



DrumBeat: November 30, 2007

Posted by [Leanan](#) on November 30, 2007 - 11:01am

Topic: [Miscellaneous](#)

[OPEC Countries Will Rival China in 08 Oil Demand Growth](#)

OPEC countries will rival China in global oil demand growth through 2008 and beyond, according to a report released Friday by investment firm Lehman Brothers Inc. (LEH).

Consumption of oil in countries that are members of the Organization of Petroleum Exporting Countries should grow 4.4% to 370,000 barrels per day in 2008, putting the producer group behind only China in terms of incremental demand growth, according to the report.

[\\$100 oil fades fast](#)

The prospect of \$100 a barrel oil is evaporating as fast as it was conjured.

The commodity, which nine days ago was less than a dollar away from \$100, is on Friday at less than \$90, tumbling on the reality that oil supplies are adequate and that Saudi Arabia will likely fight for an OPEC production increase at a meeting next week to push the price lower so sagging demand for the product might rebound.

[Peak Oil Passnotes: Work Those OPECs!](#)

It is amazing how the march of time dulls the minds of people who are otherwise extremely smart, and OPEC ministers too. Each year over the past three years, 2004, 2005, 2006 and now 2007 we have seen prices top their current range in the third and fourth quarters of the year. This year has proved no exception with NYMEX crude oil hitting \$99.11 in trading last week.

In 2004, OPEC still thought that we would return to its \$22 - \$28 per barrel price range; at least that is what it said it thought. In reality OPEC probably did not have a clue which way the oil price would go, it just said that for political reasons, and today is much the same.

[The First Days Of Petro Collapse](#)

At the moment it seems likely that oil production peaked about 2006, although production per capita peaked around 1990. (Yes, the politicians had their 100-year forecasts back in the 1950s, bless their little souls, but they never said a word.) The first sign, as Jay Hanson predicted several years ago, is stagflation: a combination of high prices and high unemployment. When the price of oil goes up, so does the price of everything else. Before 1970, economists claimed that a combination of high prices and high unemployment was impossible. One economic factor was supposed to cancel out the other. But then came the Arab oil embargo, and stagflation was exactly what happened. The same is happening right now. Much of it is hidden, of course. No sane editor is going to allow a journalist to say that the economy is going belly up.

[Peak Oil: Dependence On Imports Has Consequences](#)

Worse, exports are severely constrained by increasing demand inside the exporting nations themselves. As oil production declines in an exporting country, exports are severely curtailed to meet citizen demands within the exporting country. Typically what happens, as in the case of Britain's North Sea oil, is that this causes actual exports to drop to zero with startling rapidity, as Governments cater to the energy needs of their own citizens. Thus British exports peaked at 1.3 million barrels per day in 1999, but only seven years later, in 2006, Britain had become a net importer. These demand constraints on export availability are likely to be especially pronounced in Russia, the UAE, Iran, Mexico and Venezuela.

[Does Our Energy Future Hinge on Iran?](#)

Oil is likely behind our saber-rattling with Iran. But can military action in the Middle East actually work to secure oil for U.S. interests?

[The End of the 2007 Hurricane Season Is Here](#)

As the Gulf of Mexico's 2007 hurricane season draws to a close on November 30, the industry squeaks by with relatively little production disruption.

[Study Details How U.S. Could Cut 28% of Greenhouse Gases](#)

The United States could shave as much as 28 percent off the amount of greenhouse gases it emits at fairly modest cost and with only small technology innovations, according to a new report.

A large share of the reductions could come from steps that would more than pay for themselves in lower energy bills for industries and individual consumers, the report said, adding that people should take those steps out of good sense regardless of how

worried they might be about climate change. But that is unlikely to happen under present circumstances, said the authors, who are energy experts at McKinsey & Company, the consulting firm.

[EPA: Violations at Indiana BP Refinery](#)

Federal regulators say BP PLC violated the Clean Air Act by making several unapproved changes at its Indiana oil refinery along the Lake Michigan shore, significantly boosting emissions.

