

# DrumBeat: December 4, 2007

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Topic: Miscellaneous

# Remembering and learning from a legend

Ali Morteza Samsam Bakhtiari, one of the world's foremost experts on the subject of peak oil, died suddenly and unexpectedly on October 30 of a heart attack. Our thoughts go out to Amir Bahman and Golbenaz Samsam Bakhtiari and the rest of the family.

...One can't capture the full range of Ali's ideas in a short space. What follows are a few clips from several articles by him or about him, plus the full Commentary that he wrote for this publication 21 months ago (2/20/06). They are presented below sequentially. We've added an extra page to this issue's normal 6-page length to include these items. They hold up well several years later. Indeed, whether we have reached a technical peak in world oil production or whether it comes in a few years, one suspects that Dr. Bakhtiari's main observations will show keen foresight in the years to come.

#### Saudis may bigfoot OPEC and hike output

Many analysts are expecting more oil, whether OPEC sanctions it or not.

"I don't think the Saudis have been happy with the high prices," said Lou Pugliaresi, president of the Energy Policy Research Foundation, who thinks OPEC will boost production by 500,000 barrels or so.

Pugliaresi didn't elaborate on the impact on prices or what price level the Saudis might like to see, simply saying it will have a "moderating effect."

Even the U.S. government thinks OPEC will increase production, and notes that Saudi Arabia has been slowly increasing output over the last several months, even though OPEC's last official production increase wasn't slatted to take effect until November.

## Suit filed to stop drilling in refuge

Lawyers for environmental and native Alaska groups are asking a federal appeals court in San Francisco to block an oil company's plans for exploratory drilling near the Arctic National Wildlife Refuge.

#### Oil prices ... Wall Street and Gulf Arab States to the rescue?

WTI nearby futures, or the next month's contract price, he thought could shrink to maybe \$75/bbl on the downside, but then rebound well above \$101.30/bbl in the next 60 days. Why he chose \$101.30 was simple: this is what Wall Street Journal calculates as the ultimate oil price in 1980, in 2007 dollars.

January or February calls at \$101.30/bbl will be really cheap in the next 15 days, he said, but the 75 puts won't be cheap, so go sparingly on those.

#### Open letter to Kevin Rudd, Australia's new Prime Minister

Even though the effects of climate change are likely to be very serious, they are largely unknown and will play out over the coming decades. However, Peak Oil will have major consequences over the coming years – during your time as Prime Minister.

### BP pumps set depth record

UK supermajor BP said it had started up the world's deepest subsea multi-phase pumps at its King oilfield in the Gulf of Mexico.

BP said the twin pumps, 5500 feet below the surface, lie almost twice as deep as the previously record installation.

The company said the pumps also set a world record for distance from their host platform. The pumps lie 15 miles (24 kilometres) from the Marlin tension-leg platform.

BP said the breakthrough would enhance companies' ability to recover oil from deepwater fields. The pumps would boost output from the King oilfield by 20% and extend its life by five years, it said.

# US Official: Iraq Needs Oil Law

A Top US Treasury Official Says Stalled Oil Law, Not Insecurity, Hampering Iraq Oil Investment

## Statoilhydro says fire put out at Troll field Songa Dee drilling rig in North Sea

Norwegian oil and gas major StatoilHydro ASA said that a fire on the Songa Dee drilling rig in the North Sea's Troll field had been put out and there had been no injuries and disruption to any production.

### Islanders seek climate summit help

Squealing pigs lit out for the bush and Filomena Taroa herded the grandkids to higher ground last week when the sea rolled in deeper than anyone had ever seen.

What was happening? "I don't know," the sturdy, barefoot grandmother told a visitor. "I'd never experienced it before."

As scientists warn of rising seas from global warming, more and more reports are coming in from villages like this one on Papua New Guinea's New Britain island of flooding from unprecedented high tides. It's happening not only to low-lying atolls, but to shorelines from Alaska to India.

