



DrumBeat: December 5, 2007

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Topic: [Miscellaneous](#)

[Oil Will Hit \\$100 a Barrel Within 6 Months, Boone Pickens Says](#)

Crude oil prices are likely to reach \$100 a barrel within six months as global demand exceeds supply, Boone Pickens, chairman of Dallas-based BP Capital LLC, said today.

"You're going to \$100," he said in an interview in Dallas. "There's no question about that."

[Alternative Energy And The Pollyanna Principle](#)

The problem of explaining "peak oil" does not hinge on the issue of peak oil as such, but rather on that of "alternative energy." Most people now have some idea of the concept of peak oil, but it tends to be brushed aside in conversation because of the common incantation: "It doesn't matter if oil runs out, because by then everything will be converted to [whatever] power." Humanity's faith in what might be called the Pollyanna Principle — everything will work out right in the end — is eternal.

The critical missing information in such a dialogue, of course, is that "alternative energy" will do little to solve the peak-oil problem, although very few people are aware of the fact.

[Pinning false blame on OPEC](#)

The stealth driver in this market is the subprime mortgage meltdown.

Money continues to flee the morass of the U.S. mortgage market. And few on Wall Street believe all the bad news is out there yet. This creates a huge incentive to chase profits elsewhere. And where better to park that cash than in a lucrative commodities market that most U.S. consumers believe is controlled by a bunch of greedy foreigners?

[OPEC Secretary Gen: Shouldn't Read Trend Into Big US Oil Stock Draw](#)

OPEC Secretary General el-Badri downplayed last week's massive decline in U.S. crude-oil inventories reported Wednesday. El-Badri said it wasn't enough to glean a longer-term trend from the figures.

"This is one week's of data following a bad incident," el-Badri told Dow Jones Newswires, referring to an explosion last week on a key pipeline network bringing crude to the U.S. From Canada. The entire network was shut down for several hours, and it took several days for one pipeline to come back into service.

[IEA Head: Market Anxiety May Remain On Lack Of OPEC Hike](#)

A decision by the Organization of Petroleum Exporting Countries to keep current production limits unchanged may keep oil markets anxious despite the additional supplies currently coming onto the market, the head of the International Energy Agency said in a statement Wednesday.

[Dow Chemical to shut plants, cut jobs, take charge](#)

Dow Chemical Co will shut a number of plants and eliminate about 1,000 jobs to cut costs and direct capital toward businesses with better growth prospects, the largest U.S. chemical maker said on Tuesday.

...Dow this year has been hurt by soaring hydrocarbon feedstock and energy costs. It has been attempting to improve its earnings through a series of joint ventures and by expanding its more profitable specialty businesses.

[Former manager critical of safety at BP refinery](#)

The former manager of BP's Texas City refinery returned to the witness stand today to tell jurors he tried to address years of lax safety, but tragedy struck before his efforts could succeed.

"Things that occur in years, you don't turn around and correct in a day, sir," Don Parus told plaintiffs' attorney Ernest Cannon in the second civil trial to emerge from the plant's deadly 2005 explosion.

[Syn crude fire chokes output](#)

Canadian Oil Sands Trust, the biggest shareholder in the Syncrude Canada oil sands venture in Northern Alberta, said Wednesday a fire at a coker unit at the project site has cut production of synthetic crude from the unit to "minimum rates".

The trust said a fire Tuesday night in problem-wracked Coker 8-3, part of a plant that converts tar-like bitumen from the oil sands into synthetic crude, meant production would be disrupted.

It could not say how long output would be cut back at the project, which normally produces about 350,000 barrels a day.

[Fighting climate change may still cost the earth](#)

An expansion of biofuel farming could push maize prices up more than two-thirds by 2020 - and increase oilseed costs by nearly half, the International Food Policy Research Institute (IFPRI) said.

Global cereal stocks - a key buffer used to fight famines around the world - have sunk to their lowest level since the 1980s due to reduced plantings and poor weather, said the institute's director, Joachim von Braun.

"The world eats more than it produces currently, and over the last five or six years that is reflected in the decline in stocks and storage levels. That cannot go on, and exhaustion of stocks will be reached soon," he told a conference in Beijing.