[We need a Manhattan Project to bust up OPEC](#)

The president has made it clear that he's none too fond of this Congress. So why not up the ante and use his office's bully pulpit to mobilize the scientific and technology communities to a real call to arms. Such as? How about the equivalent of a Manhattan Project to bust up OPEC?

[Nigerian forces torch illegal petroleum](#)

Troops patrolling the militant-infested waterways of Nigeria's oil producing region torched two barges Friday after the boats were found transporting stolen petroleum products, police said.

[OPEC could lift oil output at UAE meet - Nigeria](#)

OPEC oil exporters could decide to raise output at next week's meeting in the United Arab Emirates and have some spare production capacity to do so, Nigeria's oil minister said on Friday.

However, recent volatility in the oil market demonstrates that prices are being driven by factors other than oil supply and therefore OPEC has been right to adopt a "wait-and-see" approach to market moves, Odein Ajumogobia told Reuters in an interview.

[Solar showdown in Congress](#)

With Congress back in session, renewable energy proponents are girding for a battle over legislation that could make or break the nascent solar power industry.

[Most \(and least\) cost-effective hybrids](#)

How much it costs to save a gallon of gas varies widely, even among closely-related vehicles.

[Enbridge traces fatal oil pipeline fire to pinhole leak fixed weeks ago](#)

The small leak had been fixed with a repair sleeve earlier this month.

On Wednesday, workers shut down the line to remove the three-metre section that included the hole and sleeve. They replaced it with a new section of pipeline, but oil apparently leaked where that joined the old line, said Leon Zupan, Enbridge's vice-president of operations.

The company's metallurgists want to analyze the section to better understand why it leaked, said Enbridge spokesman Larry Springer. Electronic tools were put inside the pipeline in 2006 looking for dents and metal loss.

"There were no problems found in that area where the leak occurred," he said.

[UK Coryton refinery fire-hit unit still shut](#)

A fire at Swiss company Petroplus' Coryton refinery in southeast England in October is continuing to have significant impact on production at the plant, the Health and Safety Executive said on Friday.

The unit damaged by the fire at the 220,000 barrel a day plant remains closed and an investigation into the causes of the incident on October 31 is continuing, the HSE told Reuters.

[Iraq to sell 300,000 bpd Kirkuk oil in term deals](#)

Iraq has allocated about 300,000 barrels per day of Kirkuk crude in term deals to 11 firms starting Jan. 1, an Iraqi oil official said on Friday.

The deals reflect more reliable flows via Iraq's pipeline to Turkey, which has been idled by sabotage attacks and technical problems for much of the time since the U.S.-led invasion in March 2003.

[Ukraine will have to pay more for Russian gas](#)

Gazprom is likely to raise gas prices for Ukraine in 2008.

On November 27, the Russian energy giant agreed to buy Turkmenistan's gas at a

higher price, and this sparked the rumor that the gas price for Ukraine would be raised since Gazprom resells Turkmen gas to Ukraine.

[Entire world has vital stake in China's energy challenge](#)

A major new report just released by the International Energy Agency (IEA) sheds stark light on one of the reasons why global oil prices are approaching an unprecedented \$100 a barrel. The report provides truly stunning new details of the looming global impact of China and India on future energy markets and the prospects for climate change. It also brings a sobering clarity to the enormity of the energy challenge these two countries face and the huge stake the world has in their future energy choices.

[There's Oil in That Slime](#)

Some varieties of algae are as much as 50 percent oil, and that oil can be converted into biodiesel or jet fuel. The biggest challenge is slashing the cost of production, which by one Defense Department estimate is running more than \$20 a gallon.

[Ethanol E85 fuel loses cost-benefit test to diesel](#)

Anything's better than ethanol blend E85, even ordinary gasoline, a new cost-benefit analysis of alternative fuels by researcher John Graham at the Pardee Rand Graduate School finds.

Diesels scored highest, surprising even the researchers. "We were kind of expecting that hybrids would outperform diesels when we went into the study. It's close, but the advanced diesel" provides better performance and fuel economy for the price, he says.

