrecks earlier this month that resulted in a massive oil spill, an official said Wednesday.

[NOAA: Drought hinders CO2 uptake](#)

A new study by the National Oceanic and Atmospheric Administration in Boulder shows that millions of extra tons of carbon dioxide were left in the Earth's atmosphere as a result of the 2002 drought across North America.

The findings, the first from NOAA's atmospheric monitoring and modeling system called CarbonTracker, show that the amount of carbon dioxide absorbed by vegetation and soil dropped from an annual average of 650 million metric tons to 330 million metric tons. The excess amount of the heat-trapping greenhouse gas remaining in the atmosphere that year was equivalent to the annual emissions of more than 200 million U.S. automobiles.

[Scotiabank's Commodity Price Index Leaps in October](#)

"While 'peak oil' theories are unduly alarmist, the CEOs of a number of major oil companies have recently cast doubt on the ability of world supplies to keep pace with demand growth over the longer-term, limited by engineering staff and capital cost escalation", says Patricia Mohr, Vice-President, Economics and commodity market specialist at Scotiabank.

"We are again revising up our WTI oil price forecast for 2008 to an average of US\$86 (US\$85-90) compared with US\$72.50 in 2007. Prices are expected to remain high for two reasons: Firstly, non-OPEC supply developments in 2008 appear to be shaping up in a similar fashion to 2006 and 2007. While new field development could boost non-OPEC supplies by 1.1 million barrels per day, centred in the Alberta oil sands, Russia & the Caspian Sea area and Brazil, technical and political challenges could once again cut this output. Secondly, while US\$90-plus oil has slowed U.S. petroleum consumption, consumers and industrial users in a large part of 'emerging Asia' and the Middle East are being shielded from the full weight of record prices through government subsidies."

[Venezuelan sales of oil byproducts to the US down 22 percent](#)

So far this year, Venezuela's hydrocarbon (crude oil and byproducts) sales to the United States averaged 1.35 million bpd. This represents a 7.2 drop compared to the same period in 2006.

In parallel, Venezuela has expanded hydrocarbons exports to China. Based on the figures disclosed by state-run oil giant PdVsa, in September crude oil sales to China recorded an unprecedented 359,000 bpd. In 2008, the goal is 500,000 bpd.

[Offshore safety on 'knife-edge'](#)

Safety is on a "knife-edge" in some parts of the North Sea oil industry, MPs have been warned.

The message from the Health and Safety Executive (HSE) came after two platform fires north east of the Shetland.

HSE chief Geoffrey Podger said prosecutions would be considered as part of the investigations, which would be a matter for the procurator fiscal.

[Massive Canadian oilfield could be exploited using new UK system](#)

Although heavy oil extraction has steadily increased over the last ten years, the processes used are very energy intensive, especially of natural gas and water. But the THAI™ system is more efficient, and this, and the increasing cost of conventional light oil, could lead to the widespread exploitation of heavy oil.

[Backyard Gardens Shelter Europe's Orphan Seeds](#)

As farms have become more commercialized in recent decades and have moved toward growing one or two high-yield crops, the number of varieties globally is quickly diminishing, erasing plant genes at the very moment in history when they may be most needed.

That has left Europe's backyard gardeners and small farmers, like Mr. Boscherini, as the de facto guardians of disappearing fruits, grains and vegetables. Time is working against them.

Most of them are very old, and as they die their plants are dying with them. Most of their children and grandchildren have little interest in maintaining the crops, holdovers from Europe's more agrarian past.

[Enough Already: Let's Develop Sane Energy and Development Policies](#)

The instability in the world's oil markets, combined with Peak Oil, has generated skyrocketing gasoline prices. This is making suburban living cost prohibitive for many of those who ditched their cramped apartments and condos in the city and headed to the 'burbs for what they thought was a better quality of life.

But, with a tank of gasoline for the average SUV going at over \$100, and with no end in sight to the rising price of gas, the suburban life is losing some of its glitter. People are

looking at housing that is closer to the nation's cities and employment centers, which makes undeveloped land near these metro areas extremely marketable.

[State will clean up UW coal plant](#)

The state of Wisconsin has agreed not only to clean up UW-Madison's coal-fired Charter Street power plant but also to review and possibly improve the operation of 13 other coal-burning plants it manages throughout the state, according to a settlement of a Sierra Club lawsuit announced Monday.