[Food shortfall affects up to 60,000 homes this December](#)

ALBUQUERQUE - Many poor families are going to be hard-pressed to put holiday fare on their tables this season because of a 200,000-pound shortfall of food at food banks statewide.

High fuel costs and rising food prices are causing the shortage.

[Truckers face huge roadblock - At \\$1.50 a mile, detours add up](#)

The Washington State Department of Transportation is predicting the freeway will remain closed at least through Thursday while crews wait for the Chehalis River and Dillenbaugh Creek to recede.

...Stan Vander Pol, president of Auburn-based Peninsula Truck Lines, said the closure has badly disrupted his company's operations and is costing at least \$10,000 a day in added expenses.

[Diesel prices pick farmers' wallets](#)

California farmers who are considering changing their cropping patterns due to the

state's water shortage are now looking at growing crops that may also help them cushion the impact of the latest fuel crunch.

With diesel prices at record highs, California farmers and ranchers are trying to find ways to minimize fuel usage on the farm without compromising production.

[Jamaicans starting to conserve](#)

With the energy crisis continuing to hurt the pockets of consumers, residential customers of the Jamaica Public Service Company (JPS) have on average cut their electricity consumption from 190 to 175 kilowatt-hours per month over the past year - an eight per cent cut.

[Critics charge ex-official uses influence to drive alternative energy policy](#)

Pacific Ethanol was still a fledgling business in 2005 when its founder, former Secretary of State Bill Jones, persuaded state officials to give him the small but exclusive fuel deal that established his company as a player in California's burgeoning alternative fuel market.

Two years later, that company is an ethanol empire. And Jones is the fuel's most influential champion in the state, using his political connections and 21 years of Sacramento experience to shape policies that are dramatically boosting California's thirst for ethanol - stemming the state's dependence on gasoline, but at a cost of millions in taxpayer subsidies.

[Iran gas refineries' output up 11%](#)

A National Iranian Gas Company (NIGC) official said domestic gas refineries' production had an 11 percent increase in its current year (started March 21) when compared to that of its preceding year.

[Mexico's Pemex brings fire under control after deadly accident in October](#)

Mexico's state-run energy giant Petroleos Mexicanos (Pemex) on Tuesday declared control of a fire that erupted in a deadly rig accident in the Gulf of Mexico in late October.

The company said in a statement that Pemex is now able to stop and start the fire at will to minimize damage to the environment, which was affected by the leakage of gas and oil after the accident.

[A tussle over link of warming, disease](#)

As world leaders meet in Bali this week to find new ways to battle global warming, some of the nation's top climate change scientists yesterday argued that there's little concrete evidence connecting global warming to the spread of infectious diseases, while others said the link is crystal clear.

[Private sector hikes wages up to 40%, inflation bites](#)

Several Saudi companies, including state-owned oil conglomerate Saudi Aramco, have decided to raise wages by 15-40% to offset the impact of rising inflation on employees, Al-Riyadh newspaper reported on Wednesday.

Inflation climbed to its highest in at least a decade in September, raising pressure on the world's biggest oil-exporter to heed growing discontent over prices without straining its currency peg to the dollar.

[Washington County Peak Oil Reading Group](#)

When the global oil supply dries up, Donna Maebori, 56, and Peter Lunsford, 49, will be ready. Or, at least they'll be well-read.

This pair of suburbanites are the founders of the Washington County Peak Oil Reading Group, a collection of citizens who, since April, have been meeting monthly at the Cedar Hills Crossing Mall. While the owners of compacts, hybrids and SUVs shop and Beaverton traffic moves steadily on nearby Sunset Highway, the Peak Oil group's 10-plus members—including a few twentysomethings but mostly middle-agers—are inside the mall's Powell's Books outpost reading in preparation for what they call "life after the oil crash," or what's commonly known as the peak oil crisis. In simplest terms, it's when the global demand for oil exceeds the rate of oil production, and the price and scarcity of oil will increase dramatically.

Maebori and Lunsford agree that books are one of the most effective ways to educate their unprepared neighbors.

