



DrumBeat: December 10, 2007

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Topic: [Miscellaneous](#)

[States worry about federal heat aid](#)

Bush recently vetoed a sweeping Democratic health and education spending bill that included roughly \$2.4 billion heating aid for the poor this winter. The amount was \$480 million more than he requested — and would have boosted the energy assistance program by about \$250 million from last year.

Lawmakers from cold-weather states are still pressing for the extra money before Congress adjourns this year. They say funding has been outpaced by rising fuel prices.

"It's really kind of scary," said Mark Wolfe, executive director of the National Energy Assistance Directors' Association, which represents state-run low income energy assistance programs. "We're going to be looking at an awful lot of hardship."

[McCain Calls For Freedom From Oil](#)

Republican White House candidate John McCain said in a speech being delivered Monday that the United States needs to reduce its dependence on other parts of the world for oil and encouraged more nuclear and hydrogen power.

[Production Sharing Agreements in Putin's Russia](#)

The dynamics of the Russian energy industry have changed in the past fifteen years. Under Putin, the government has reasserted its control by restricting private and foreign investment in strategic sectors, particularly energy.

[Charlotte's rail system is carrying controversy](#)

The Queen City opened its new light rail line two weeks ago, the first such metro system in North Carolina and one that cost more than \$462 million to build.

But the big question for Charlotte, and potentially for the Triad, is whether such a system is a valuable alternative to traffic congestion or a needless affectation that just

gobbles money — money that otherwise might be spent improving overburdened highways used by more people.

[Gazprom Wants You](#)

Pity the poor Russian gas titan Gazprom: it is feeling undervalued.

Despite having a market capitalization of over \$330 billion, as well as access to the world's largest reserves of natural gas in Russia, Gazprom is reportedly hungry for more.

[Total OPEC Oil Output Rose 40,000 Barrels Per Day in November](#)

Overall oil production by the 12 members of the Organization of Petroleum Exporting Countries (OPEC) rose to 31.15 million barrels per day (b/d) in November, according to Platts' latest survey of OPEC and oil industry officials just released. This is up 40,000 b/d from October's production of 31.11 million b/d, as higher volumes from Saudi Arabia and Iraq helped offset a large field maintenance-related drop in UAE output.

[Petroplus sees Coryton refinery back at full capacity by beginning next year](#)

Petroplus Holdings AG said repairs on its Coryton refinery in Essex, UK, which caught fire in late October, are expected to be completed around 18 December.

The refinery is expected to be running at full capacity by the beginning of next year, said the Swiss oil refiner.

[El Paso to partner in major northeastern gas pipeline](#)

Houston-based El Paso Corp. and Equitable Resources plan to build a 471-mile natural gas pipeline project to connect Rocky Mountain fields to markets in the northeastern U.S., officials said today.

The pipeline, which will run from the end of the Rockies Express Pipeline project at Clarington, Ohio, to Pleasant Valley, N.Y., will deliver up to 1.1 billion cubic feet per day of gas. The project will connect with Iroquois Gas Transmission as well as Transcontinental Gas Pipeline, Texas Eastern Transmission, Algonquin Gas Transmission and Millennium Pipeline along the way.

[Port Arthur refinery celebrates its expansion](#)

A groundbreaking ceremony is being held Monday at the Motiva Port Arthur Refinery.

Officials say the refinery's recent expansion will make it the largest in the nation. That means increased supplies of gasoline, diesel and aviation fuels in the U.S.

The expansion double's the refinery's capacity to 600,000 barrels a day.

[Why did solar energy lose its flare?](#)

Cells in most solar panels are made of silicon, which is abundant in sand. But demand in the electronics industry for silicon wafers has caused a shortage of high-grade silicon, which spells potential trouble for the solar industry.

[Trends Affecting Oil Price](#)

As we began 2007, crude oil was hovering around \$60 a barrel. Today the price is closer to \$90, and came within whiskers of \$100 less than a month ago. So what's driving crude oil to record prices? It's easy to blame "big oil" or hedge funds and speculators for the rising price of energy, but to do so would ignore many of the fundamental changes in our world. To understand these changes we need to recognize the attributes of oil that make it different from other commodities.

[Oil rises on lower dollar, Fed view](#)

Oil futures rose Monday, extending their streak of volatility as a weaker dollar and anticipation that the Federal Reserve will cut interest rates drew buyers into the market.

Prices also drew support from news that fog has closed two Texas waterways used by oil tankers.

[Kunstler: Spirit of the Season](#)

President Bush, seeming very much the clown-in-chief, led the way last week by proposing a mortgage crisis bail-out that would appear to have no chance whatsoever of working as advertised. He called it, arrestingly, the New Hope Alliance. It blithely assumed that those "servicing" mortgages -- that is, collecting the monthly payments -- have the ability to suspend scheduled upward re-sets of adjustable mortgages for five years for certain select homeowner payees -- so that theoretically said homeowners could avoid foreclosure.