[Important US Oil Complex Vulnerable to A Terrorist Attack](#)

In early October, speculators, concerned about the dip in inventories at Cushing (currently, inventories are at the lowest since October, 2005), drove the price of a barrel of oil up to a then record \$83. Conversely, when Cushing's massive tank farms are filled, crude oil prices tend to plummet. What happens at Cushing has a marked impact on the global oil economy. A terrorist attack on the complex would have a profound impact on North America, and the ripples from it would spread throughout the world.

[Seeking Alternatives](#)

Experts can argue about the date, but from the global point of view it is obvious that the

whole world, including Russia, will have to switch to alternative and renewable energy sources one way or another, because limited resources, no matter how large their supply is, will eventually be exhausted. This fact has been acknowledged and accepted by the scientific and technical community, by state authorities, by businessmen and common citizens. Even popular rock musician Yury Shevchuk has a song entitled "When We're All Out of Oil." Finally people other than ecologists and environmentalists are talking about renewable energy in Russia. Scientific and technological conferences and round tables are being organized at all levels and the press is also participating in the discussion of possibilities of alternative energy sources.

[Kurds challenge Kirkuk oil rights](#)

While the semi-autonomous Iraqi Kurdish administration and the central government in Baghdad are locked in a war of words on the right to issue oil prospecting contracts in the Erbil, Sulaimania and Duhok provinces the Kurds have increased the stakes demanding oil rights in the Kirkuk area which is outside their jurisdiction.

An incident which surfaced on Tuesday when Iraqi Oil Minister Hussain al-Shahristani announced "soldiers from the Kurdistan autonomous region are preventing the central government from developing a key Kirkuk oil field" has added to the already cool relations between Baghdad and the Iraqi Kurds.

[Nepal: Fuel shortage cripples public transport in far west](#)

Public transport in the far-western region has come to a grinding halt since yesterday due to fuel shortage.

Reports coming in say that bus service in far-western districts has been shut with the transporters announcing indefinite strike against the shortage of petrol and diesel.

[Fidel Castro: "A People Under Fire"](#)

Cuban President Fidel Castro stated that the assassination of Venezuela's leader or a civil war in that country would blow up the globalized world economy, due to its huge reserves of hydrocarbons.

In his Friday's article entitled "A People Under Fire," the Cuban Revolution leader says that such circumstances are without precedent in the history of mankind.

[Assembly of Oil and Gas Companies Owners Decide to Stop Receiving Daily Fuel in Gaza Strip](#)

The Assembly of oil and gas companies owners in the Gaza Strip decided Thursday

evening to stop receiving their daily fuel in protest at Israel reduction of the quantity of fuel sent to Gaza.

[Sinopec, CNPC told to run at full speed](#)

China has ordered its two largest oil companies to run their refineries at full capacity in a further move to address a fuel shortage.

The National Development and Reform Commission and the Ministry of Finance have asked Sinopec Group and China National Petroleum Corp to fulfill their social responsibility to ensure market supply of refined oil products, the commission said in a statement posted on its Website yesterday.

[6 price manipulation cases uncovered amid oil shortage](#)

China's top economic planning agency said on Wednesday that 6 diesel price manipulation cases had been found in a nationwide inspection amid fuel supply shortages.

These six petrol filling stations sold diesel at prices 43% higher than the government-regulated price to cash in on ongoing fuel shortages, according to the National Development and Reform Commission (NDRC).

[Turkey: Gov't pledges unprecedented energy incentives](#)

The government, concerned about a recent supply shortage in electricity, has pledged to introduce unprecedented incentives for the energy sector.

[Naomi Klein - Guns Beat Green: The Market Has Spoken](#)

Anyone tired of lousy news from the markets should talk to Douglas Lloyd, director of Venture Business Research, a company that tracks trends in venture capitalism. "I expect investment activity in this sector to remain buoyant," he said recently. His bouncy mood was inspired by the money gushing into private security and defense companies. He added, "I also see this as a more attractive sector, as many do, than clean energy."

Got that? If you are looking for a sure bet in a new growth market, sell solar, buy surveillance; forget wind, buy weapons.

[Climate plan will cost consumers plenty](#)

The op ed by William Becker concludes that finding a cure for global warming will be easy and won't needlessly or excessively increase energy costs. If that is true, then there is a certain bridge in Brooklyn available at a bargain basement price.