[Saudis arrest 208 men in terror sweep: Arrests 'pre-empted an imminent attack' on oil installation, statement says](#)

RIYADH, Saudi Arabia - Over 200 al-Qaida linked suspects belonging to different cells and involved in different plots against the kingdom have been arrested in recent months in the kingdom's largest anti-terror sweep to date, the Saudi Interior Ministry announced Wednesday.

The ministry first reported the arrest of eight men, said to be linked to al-Qaida and allegedly planning to attack oil installations in the kingdom.

[NDRC cracks down on fuel hoarding and illegal price hikes](#)

China's National Development and Reform Commission (NDRC) announced today that six service stations around the country were found to have engaged in oil hoarding and sold fuel at illegally inflated retail prices, demonstrating the government's latest attempts to manage the current diesel crisis.

[Papua New Guinea: Airlines face fuel shortage](#)

The airline industry may come to a standstill if the country's only oil refining company's demands for the Papua New Guinea government to review its fuel pricing mechanism are not dealt with.

Post Courier reports that it was also expected fuel retailers and consumers may be hard hit with the fuel threat.

Already a major mining company has been hit with that threat while the country's largest airline company is on stand-by.

[Party's over](#)

Richard Heinberg shows just how bad things are today in his much-praised book, Powerdown. It's not just climate change that's the problem; it's several things.

They are: Resource depletion – The primary source of energy that powered the miracle of the 20th century, oil and gas, is near to being depleted. The party is over; the Petroleum Age is gone.

Continued population growth – The total human population reached 6 billion in 1998, and increased by 400 million in the next six years, nearly the population of North America.

[Increasing costs for oil push up price of firewood](#)

BELFAST, Maine - If you think the price of firewood is high today, just wait until next year.

That was the prediction of three area firewood dealers who see no end in sight for higher prices if the cost of oil continues to rise.

[National oil firms gain edge on Exxon](#)

Exxon Mobil Corp. is no longer the biggest oil company (that would be Saudi Aramco). It is no longer the richest oil company (PetroChina). It is not even the leader among the international oil companies in replacing production with new reserves (ConocoPhillips, a U.S. firm, at least).

Dr. Subroto, a former OPEC secretary general from Indonesia, said this month that the future no longer belongs to the Exxon Mobils of the world.

[Brazil's oil: new wealth or petro-populism?](#)

No wonder that Brazil's president, Luiz Inacio Lula da Silva, proclaimed "God is Brazilian" after the discovery of massive oil reserves in his country earlier this month: The find could soon turn Brazil into a major oil exporter, and a big player in world affairs.

But before I tell you why the find could also threaten to derail Brazil's slow but steady march into a successful economy, let's look at the facts.

[Boom fuels new Saudi spending spree](#)

The exact volume of crude that could be tapped in future is a matter of conjecture. Although the country claims to have 260bn barrels of reserves, many western sceptics feel these numbers are unreliable. They are often the same people who fear the world is past "peak production" and on its way to running out.

Whether it is because the oil is going to run out soon or because it makes sense to diversify an economy that is based almost entirely on one commodity, the Saudi ruling family is spreading its spending around.

[Green IT in the data center: Plenty of talk, not much walk](#)

Talk is cheap -- which may be why managers at a majority of the world's largest companies say they're considering green data centres, but few are actually going green.

['Beer fridges' present a gassy problem](#)

Getting rid of vintage "beer fridges" – secondary fridges which many North American and Australian homes boast – could have a significant impact on household greenhouse gas emissions, suggests a new study.

Beer fridges are additional fridges that are generally used to keep beer and other drinks cold on top of a household's primary fridge for food. One in three Canadian households has a second fridge, many of which are ageing, energy-guzzling models, according to Denise Young, a researcher at the University of Alberta, Canada.

[Coventry electrician plans region's first eco-friendly underground house](#)

COVENTRY electrician Stuart Worley is on a mission - to build one of the region's first eco-friendly underground homes.

The 39-year-old, of Holyhead Road, Coundon, has won permission to build the one-bedroom 'bunkerlow' in a garden in the middle of a housing estate.

[Ethanol Craze Cools As Doubts Multiply](#)

Little over a year ago, ethanol was winning the hearts and wallets of both Main Street and Wall Street, with promises of greater U.S. energy independence, fewer greenhouse gases and help for the farm economy. Today, the corn-based biofuel is under siege.