What might have worked in 1934, when the originators of mortgages were local banks

that also "serviced" them (i.e. collected the monthly payments) is unlikely to avail today since the mortgages have been sold off in bunches to pension funds, hedge funds, money markets, and foreign investment funds -- none of which have an interest or the ability to renegotiate loans with millions of schlemiels from Cleveland to Denver to Fresno -- while the companies "servicing" these contacts are mere errand boys, with no say over the terms of anything they collect on.

[Saudi budget surplus falls to \\$48bn, growth slows](#)

Saudi Arabia expects its budget surplus to shrink by a third to \$48 billion and economic growth to slow in 2007 after the world's top oil exporter cut output to meet Opec targets, raised spending and paid off debt.

[Nigeria to reopen oil hub airport on Dec. 18](#)

The main airport serving the oil-producing Niger Delta in southern Nigeria will reopen for daytime domestic flights on Dec. 18, officials said on Monday, two years after a plane crashed trying to land there.

[Oil and gas: Cairo toes pragmatic line with the IOCs](#)

Cairo needs to be pragmatic. Egypt's demand for energy is growing exponentially as rapid industrialisation and population growth suck in oil and gas. Demand is skewed by heavy subsidies on a range of products from petrol through to domestic gas.

The pattern of energy shortfall in what are perceived as hydrocarbon-rich countries is not confined to Egypt. Other, richer, states in the Gulf are having to cope with gas shortages caused in large part by subsidies and profligate use of resources.

[UK growth set to take a hit from oil and credit crunch](#)

ERNST & Young ITEM Club has issued a warning that the UK and Scottish economies will suffer a difficult year in 2008 - but a housing-price crash and significant drop in consumer spending is unlikely north of the Border.

[Iran Intelligence It's all about Oil Oil Oil](#)

Every time one watches a T.V. show or reads a newspaper article that goes on and on about Iran and is the biggest danger in the world because they are armed to the teeth with nuclear weapons and they are terrorists and they are coming to get you, nowhere is the word "oil" ever mentioned. One gets this crippling urge to vomit all over the

deceitful article.

The Iraq War and the Iran War are about one thing and one thing only and that thing is oil. Oil, oil, oil we want to steal your oil please step aside as we grab your oil. Please sir may I have some oil?

[UK's official CO2 figures an illusion - study](#)

Britain is responsible for hundreds of millions more tonnes of greenhouse gas emissions than official figures admit, according to a new report that undermines UK claims to lead the world on action against global warming.

The analysis says pollution from aviation, shipping, overseas trade and tourism, which are not measured in the official figures, means that UK carbon consumption has risen significantly over the past decade, and that the government's claims to have tackled global warming are an "illusion".

[WSJ Launches Luddite Attack on Climate Scientists and Al Gore](#)

The bar for *Wall Street Journal* editorials, in the journalistic equivalent of limbo dancing, keeps dropping. In a piece titled, "The Science of Gore's Nobel" (UPDATE: Open access link), Holman W. Jenkins Jr. of the WSJ ed board, manages to slander the media, Al Gore, the Nobel Committee, and all climate scientists -- without offering any facts to back up the attacks.

[U.N. climate chief says science clear, move on](#)

The science on climate change is indisputable so the world must now act to limit greenhouse gas emissions or face "abrupt and irreversible" change, the head of the Nobel prize-winning U.N. climate panel said on Sunday.

But Rajendra Pachauri, head of the United Nation's Intergovernmental Panel on Climate Change (IPCC), said the industrialized world did not have a moral right to force poorer nations to slash emissions that may stunt their growth.

[Scientists: Seaweed Could Stem Warming](#)

Slimy, green and unsightly, seaweed and algae are among the humblest of plants.

A group of scientists at a climate conference in Bali say they could also be a potent weapon against global warming, capable of sucking damaging carbon dioxide out of the atmosphere at rates comparable to the mightiest rain forests.

[A Honda Civic for the age of global warming](#)

Amid the upheaval at Tesla Motors last week, a milestone in the annals of the electric car went largely unnoticed. At Think Global's factory in the Norwegian countryside, the first of the company's battery-powered City urban runabouts rolled off the assembly line.

A canary-yellow two-seater sporting baby-seal-eye headlights and a bumper-to-roof glass hatch, this first production Think City will go about 112 miles (180 kilometers) on a single charge. It's zippy, fun to drive and could well be the Honda Civic for the age of global warming.

[Car makers target Saudi women despite driving ban](#)

Saudi Arabia, which imposes a strict version of Islamic law, is the only country in the world where women are banned from driving. Religious authorities say allowing women to drive would lead to gender-mixing and take women away from their role as child-rearers.