#### Five tree fee for a Java wedding

Couples in the Sragen region of Java in Indonesia have reportedly been told that they need to fund the planting of five trees if they want to get married.

State-run Antara news agency reported that couples will have to supply seedlings or pay 25,000 rupiah (\$3, £1.30) under the compulsory scheme.

Couples applying for a divorce face a higher charge of 25 seedlings or over 40,000 rupiah (\$4.25,£2).

District officials say the programme is aimed at combating global warming.

### Australia: Rate and fuel rises hit urban fringe

PEOPLE living on Brisbane's fringe are the worst affected by increasing petrol prices and interest rates.

Griffith University's index of Vulnerability, Assessment for Mortgage, Petrol, Inflation, Risks and Expenditure (VAMPIRE) showed that between 2001 and 2006 the vulnerability rose for people in outlying areas.

"Areas that were not populated in 2001 that have since been developed all ended up with the highest vulnerability rating," researcher Jago Dodson said.

# PEMEX Taking back Old Oil Fields

PEMEX (Mexican Oil) proposed the reactivation of 50 fields that are older or in the process of abandonment, since oil high international prices continue to grow.

### High prices spur regional oil boom

Record high world oil prices, along with new drilling methods, are driving a boom in the oil fields of North Dakota, Montana and Wyoming, and to a lesser degree, northwest South Dakota, industry officials say.

#### Oil firms resist Nigerian fines for gas flaring

Oil companies operating in Nigeria complained on Tuesday about government plans to start fining them for flaring gas next year, saying the deadline was unrealistic and the economic damage would be immense.

#### Senate Minority Leader Calls Energy Bill 'Troublesome'

Senate Minority Leader Mitch McConnell, R-Ky., on Monday threw cold water on a major energy bill that Democrats are hoping to pass before the end of the year, saying it contains "troublesome" measures that would force electric utilities to generate a greater share of their power from renewable sources.

"That would be very troublesome for all of us in the Southeast," McConnell told reporters. "That's a mandatory

## New Zealand: Power price rise cost of climate fight

Power prices are likely to rise after the Government took a legislative stick to electricity companies, imposing a 10-year moratorium on the construction of thermal power plants.

# Taxis disappearing form Gaza streets due to Israeli fuel reduction

Mohammed Abu Shaqfa, 21, had to walk nearly 25 km to Khan Younis along with his fellow students from his university in Gaza City after a two-hour desperate wait in a Gaza street for a taxi on Tuesday.

The group of students of the Islamic University at first were very happy to see some taxis parked at a nearby square, but to their disappointment, none of the yellow Hyundai vans have enough fuel to ferry them to southern Gaza town of Khan Younis.

# Nepal to pay IOC dues to end petroleum crisis

The long-running petroleum crisis in Nepal may be eased with the government deciding to pay the bills of the Indian oil supplier.

Commerce Minister Shyam Sundar Gupta said that the government would pay the outstanding dues to the Indian Oil Corporation (IOC) in order to end the petroleum shortage in the Himalayan country.

## Food banks hit by supply shortage

"[Food pantries] see new faces showing up for food," Fraser said. "We can only assume it's for reasons like increased cost of gas, fuel, increased cost of living ... A lot of states are just in catastrophic condition. Some of the food pantries have so little food that they've just closed down."

#### Water shortages are likely to be trigger for wars, says UN chief Ban Ki Moon

A struggle by nations to secure sources of clean water will be "potent fuel" for war, the first Asia-Pacific Water Summit heard yesterday.

The Secretary-General of the United Nations, Ban Ki Moon, told delegates from across the region that the planet faced a water crisis that was especially troubling for Asia.

High population growth, rising consumption, pollution and poor water management posed significant threats, he said, adding that climate change was also making "a bad situation worse".

## Rising oil costs expected to increase heating costs in Mass.

Rising oil prices are expected to boost heating oil costs by nearly \$1,000 for the average Massachusetts family this winter.