[Saudi Arabia works to protect oil fields from terrorism](#)

This OPEC superpower – producer of more than 10 percent of the world's daily oil supply – is spending billions of dollars in manpower, technology and weapons to improve its oilfield defenses against terrorism.

[Gulf States should take long term view of energy demand](#)

The United Arab Emirates and other Gulf states should continue to take a long-term view of the energy sector and not allow themselves to become distracted by demand security concerns driven by the soaring price of oil, say industry experts speaking on the sidelines of the International Petroleum Technology Conference (IPTC) taking place in Dubai this week.

[China's planning agency approves Kuwait Petroleum refinery project in southern China](#)

The Chinese government has approved plans by Chinese and Kuwaiti oil companies to build a US\$5 billion refinery and chemicals project in the southern province of Guangdong, Chinese oil refiner Sinopec says.

[Political stability to help increase oil production](#)

A senior official of the world's largest oil corporation Saudi Aramco yesterday stressed the need for greater political stability in major oil producing countries such as Iran, Iraq and Venezuela to increase global production of fossil fuels.

[Australia: Where to water](#)

The inventor of permaculture is among those calling for backyard farmers to be freed from water restrictions.

[Calculating Energy Bill's Real Figures](#)

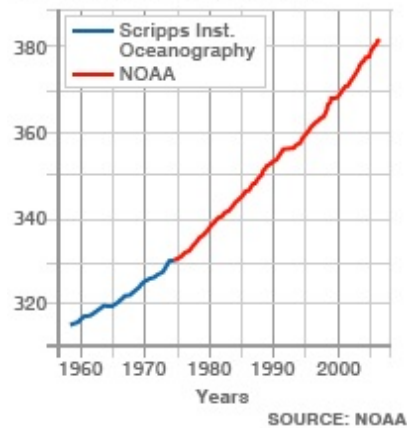
Gas mileage would go up under the compromise reached by Congressional leaders last week, but not as high as the trumpeted numbers. And despite the tougher 35 m.p.g. standard, a growing population of drivers would push up total fuel use, as well as greenhouse gas emissions — but not as rapidly as would occur without the legislation.

[Albania exploring use of renewable energy sources](#)

Albania receives 95p.c. of its electricity from hydroelectric power plants (HPP), but a drought this year affected reservoirs levels and the plants cannot meet continually rising energy demands. As in previous winters, restrictions, blackouts and various stopgap measures are expected. The country once produced enough energy not only to meet its needs but to export to neighbouring countries. Since the early 1990s, however, demand has risen fourfold, reaching 6,800 GWh. At the same time, electricity output has shrunk by half, to around 4,000 GWh. Scant rainfall and the antiquated state of the HPPs are to blame. The power supply in Tirana and other cities has been interrupted up to eight hours a day, while some rural areas are cut off for as long as 15 hours a day. Each winter, the situation deteriorates further.

[50 years on: The Keeling Curve legacy](#)

ATMOSPHERIC CO₂ AT MAUNA LOA OBSERVATORY
Concentration (parts per million)



It is a scientific icon, which belongs, some claim, alongside $E=mc^2$ and the double helix.

Its name - the Keeling Curve - may be scarcely known outside scientific circles, but the jagged upward slope showing rising carbon dioxide (CO₂) levels in the atmosphere has become one of the most famous graphs in science, and a potent symbol of our times.

[Environmental group claims responsibility for bogus USCAP release](#)

An environmental group called Rising Tide North America put out a fake press release on Monday stating that members of U.S. Climate Action Partnership had agreed to cut greenhouse gas emissions and to stop building coal-fired power plants.

[US Seeks Alliance with China and India to Block Climate Protection](#)

Officially, the US government says it wants to push in Bali for a climate protection "road map." But SPIEGEL ONLINE has learned that this may not be true. US government officials are already attempting to coordinate with China and India to prevent binding emissions limits.

[Bio-fuels not an option for Africa](#)

Speaking to Africa Science News Service, Ann Petermann, Co-Director for Global Justice Ecology Project said the use of bio-fuel could put pressure in the forests and increase conflicts in rural areas of Africa.