But industry figures at the Riyadh Motor Show 2008 this week said they are already reaping the benefits from women owning cars, even if they need chauffeurs to drive them. The economy is booming in Saudi Arabia, the world's top oil exporter with a population of 24 million.

[New York Times Notices Oil Export Land Model Problem](#)

When a tree falls in a forest where no human will hear it does it make any sounds? Yes, but some like to pretend no in order to make the point that without observers sounds might as well be absent. Well, previously I've highlighted work by Peak Oil theorists "Khebab" and "westexas" on how rapidly rising internal consumption is going to cut oil exports by big oil exporters. But the mainstream media hasn't paid much attention to this problem until now. So the writings of Peak Oil theorists have until now resembled trees falling in empty forests. Finally the trees are falling within earshot of people who matter. The *New York Times* has a story entitled "Oil-Rich Nations Use More Energy, Cutting Exports."

[Iran signals sanctions alert with \\$2bn China oil deal](#)

Iran signed a \$2bn oil contract with Sinopec of China on Sunday, sending a signal to western companies that they might miss out on potentially lucrative contracts with one of the world's biggest energy exporters if they continued to heed US-inspired sanctions against Tehran.

"If other countries who like to invest in oil and gas hesitate, they will lose opportunities," said Gholam-Hossein Nozari, Iran's oil minister.

[UK Plans to Save North Sea Fields](#)

The UK Treasury has announced proposals to extend the life of maturing North Sea oil fields by overhauling the current tax system.

The *North Sea Fiscal Regime* consultation document addresses inconsistencies in the current system, calling for further debate on issues relating to tax and the re-use of oil and gas assets for carbon or gas storage.

[Belarus to produce 900,000 t oil/year in Venezuela](#)

Belarus has begun extracting oil in Venezuela and hopes to produce 900,000 tonnes annually from next year to lessen dependence on Russian energy, the ex-Soviet state's foreign minister said on Monday.

[Tensions back on the rise in Nigeria oil delta](#)

A protest outside an oil company compound, a high-profile kidnapping and a troop incursion into a militant stronghold on Monday were all signs of the renewed tension in Nigeria's oil delta.

[Gasoline Markets in Iran: An Economic Perspective On Issues And Solutions](#)

Iran's gasoline shortage and growing dependency on imports of this fuel have been widely discussed inside and outside Iran. The problem, which began as a result of the 1980-88 Iran-Iraq war, has continued to this day and its resolution has become much more complicated due to the failure of successive post-war administrations to address the issue boldly and decisively. Today, the gasoline shortage and the enormous amount of subsidy, estimated at about \$40bn a year, that the government pays for this and other fuels is a huge economic burden; and because of Iran's controversial stance on certain international political issues, it has also become an important national security concern. Recognizing the gravity of this situation, President Mahmoud Ahmadinejad recently launched a new initiative that not only raised the price of gasoline but also for the first time introduced an elaborate rationing system.

[UN agencies call for Gaza fuel supplies to be restored](#)

UN agencies appealed on Monday for full energy supplies to be restored to the Hamas-run Gaza Strip, saying they were deeply concerned over the state of the territory's health system.

"The World Health Organisation and UNRWA (the UN Relief and Works Agency for Palestine refugees) express their deep concern on the combined impact of the lack of electricity supply and fuel shortage on the delivery of health services," the two agencies said in a statement.

[Sinopec-Kuwait joint venture nod](#)

CHINA has approved Sinopec Corp's US\$5bil joint venture oil refinery and petrochemical project with Kuwait Petroleum Corp in the south China's Guangdong Province.

[Newcastle Coal Price Reaches Record on Supply Concern](#)

Coal prices at Australia's Newcastle port, a benchmark for Japan, South Korea and Taiwan, gained 1.9 percent to a record on concern that demand is outpacing supply.

[Namibia uranium output to jump as exploration surges](#)

Namibia plans to open four new uranium mines by 2010 that will boost its output to 10 percent of world production, a response to a boom in uranium exploration last seen during the energy crisis of the 1970s.

[Lasers point way to clean energy](#)

Magnetic fusion has long been heralded as the future of renewable energy, but could it be lasers that hold the key?

[Speculators could fuel another uranium price surge](#)

Speculators in the uranium market could fuel a surge in spot prices next year, but over the longer term a correction is anticipated as miners ramp up production of this key ingredient for the nuclear power industry.

Many hedge funds and banks are following London-listed nuclear fuel trader Nufcor International and Canada's Uranium Participation Corp and buying uranium to hold, taking precious supplies out of the market.

[S.Korea not to tighten single-hull oil tanker rules](#)

South Korea does not intend to tighten rules on single-hulled oil tankers, the type of crude carrier involved in an oil spill disaster off the country's west coast last week, Seoul's maritime ministry said on Monday.