A coalition of business, labor and community organizations bases its estimate on the state's average heating oil price last week. The average is 39 percent higher than it was during the same week a year earlier.

# UK: Grassroots leadership in the fight against fuel poverty

Recent figures showing that fuel poverty has almost doubled in the past few years as a result of rising energy prices have emphasised the importance of ensuring affordable warmth for all. Behind the statistics lie real people who put their health at risk because they go without heating or get into unmanageable debt just to pay the bills. Because it is a complex problem, we need all parts of government to work together with partners in

the private and voluntary sectors to make a difference.

#### Delta, Southwest warn about fuel, demand

Waning consumer confidence and soaring fuel costs caused Delta Air Lines Inc to warn of a possible operating loss on Tuesday, while Southwest Airlines Co said it would restrict capacity growth to brace for tougher times ahead.

#### Democrats set milestone with automotive deal

An agreement among congressional Democrats to support a 40 percent increase in U.S. vehicle fuel efficiency by 2020 has been hailed as an historic step by both environmentalists and the automotive industry. But while the compromise seems to please both sides, it still faces substantial political hurdles.

#### Doomsday seed bank gears up for business

Refrigeration units on Friday begin cooling a new doomsday vault dug into an already frigid Arctic mountainside to protect the world's seeds in case of a global catastrophe.

#### Stuck on Coal, and Stuck for Words in a High-Tech World

Human progress, Loren Eiseley wrote in 1954, has largely been a climb up "the heat ladder" from one energy source to the next. Each has been more convenient or potent or economical than the last. No one lugs firewood to warm a high-rise apartment building in Chicago.

But the climb has stalled. The potential of the atom has been sharply limited by safety and security questions and fusion's persistent hurdles. Sunlight, identified as far back as Thomas Edison's time as the ultimate energy source, is still costly to transform into electricity on a large scale.

#### Will to power change

Author Richard Heinberg gives us reasons to be concerned, if not to be scared, about the future of our civilization in his acclaimed books Powerdown and The Party's Over. If we continue to ignore the following four factors, a dreadful ending marked by destructive war, economic collapse and environmental catastrophe is a likely consequence.

#### Securitisation of environment

Environmental issues are inseparable from global economic issues. Finally it can be observed that environmental issues are themselves threats to security. The concept 'resource war' is itself an indication that environmental issues can be understood as a source of political threat.

# Computer servers 'as bad' for climate as SUVs

Computer servers are at least as great a threat to the climate as SUVs or the global aviation industry, warns a new report.

#### 'Out of Balance' climate film targets ExxonMobil

Environmentalists love taking aim at ExxonMobil Corp., which many see as the biggest corporate culprit in human-fueled climate change. A documentary on global warming takes this to a new level: buy the \$24.99 DVD online, and the film's distributor will donate \$10 to victims of the 1989 Exxon Valdez oil spill.

## Small Step, Big Victory on Energy

A majority in both houses of Congress, reflecting the desires of the American people, wants to shift the direction of our energy policy away from the fossil fuel past and towards a renewable energy future.

# HARTline ridership continues to rise

Tampa - High gas prices appear to be driving people to try buses. Hillsborough Area Regional Transit Authority, which oversees the county's public bus system, reported an 11 percent jump in October ridership, compared with October 2006.

#### Electric cars could act as batteries for the energy grid

Electric and hybrid cars could act as energy stores for the power grid while not being driven, say US researchers.

Scientists from the University of Delaware are using a new prototype made by US company AC Propulsion to store or supply grid electricity when required.

### Enel's power plant for Albania

The Italian company plans to build a thermal power plant, fuelled by imported coal with

an estimated capacity of approximately 1,300 MW, which would supply electricity to both the Italian and Albanian markets.