She says Developed countries should directly be involved in activities that would lower

factors that lead to climate changing rather than advocate for clean energies like biofuel as this will do no good to the developing countries.

[Feeding cattle byproduct of ethanol production causes E. coli O157 to spike](#)

Recent research at Kansas State University has found that cattle fed distiller's grain have an increased prevalence of E. coli O157 in their hindgut. This particular type of E. coli is present in healthy cattle but poses a health risk to humans, who can acquire it through undercooked meat, raw dairy products and produce contaminated with cattle manure.

[Australia can lead the way on climate](#)

Even reductions consistent with a two-degree increase in global temperatures are now seen as reckless, given the risks. According to Australia's leading climate scientist, Graeme Pearman, the global climate-science community has indicated that changes of even one or two degrees have the potential to bring about significant global exposures to coastal erosion, sea-level rise, water supply and extreme climatic events. He said the number of humans affected by a two-degree change may be counted in the hundred of millions.

[Oil prices soar as OPEC stands pat on output](#)

OPEC dashed hopes that it would step up production at its meeting Wednesday, news that sent oil prices shooting back towards the \$90 a barrel mark in early trading.

Up until a few days ago, investors had been hoping that the cartel made up of 13 of the world's leading oil producers would increase production by least 500,000 barrels, news that had helped send oil prices tumbling from a record high near \$100 a barrel to under \$90.

But the statement of the group's oil ministers released after their meeting in Abu Dhabi, United Arab Emirates, said that "market fundamentals have essentially remained unchanged, with the market continuing to be well supplied and commercial crude/product stocks remaining at comfortable levels."

[OPEC maintains oil output, hands quotas to Angola, Ecuador](#)

Angola, which joined the cartel on January 1, was handed a quota of 1.9 million barrels of oil per day. Ecuador, which rejoined OPEC last month, was given a daily quota totalling 520,000 barrels.

It was not immediately clear when the pair would begin operating their quotas, or if

their output would be in addition to OPEC's official output daily output of 27.25 million barrels.

[Survive Oil's Slide](#)

There is no oil shortage, only the perception of shortage created by geopolitical uncertainties, limited surplus capacity and persistent worries about peak oil production in the face of stubbornly growing demand.

[Russia increases local gas prices](#)

Russia has approved a 25% increase in local wholesale gas prices in 2008, two days after the elections won by President Vladimir Putin's party.

The decision, taken despite rising inflationary pressures, will raise gas prices for industry and consumers.

[Fukuda orders ministers to soften oil price hikes](#)

Prime Minister Yasuo Fukuda has ordered ministers to develop a policy to soften the blow of higher oil prices on consumers and businesses.

['Ominous warning sign' as British Gas raises tariffs](#)

British households suffered a fresh blow to their strained finances yesterday as British Gas said that it was lifting the price of a key energy tariff by up to 15 per cent, prompting fears of a wider increase in gas and electricity bills in the new year.

[First fuel price protest meeting sees farmers back direct action](#)

“I was particularly interested to see a lot of new faces. People have just had enough. It is getting to a point where it is really hurting people.”

As well as businesses, elderly people were being badly affected by the rising fuel prices, he said.

“At the meeting I spoke to an elderly, retired farmer, who said that if he didn't have his car to go out and buy food and so on he would starve to death.

“It is becoming more and more difficult for elderly people as there is no public transport infrastructure. They don't have an option.”

[Canada: Government hiding damaging climate report, critics charge](#)

A new federal report is warning of an international scramble for oil and minerals under melting Arctic ice and water scarcity in the Great Lakes, but the Harper government is keeping the study on the shelf, CanWest News Service has learned.

[In Alaska's Far North, Two Cultures Collide](#)

Each summer and fall, the Inupiat, natives of Alaska's arid north coast, take their sealskin boats and gun-fired harpoons and go whale hunting. Kills are celebrated throughout villages as whaling captains share their catch with relatives and neighbors. Muktuk, or raw whale skin and blubber, is a prized delicacy.

But now, that traditional way of life is coming into conflict with one of the modern world's most urgent priorities: finding more oil.