[Winter tales become horror stories](#)

One elderly man who called Midcoast Maine Community Action told receptionist Candy Downs that he was keeping warm by staying under the covers of a bed and running a hair dryer.

[Saudi Aramco inaugurates new storage sites](#)

Al-Buainain enumerated the benefits of placing strategic-reserve locations throughout the Kingdom. The added storage capacity, he said, supports the distribution of fuel in the Kingdom, where and when it is needed. That has been proved in some locations when local market requirements have been met during seasonal and emergency circumstances. Strategic storage also provides operational efficiency and greater flexibility in normal circumstances, and helps in the scheduling of refinery maintenance, which can be done without causing fuel shortages.

[Power play: The dirty little secrets behind the pressure at the pumps](#)

Former U. S. Senator Frank Lautenberg of New Jersey uncovered evidence that President George W. Bush agreed to a secret deal with Saudi Prince Bandar bin Sultan to help the president win the election in November 2004. The alleged deal allowed high oil prices for most of 2004 in return for a boost in oil production and lower gas prices in the three months immediately prior to the November election. But the problem is not just political and does not rest only with price manipulation in the crude market. It's in the industry and the core of the problem is manipulation of refining capacity.

[We Welcome Our New Overlords From Asia](#)

America is more concerned about taxing big oil, while other governments are doing their best to acquire it and subsidize the costs for their own citizens.

[Energy CEOs make their case](#)

OKLAHOMA CITY -- CEOs of four Oklahoma energy companies encouraged state leaders Thursday to support policies that encourage the responsible use of fossil fuels and promote exploration and production.

[Siberia basking in the oil boom](#)

It used to serve principally as a place of exile for political dissidents.

But now, suddenly, Khanty-Mansiisk - 1,400 miles east of Moscow, in north-western Siberia - has become Vladimir Putin's model town, the place Russia most wants to show off to foreign visitors.

[ConocoPhillips proposes Alaska pipeline](#)

Oil exploration and production company ConocoPhillips said Friday it submitted a proposal to develop a pipeline in Alaska that would transport about 4 billion cubic feet per day of natural gas to the United States and Canada.

The company said it is "prepared to make significant investments, without state matching funds, to advance this project."

[Despite efforts, China still unable to wean off coal](#)

In the heart of rapidly modernising Beijing, pensioner Zeng Qinglun and his wife have stacked up a pile of coal outside their home to use for heating and cooking through the winter.

The couple, who live in a tiny house in one of the Chinese traditional "hutong" alleyways, would love to use a cleaner fuel but can not afford it on their meagre incomes.

[Analysis: Asia likely to remain dependent on coal](#)

New research by the World Wide Fund for Nature highlights three negative effects of the heavy dependence on coal as an energy source in Asia. These include social distress, environmental degradation and carbon dioxide emissions that accelerate global warming.

[A dirty way to fight climate change](#)

Switch to compact fluorescent light bulbs and plant a tree – these are the most popular strategies for mitigating climate change today.

Yet world leaders gathering for the climate-change summit in Bali, Indonesia, next week should consider an alternative. It's one of the most overlooked yet most effective and inexpensive strategies available: Store carbon in the soil.

[‘Averting Our Eyes’: James Hansen’s New Call for Climate Action](#)

James E. Hansen of NASA, brushing off coal-industry criticisms but acknowledging the need to be sensitive to people still haunted by the Holocaust, has elaborated on what he meant when he recently described continued coal burning as akin to sending untold species to their destruction in “death trains” and crematoria.

[Abu Dhabi Becomes Largest Citigroup Shareholder with \\$7.5B Investment, Bailout Comes Amidst Subprime Mortgage Crisis, Record-High Oil Prices](#) (audio, video, and transcript)

The Gulf Arab emirate of Abu Dhabi bought a \$7.5 billion stake in Citigroup, America’s largest bank, on Tuesday, making it the bank’s largest shareholder. As the U.S. credit crisis worsens and the price of oil hovers close to \$100 a barrel, the injection of capital from oil-rich Gulf states is seen as a bailout of banks in trouble. We speak with NYU economics professor, Nouriel Roubini, and Hampshire College professor, Michael Klare, author of “Blood and Oil.”