#### Energy expert warns about peak oil

As you're hopping into your car, gearing up for the holidays, driving every which way to pick out shiny gifts, think about this: According to Robert Hirsch, a past senior energy program advisor for world oil production with Science Application International Corporations, the one resource that provides all those things could soon be in dangerously short supply.

### Gasoline prices could fall as crude oil wavers

The price of oil — within winking distance of \$100 a barrel last week — has fallen and can't get up.

...If prices continue at less than \$90, gasoline retailers could afford to pass along the past week's 20-cent drop in their wholesale prices. Gasoline is made from oil. The price of oil accounts for roughly two-thirds the price of gasoline, the latest government data say.

### **UK:** Soaring Prices Fuel Discontent

FUEL prices have reached a record high and with petrol now hitting £1.12 a litre in parts of rural Scotland, that's more than £5 a gallon. Diesel has hit a staggering 118.9p in some areas.

While the rest of the planet is allowed to guzzle gas at a fraction of the cost, our motorists are paying the price.

# Iran can hike oil output if OPEC wants, says official

Iran could supply additional oil to the market if OPEC chose to increase production, Iran's OPEC governor said on Tuesday, although he said Tehran saw no need for an OPEC hike.

# Gazprom receives approval to hike 2008 domestic gas prices by 25%

OAO Gazprom received approval from Russia's Federal Tariff Service to raise wholesale gas prices by 25 pct next year, a source familiar with the decision told Interfax.

The pace of upstream licensing in Libya is picking up: this month, Tripoli has agreed new deals with US companies Exxon Mobil and Occidental Petroleum (Oxy), and Austria's OMV.

### Climate Talks Take on Added Urgency After Report

Thousands of government officials, industry lobbyists, environmental campaigners and observers are arriving on the Indonesian island of Bali for two weeks of talks starting Monday that are aimed at breathing new life into the troubled 15-year-old global climate treaty.

A heightened sense of urgency surrounds the meeting in light of a report issued last month by the United Nations Intergovernmental Panel on Climate Change, which detailed the potentially devastating effects of global warming in the panel's strongest language yet.

#### Call for action to save Himalayan glaciers

As industrial powers debate global warming, some of the greatest concern lies in the remote Himalayas where melting glaciers pose catastrophic risks, experts say.

The retreat of the ice causes so-called glacial lakes in the Himalayas, which are a key source of water to densely populated South Asia -- a region that already suffers deadly floods on an annual basis.

# The Climate in Bali and Washington

So far, this has been an encouraging year for people who care about global warming. Governors have signed regional agreements to cap greenhouse gas emissions. The federal courts are pressing Washington to take action. Venture capitalists have poured money into cleaner fuels. Polls show rising public concern.

What's still missing is a concrete national and international strategy for a problem that does not respect any borders. The days ahead will tell a lot about whether the world, and especially the United States, is prepared to do more than just talk about the problem.

# US wants to negotiate new climate pact

American delegates at the U.N. climate conference insisted Monday they would not be a

"roadblock" to a new international agreement aimed at reducing potentially catastrophic greenhouse gases.

But Washington refused to endorse mandatory emissions cuts, which are seen by many governmental delegations at the meeting as crucial for reining in rising temperatures.

# Riots and hunger feared as demand for grain sends food costs soaring

The risks of food riots and malnutrition will surge in the next two years as the global supply of grain comes under more pressure than at any time in 50 years, according to one of the world's leading agricultural researchers.

Recent pasta protests in Italy, tortilla rallies in Mexico and onion demonstrations in India are just the start of the social instability to come unless there is a fundamental shift to boost production of staple foods, Joachim von Braun, the head of the International Food Policy Research Institute, warned in an interview with the Guardian.

The growing appetite of China and other fast-developing nations has combined with the expansion of biofuel programmes in the United States and Europe to transform the global food situation.

### Saudis refuse to tip their hand on whether OPEC will increase output

OPEC powerhouse Saudi Arabia kept consumers guessing on the eve of a key meeting of the group Tuesday, with its oil minister refusing to tip his hand on whether he favors cranking up production to reassure skittish markets.