But it is aiming to match an international regulation that calls for the phase-out of single-hulled tankers as soon as 2010.

[UK: Fuel protesters set for weekend of action](#)

The group behind the fuel refinery blockades that gripped the country in 2000 has announced it will stage fresh protests this Saturday.

In a statement released on its website this morning, Transaction 2007 said the rise of the price of petrol to £1 a litre had caused it to take action.

"This date was decided by members as the best possible to ensure those who would normally be working during the week to attend.

This action will be initiated at a refinery or storage depot somewhere near you," the statement said. "Anyone wishing to support action is requested to make your way there at the allotted time."

[Refinery firm plans public meetings](#)

ELK POINT, S.D.- Experts from a Texas company that may build an oil refinery in Union County will be on hand to answer questions this week during a series of 3 public meetings in the area.

[Petro-Canada and NOC to sign US\\$7B development deal in Libya](#)

Petro-Canada plans to sign a US\$7-billion long-term deal with the Libyan National Oil Corp. on energy production sharing.

Calgary-based Petro-Canada says it would pay 50 per cent of development capital costs and receive a 12 per cent share of production.

[China Wholesale Inflation Up 4.6 Percent](#)

A huge jump in oil prices helped push up Chinese wholesale prices by 4.6 percent, the

biggest monthly increase in more than two years, the government said Monday.

The November figure was also up from an increase of 3.2 percent rise in October, the National Bureau of Statistics said.

[China's Sinopec, Iran ink Yadavaran deal](#)

China's biggest refiner, Sinopec, and Iran have signed a \$2 billion agreement on developing the Yadavaran oil field, reports said Monday, firming Beijing's business links with Tehran despite U.S. calls for sanctions over Iran's nuclear program.

[Nicaragua may nationalize oil imports](#)

President Daniel Ortega has instructed his Cabinet to come up with a plan to nationalize the importation of oil, a duty now largely held by the U.S.-owned Esso Standard Oil.

In a televised speech late Wednesday, Ortega said the decision stemmed from a dispute with Esso, owned by Texas-based ExxonMobil.

[State pensions, Brazil's oil and Iran entangled](#)

Florida invested \$112-million in Petrobras, which poses a conflict.

[Analysis: Putin makes wise decision](#)

Vladimir Putin has made a wise choice by endorsing Dmitri Medvedev as his successor to become President of Russia in elections be held in early March next year.

Young and loyal, Mr Medvedev, 42, is a safe and solid politician who has shown himself capable of running Russia's most precious asset, Gazprom, the state owned energy giant.

[Baghdad oil refinery ablaze](#)

Firefighters have been battling a fire at an oil refinery that supplies much of the fuel to produce power for Baghdad.

Iraqi oil officials said on Monday that the plant had been hit by a Katyusha-type rocket.

However, the US military later issued a statement saying that the blaze "was the result of an industrial accident".

[India to offer 57 oil and gas blocks for auction](#)

India will launch the latest round of its auctions for nearly 60 oil and gas exploration acreages as it seeks to decrease dependence on foreign fuel sources, a government minister said Monday.

[Fuel-efficiency gauges start appearing in non-hybrids](#)

Fancy fuel-economy gauges are so popular in gas-electric hybrid vehicles that Toyota is studying whether they might provide a cheap way for drivers of its conventional cars to save gas as well.

[Measuring Footprints](#)

While the business world is scratching its head over what exactly global warming and peak oil mean to its operations, owners of Good Company of Eugene know that, for them, it means green — as in lots of greenbacks.

Principals Joshua Skov and Joshua Proudfoot started Good Company seven years ago, and were poised to capitalize on the growing, and serious, interest in environmental issues in corporate and government offices.

[South Korean spill hits seafood industry](#)

Chung Hwan-hyang surveyed the damage from South Korea's worst oil spill, saddened by the knowledge that the oyster farm she and her husband ran for 30 years was lost.

"My oysters are all dead," the 70-year-old woman said Sunday as she and thousands of others cleaned foul-smelling oil from Shinduri Beach. "I cried and cried last night. I don't know what to do."

[Gore gets Nobel, warns of ominous threat](#)

Al Gore received his Nobel Peace Prize on Monday and urged the United States and China to make the boldest moves on climate change or "stand accountable before history for their failure to act."

[U.N. climate talks under pressure to drop 2020 goals](#)

The United States has urged a tough 2020 target for rich nations to axe greenhouse gas emissions to be dropped from a draft text at climate change talks in Bali, delegates said on Monday.

[Climate change could lead to conflict, instability: UN report](#)

Global warming could lead to internal conflict, regional unrest and war, with North Africa, the Sahel and South Asia among the hotspots, a report issued at a global climate change forum said Monday.



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