[Iran could choke flow of oil to world in case of war - but it would hurt itself by doing so](#)

Iran's potential to shut down nearly 40 percent of the world's oil trade represents a weapon possibly more powerful than its missiles, gunboats or any arms system Tehran claims to possess.

But such a move would cut both ways in any possible military showdown with the United States.

[Oil prices drop below \\$90 a barrel](#)

Oil prices fell Friday on expectations that OPEC will increase output next week and on fading concerns of a supply disruption from a U.S. pipeline fire.

Light, sweet crude for January delivery fell \$1.55 to \$89.46 a barrel in electronic trading on the New York Mercantile Exchange by midday in Europe. On Thursday, the crude contract gained 39 cents to settle at \$91.01 a barrel in choppy trade.

[Ecologist lectures on implications of 'A World Without Oil'](#)

According to Kaufmann the days of "eat, drink and gas up" are coming to a close quickly. The oil problem is a well-worn topic of conversation in America today due to high gas prices and war. However, the reason the nation is looking at a scarcity of oil is not

political.

"Two-thirds of the world's top oil producing nations have reached their peak in oil production," Kaufman said. "The height of world discovery of oil wells took place in the 1960s. Since 1983 production has exceeded discovery. For every 30 million barrels of oil that are produced only 6 million are discovered."

[Gazprom considering selling gas in rubles](#)

Russian gas export monopoly Gazprom's deputy chairman said on Thursday the company is considering selling its gas and oil in rubles, instead of dollars or euros.

[A Diary Of The Onset Of The Greater Depression](#)

For years I have been referring to the Terminal Triangle: Peak Oil, climate change, and global economic meltdown, the latter explained in Danny's book in terms of the international ramifications of the Greater Depression. And of course, there are "other horsemen" of the apocalypse, as enumerated by Sally Erickson in her recent blog, so I find it impossible to discuss the mortgage crisis without connecting it with the additional impending global catastrophes that spell the end of the world as we have known it. Just as we have entered the Greater Depression, we are engulfed by collapsing institutions - especially the American political system, which are in an abject state of dissolution and therefore incapable of affecting change at requisite levels, for all the reasons Danny has so thoroughly documented in his book.

[Nigeria: Rising Fuel Subsidy Worries Government](#)

Another increase in the pump price of petrol may be under way given the strident concern being expressed by top government functionaries over the rising price of crude oil in the international market and what they call the concomitant rise in government subsidy on petroleum products.

[Refinery company will ask for zoning change](#)

ELK POINT, S.D. - A Texas company that's considering construction of an oil refinery in Union County are planning to ask for zoning changes on land north of Elk Point.

[Petro-Canada CEO: Arctic LNG Would be a Project 'To Die For'](#)

Petro-Canada's (PCZ) natural gas assets in the Arctic would be a dream liquefied natural gas project, but regulatory and technical hurdles means it is still a long way off from development, Chief Executive Ron Brenneman said Wednesday.

The company has significant natural gas reserves in the Eastern Arctic islands, but lack of a fiscal regime and the harsh operating environment means "it's too early to visualize what (a project) might look like," Brenneman said at an investors conference in Edmonton.

[WoodMac: \\$70 Is the New \\$30](#)

Wood Mackenzie says higher oil prices are offsetting the greater challenges faced by companies who explore for oil and gas - but only just. In analysis recently completed as part of Wood Mackenzie's Exploration Service, the average return on exploration for conventional hydrocarbons in the past three years was just under 15% - assuming that oil prices remain at US\$70 per barrel in real terms.

[Transportation Matters](#)

One choice we can make is to build as if everyone drives and will always drive. This, of course, assumes that human behavior never changes (a difficult assumption to make, given the historical shift in Alameda over the past half-century or so from rail/transit to single-occupancy-vehicles as our primary transportation mode). I'd put money on the fact that various forces -- technology, diminishing land for increased road capacity, peak-oil, environmental concerns, to name just a few -- will see our transportation behavior continue to evolve.