In the span of one growing season, ethanol has gone from panacea to pariah in the eyes of some. The critics, which include industries hurt when the price of corn rises, blame ethanol for pushing up food prices, question its environmental bona fides and dispute

how much it really helps reduce the need for oil.

[Sakhalin-1 Expects Planned Oil Output Cut in 2008](#)

Participants in the Sakhalin-1 project offshore eastern Russia expect a planned reduction in oil production in 2008, Igor Afanasyev, director of the company's field development department, said during a presentation, according to Interfax news agency.

"This is a planned reduction; it is envisioned in the technical projections," he said.

[Shell's North Cormorant rig hit by 'small fire'](#)

A "VERY small" fire broke out on Shell's North Cormorant rig north-east of the Shetland islands early yesterday.

The blaze came just three days after a major fire on Lundin Petroleum's Thistle Alpha installation.

[Scottish Government Wants Control of Offshore Safety](#)

Safety in the North Sea oil and gas industry would improve if it was the responsibility of the Scottish Government, First Minister Alex Salmond claimed yesterday.

Mr Salmond was speaking in the wake of a major fire which resulted in more than 100 crew being evacuated from the Thistle Alpha platform, 120 miles from Shetland.

He said that, following the PiperAlpha disaster in 1988 in which 167 men died, there was a huge impetus to change safety culture in the North Sea. A generation on, there is a generally good safety record in the North Sea but recently there had been asset and personnel transfers, Mr Salmond said.

[Australia: The party's over and Liberals will soon be history](#)

The issue of the future, coming down on us now like a steam train, is of course the environment, the double hammer blows of climate change and peak oil. Energy, weather and human misery are the factors that will define our lives for decades to come. You can cancel your newspaper, those are the only four words you need to know.

Linked to this, but compounding it in frightening ways, is the imminent demise of the United States economy. In fact the whisper, the subplot in economist circles, was that this election was one to lose. That whoever inherited Australia in 2007 inherited a

coming economic collapse in globalised trade that would suck Australia and much of the rest of the world down with it.

[Mr. Harper's Cold Comfort for Canadians](#)

The very words "peak oil" and "climate change" have had such an unemotional—even benign-sounding—scientific calmness about them that the public has been slow to catch on.

But slowly or not, Canadians are starting to learn that peak oil and gas mean that we have used up the first half of our supplies, the part that was the easiest and cheapest to extract, and we must now attempt to wring the last few drops out of the earth. But, inexplicably, we are at the same time continuing to develop economic and trade systems that use more gas and oil today than we did yesterday. Something's gotta give.

[Peak oil activists gather, plan for hard times, will lead the way](#)

Former professor and author David Korten told close to 300 applauding peak oil activists that they are not a fringe minority but the leading edge of a super-majority “and it's time we start acting like it.”

Korten issued his rallying call in October at the “Fourth U.S. Conference on Peak Oil and Community Solutions” where activists from 30 some states discussed ways to respond to declining oil production and other coming planetary woes. Korten joined a dozen other speakers in “Planning for Hard Times,” the theme of the three-day conference sponsored by Community Solution at Antioch College.

[Gulf energy producers 'face challenges'](#)

Gulf energy producers could be facing further challenges as the cost of oil rises and energy and carbon policies progress slowly, says an expert.

Although the process of agreeing and implementing national carbon emission controls are estimated to take five years, the environmental movement towards more environment-friendly production is beyond tipping point, PFC Energy chief executive Lew Watts told the Gulf Daily News, our sister newspaper.

[China to Seek Public Opinions for Upcoming Energy Law](#)

China will announce a draft of the upcoming energy law on Dec. 1 to seek public opinions through media and the Internet, the Office of the National Energy Leading Group said

Tuesday.

The new law is expected to put China's energy management onto a legal track and help China better safeguard its energy security, said Xu Dingming, vice director of the office.

[Exxon says film may lead to car battery like laptop's](#)

Exxon Mobil Corp. believes it has found an answer to a problem that has bedeviled the auto industry in recent years: using rechargeable lithium-ion batteries, like those found in cell phones and laptops, to power cars and trucks.

[Looking down from the peak](#)

Yet another factor is the growing acceptance of theories that, globally, we are approaching the peak of oil production, after which it will decline and become pricier, theories that, until recently, were dismissed as alarmist bunk.

And it all began when Shell geophysicist M. King Hubbert predicted, to the American Petroleum Institute's 1956 meeting in San Antonio, that oil production tracks out as a bell curve.