[Iowans wavering on loyalty to ethanol](#)

As White House contender John McCain learned painfully in 2000, criticizing ethanol subsidies is extremely hazardous in a state where corn is king and ethanol, a corn-based fuel substitute, has long been the crown prince.

But the 2008 field of presidential contenders is discovering that the old political rules are changing for ethanol. Some Iowans are questioning its economic, environmental and energy benefits.

[France and Algeria sign nuclear deal](#)

France and Algeria agreed to cooperate on civilian nuclear technologies Tuesday, while French oil and gas giant Total SA signed a deal to build a petrochemical complex in the North African country.

[Overflow crowd greets refinery officials](#)

When officials of Hyperion Energy told Union County Commission members of plans to ask for rezoning for a potential oil refinery, they were greeted by an overflow crowd at the Elk Point courthouse.

[Nonstop service between Houston and Dubai begins](#)

The inaugural flight of Emirates' new nonstop service between Dubai and Houston touched down here Monday, directly linking the two energy centers.

At the same time, word circulated that another Middle Eastern carrier, Qatar Airways, may be flying into Houston.

[Scandal, economics deter Alaska gas line bids](#)

Alaska's unfolding political-corruption scandal deterred one energy company from submitting a natural gas pipeline proposal to the state, while uncertain economics precluded the proposal of another.

[Venezuela Will Probably Take Over Natural Gas, Analysts Say](#)

Venezuelan President Hugo Chavez will probably force natural gas projects into government-controlled joint ventures, as constitutional reforms that were rejected this week by voters weren't necessary for such action, analysts say.

[Russia Classifies 32 Gas Fields as Strategic](#)

The Russian government has classified 32 gas fields as "strategic," meaning it can choose the developer itself, without holding a tender, the Vedomosti business daily reported Tuesday.

[Gas Tanker Explosion Rocks Neighborhood](#)

A gasoline tanker truck overturned, caught fire and exploded in Everett, Mass., early Wednesday morning, destroying several multi-family homes and forcing at least a six families and a nursing home to be evacuated.

[Climate change meeting adds to emissions](#)

"Nobody denies this is an important event, but huge numbers of people are going, and their emissions are probably going to be greater than a small African country," said Chris Goodall, author of the book "How to Live a Low-Carbon Life."

[In Bali, Germany takes dramatic step on climate change](#)

This week, delegates from more than 180 countries are gathered in Bali for a United

Nations-sponsored conference, where they will try to hash out a road map for a post-Kyoto climate treaty. Meanwhile, Germany is forging ahead and adopting what experts here say is the most comprehensive climate-protection package ever enacted worldwide.

[Sinking islands deride climate change inaction](#)

For nations and communities that sit only a few metres above sea level, even small ocean rises engulf their land and send destructive salty water into their food supply, leaving residents with little choice but to flee.

[Danish 'best-selling' climate change sceptic swims against the tide](#)

As world leaders scramble to address global warming, sceptical environmentalist Bjoern Lomborg finds himself increasingly alone in his claim that climate change poses no imminent threat to the planet.

[Green groups say Japan, Canada wavering on climate targets](#)

Japan and Canada appear to be backing away from mandatory emissions cuts expected to be at the heart of a new global accord on fighting global warming, environmental groups said Wednesday.

[Nations divided at climate conference](#)

Australian Prime Minister Kevin Rudd urged the United States to follow his country's lead and ratify the Kyoto Protocol, while rich and poor nations appeared divided Wednesday over what a future climate change pact should look like.

[Thomas Homer-Dixon: With cracks and holes in the Greenland ice sheet, we may well have to 'geo-engineer' the climate](#)

Because the IPCC reports incorporate only scientific findings published up to about mid-2005, they don't reflect almost two years of extraordinarily important results from multiple streams of research. Immediately after the Working Group 1 report was released (last February), many scientists said it significantly underestimated sea-level rise this century.

Since then, we've seen sharply higher global carbon dioxide emissions than the IPCC expected (2006 emissions were almost half a billion tonnes above the worst-case IPCC prediction), while the absorptive capacity of ocean and land-based carbon sinks appears to be decreasing more rapidly than predicted.



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