# OPEC may hike daily output by 500,000 barrels: source

OPEC will either increase supplies by 500,000 barrels a day or maintain its oil production level, an OPEC delegate told reporters in Abu Dhabi on Tuesday ahead of the cartel's crucial output meeting.

"OPEC will either roll-over or make a gesture of 500,000 barrels per day" increase at its meeting in the Emirati capital on Wednesday, said the delegate, who requested anonymity.

He said an increase could be decided despite the market being "more than supplied," in order for OPEC to no longer be blamed for record high oil prices close to 100 dollars a barrel.

# Hoaxers target Big Oil

Environmental campaigners today appeared to have opened up a new front in the battle against Big Oil over climate change when they established a bogus website and sent out a press release committing BP, Shell and others to a 90% cut in carbon outputs by 2050 with no strings attached.

The internet portal looked identical to the one run by the US Climate Action Partnership (USCAP), a consortium of 33 prominent corporations and organisations, except that the news section of the mocked-up copy included a news release proclaiming "major businesses announce commitment to reduce greenhouse emissions by 90%".

## The only thing we have to fear is fear-mongering

Just before Thanksgiving, members of the Peak Oil Committee had a hearing in Hartford involving Connecticut's apparent lack of preparedness for the world running out of oil and natural gas.

The hearing featured like-minded believers of the notion that the world is about to run out of fossil fuels that power the world's economies and that Connecticut is at risk for its failure to prepare for inevitable economic depression, widespread famine and general calamity. Mind you, no mainstream energy experts participated, only those who believe the world is coming to an end. This isn't the first time this has happened.

### UK: City hosts meeting on fuel costs

A conference to discuss the impact of rising oil costs on the people of Stirling is to be held in the city.

Organiser Rachel Nunn, the co-founder of Going Carbon Neutral Stirling, said the event would look at the effects of fuel costs.

Titled Peak Oil and Carbon Emissions, the conference will also focus on the consequences for every day life.

# Africa: How to Light Up Africa?

The current skyrocketing world price for oil is getting closer to an unbelievable figure of \$100 - the highest in recent years - and this is bringing our economies to their knees.

This increase in oil prices is fuelling economic problems and neutralising our hardearned gains from poverty reduction programmes, international development and even debt relief efforts. The Egbin Thermal Power Station, a few miles outside Lagos, is Nigeria's largest generating plant, with a capacity of 1,320 megawatts. It has six units, but two have been cannibalized to repair the remaining four, and at peak hours only two turbines are functioning. On bad days, like the first week in November, when the gas supply line was sabotaged, the plant shuts down altogether.

Not surprisingly, morale is low. "We are told of massive funding, but the funding never gets here," says Akintoye, an engineer at the plant. "We don't have spare parts. The contractors who built the plant are not given the maintenance contracts, which are determined by the regime in power. Even if we are operating optimally we can't serve Lagos, with a population of ten million."

#### Gunmen Kill Oil Worker in Nigeria

Gunmen have killed one person and seriously injured a second in an attack on a crewboat operated by Exxon Mobil Corp. (XOM) in the oil-rich Niger Delta, an industry source said Tuesday.

"One crew (member) was killed and one seriously injured," said the source.

#### Bali climate talks advance despite squabbling

A 190-nation climate meeting in Bali took small steps towards a new global deal to fight global warming by 2009 on Tuesday amid disputes about how far China and India should curb rising greenhouse gas emissions.

#### Shanghai sea levels rise faster than average

THE sea level around Shanghai has risen 120 millimeters since 1977 - a level higher than the national average.

Action needs to be taken, an official of the State Oceanic Administration said yesterday.

#### Climate fund falls far short

Victims of climate change, real and potential, appealed Tuesday for a vast increase in international aid to protect them from and compensate them for rising seas, crop-killing drought and other likely impacts of global warming.

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