"An industry whose annual production can be depended upon to increase 5 to 15 percent per year," the San Antonio Light quoted him saying, should also expect similar declines.

[The Frightening Idea of \\$100 Oil](#)

Let's talk about the somewhat -- no, tremendously -- daunting phenomenon that we'll almost certainly be facing in the not-too-distant future: \$100 per barrel of oil. We're already in the 90s and trending upward. I well recall that, as an operative of Pennzoil Company -- now part of Royal Dutch Shell -- earlier in my career, I *knew* \$100 crude was on the horizon. The big surprise is that it didn't arrive far sooner.

[Analyzing peak oil and energy independence](#)

America must become energy independent. If more incentive is required, there is Peak oil. In a nutshell, Peak oil contends that oil production peaked some years ago. Major oil fields are declining, and there have been no new "elephant" discoveries. This falling supply comes at a time when world demand is dramatically increasing. The International Energy Agency describes China as "the major driver of global demand growth." In 2003, China overtook Japan to become the world's second-largest consumer of oil.

[OPEC powers alarmed by oil price, but coy on policy](#)

Top Gulf OPEC officials expressed alarm on Wednesday at oil prices threatening to top \$100, but reiterated that markets were well supplied and steered clear of saying whether OPEC would raise output next week.

[Chevron's CEO: The price of oil](#)

Love it or hate it, argues David O'Reilly in an interview with Fortune's Geoff Colvin, the world is going to run on oil for several more decades.

[Brazil Energy Min: Country Needs to Adjust Oil Legislation](#)

Brazil needs to make "little adjustments" to its oil legislation after the government withdrew the most promising oil blocks from a licensing round taking place Tuesday and Wednesday, Mines and Energy Minister Nelson Hubner said.

[Opportunities seen for rural America](#)

A top U.S. Agriculture Department official predicts a bright future for rural America if it can take advantage of three things: broadband Internet, \$100-a-barrel oil and expanding capitalism in Europe and Asia.

[\\$100+ BOE energy price drives demand for substantial technological innovation](#)

One of the world's foremost technical conferences for the energy industry - the International Petroleum Technology Conference (IPTC) - is due to be held in Dubai in December.

[CNOOC Targets Caspian Sea Assets, Shies from Russia](#)

Offshore oil producer CNOOC Ltd. (CEO) wants to buy assets in the prolific oil producing region of the Caspian Sea but isn't interested in Russia because the risks are too high, a senior company official said Tuesday.

[Chinese tiger has nothing in tank](#)

CHINA is running out of fuel. Police are guarding petrol stations in several inland provinces to prevent fights, as shortages of petrol and diesel are causing huge queues of trucks, buses and cars.

[Chinese May Be Facing Significant Grain and Oilseed Supply Deficits](#)

Chinese think tank the National Grain and Oil Trade Center reports that the world's most populous nation is facing a significant grain and oilseed supply deficit as the rising population and strong demand have offset production increases and rising import levels. That's according to a story early Tuesday from Dow Jones Newswires.

The Trade Center estimates 2007 grain production at 501.5 million tons against demand of 527.5 million tons for a total short fall of 26 million tons.

[Australia: Quick shift required in foreign policy](#)

No less important, we now approach — or may have passed — the world's peak oil supply. The effects of this realisation on world energy markets will be progressively, dramatically destabilising, even within Rudd's first term and certainly in his second.

[Indonesia at high risk to climate change: WWF](#)

Indonesia is one of the nations most vulnerable to climate change and is already feeling some of the consequences of global warming, environmental group WWF said Wednesday in a new report.

The report, which cites an array of studies, said that annual rainfall in the archipelago nation has fallen by two to three percent, while average temperatures have risen by 0.3 degrees Celsius (33 degrees Fahrenheit).

[More than a billion trees planted in 2007: UN](#)

More than one billion trees were planted around the world in 2007, with Ethiopia and Mexico leading in the drive to combat climate change through new lush forest projects, a UN report said Wednesday.

[Tackling climate change to cost 1.6 percent of GDP: UN](#)

Climate change could have apocalyptic consequences for the world's poor and tackling it will require cuts in greenhouse gases costing 1.6 percent of global annual GDP, the UN Development Program said in a report Tuesday.

Entitled "The Struggle Against Climate Change," the UNDP report paints an alarming picture of the climate change problem and urges richer countries to cut greenhouse gas emissions by at least 80 percent by 2050, with cuts of 30 percent by 2020.



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