Which brings us to the other direction the city can go: Plan new areas of the city to accommodate many options and work to create convenient and flexible solutions that will accommodate transportation changes. We should expect that, 25 to 35 years from now, a lot of people will be traveling in a different way than they do today, much as they did 25 to 35 years ago.

[Will Saudi Arabia Boost Its Oil Output on Dec 5th?](#)

Already, the Western media is fanning speculation of a boost in Saudi oil output at the upcoming OPEC meeting in Abu Dhabi, to placate its military patron in Washington and cool oil prices. Within OPEC, Saudi Arabia is the only producer with any capacity to pump more oil. Saudi oil chief, Ali al-Naimi indicated the kingdom had spare oil capacity of 2.3 million bpd. Total OPEC spare capacity is 3 million bpd.

On Nov 21st, former Saudi oil minister Ahmed Zaki Yamani was engaging in psychological warfare with crude oil traders, attempting to "jawbone" oil prices lower. "If there are no disasters, then oil prices could fall to \$75 per barrel after the winter," he said. Already, crude oil has tumbled to \$91.50 /bl on expectations that Riyadh will boost its oil output by 500,000 bpd. How myopic have equity traders become, now that \$91 for oil is considered cheap, after seeing \$99 last week?

[Middle class angst: The politics of lemmings, part 2](#)

The deepest fear in suburbia, never spoken aloud, is that when this epoch unravels, Suburbia's citizens quite simply will not know how to survive. Even the veterans of war who withdraw back into these spaces are largely incapable of the most basic skills that will be required in a non-technocratic world: building healthy soil, making food, collecting potable water, basic medicine . . . seed-saving, canning, pickling and fermenting . . . all lost; and so Suburbia will fight tooth and nail for its "entitlement to the entropo-technocratic life-support system, even as that system withers away.

Instead, our masculinized version of any post-collapse -- which we have compartmentalized into a "fantasy" that cannot be touched by our day-to-day -- is what we have borrowed from direct and vicarious experience of the military . . . a Mad Maxish world of roaming armed conflict. This will never happen.

The real choice that Suburbia will face is one between fascism or self-sufficiency, which is a choice -- as well -- between spiritual death or spiritual renewal.

[China's Green Spending Falls Short](#)

The good news out of China is that the People's Republic will be spending \$200 billion on cleaning up the air and water pollution that has marred its rapid economic growth. The bad news is that sum is virtually unchanged from the last budget and is unlikely to make a difference.

[U.S. Government to Distribute \\$1 Billion to Protect Shoreline Environments](#)

U.S. Secretary of the Interior Dirk Kempthorne today applauded federal approval of Louisiana's Coastal Impact Assistance Program, calling it a major step forward in providing up to \$1 billion over four years to help Outer Continental Shelf oil and gas producing states restore and protect their shoreline environments.

[Business leaders seek action on warming](#)

Some of the world's top business leaders are demanding that international diplomats meeting next week come up with drastic and urgent measures to cut greenhouse gas pollution at least in half by 2050.

Officials from more than 150 global companies — worth nearly \$4 trillion in market capitalization — have signed a petition urging "strong, early action on climate change" when political leaders meet in Indonesia.

[Rich nations must do more on climate change: Prince Charles](#)

The world's haves must do more to combat climate change, Prince Charles and a former World Bank chief economist wrote in separate comment pieces published on Friday.

[Climate change: "Carbon footprint" enters everyday vocabulary](#)

Buying locally-produced fruit and veg, riding bikes or taking the train instead of using private cars, buying carbon offsets and staging carbon-neutral weddings: all are part of the climate-change awareness taking root in many countries.

Individuals keen on reducing their "carbon footprint" -- the dangerous greenhouse gas that each of us emit through our purchases and activities -- can now turn to a multiplying panoply of tools to calculate their pollution, reduce it or compensate for it.

[Bush clings to anti-Kyoto stance ahead of climate talks](#)

US President George W. Bush, who rejected the Kyoto protocol, remains opposed to international constraints on curbing carbon emissions despite growing isolation ahead of a world climate summit.



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