



## DrumBeat: December 11, 2007

Posted by [Leanan](#) on December 11, 2007 - 10:02am

Topic: [Miscellaneous](#)

### [IEA exec says oil supply crunch looms](#)

A prominent energy economist warned Tuesday that global oil markets are at risk of being under-supplied as national oil companies gain greater control of the world's petroleum supplies.

Some 37.5 million barrels a day of additional oil-production capacity is needed by 2015, but only 25 million barrels a day are planned, International Energy Agency Chief Economist Fatih Birol said.

To narrow the gap, major oil producers, especially OPEC members, must ramp up production, Birol said, while major oil consumers, including the U.S., must make policy changes to ease demand.

### [Tales of oil industry's influence in Alaska](#)

In grainy, secretly recorded hotel-room videotapes, executives with Alaska's biggest oil-services company plot ways to craft an industry-friendly version of a pending oil-tax rewrite, brag about how they "own" key politicians and hand out wads of cash to lawmakers, who swear their fealty.

"Never forget who takes you to the dance," says former House Speaker Pete Kott, pointing to VECO Corp. Chairman and heavyweight Republican patron Bill Allen, in one of the tapes. "I had to cheat, steal, beg, borrow, and lie."

### [Saskatchewan may be sitting on oil bonanza](#)

Saskatchewan could be sitting on 25 billion to 100 billion barrels of sweet, light crude oil in the Bakken formation in the southeast part of the province, according to industry and government estimates.

### [Iran mulls ending gasoline rationing](#)

Iran's deputy oil minister says the government plans to end the gasoline rationing scheme by end of the next Iranian year, March 2009.

Probably by end of the next Iranian year (March 2009), fuel rationing will end, Mohammad-Reza Nematzadeh said, adding, "We are trying to control consumption on the one hand and increase production on the other."

### [Algeria says bombs won't deter serious investors](#)

Twin car bombs in Algiers won't deter investors with serious plans in oil- and gas-exporting Algeria, Interior Minister Noureddine Yazid Zerhouni said.

### [Shell sets up lab in Hawaii to research algae as biofuel](#)

Royal Dutch Shell PLC said Tuesday it will build a facility in Hawaii to grow and test algae for its potential as a biofuel.

### [Ice storm trips power, paralyzes key U.S. oil hub](#)

A deadly ice storm in the U.S. heartland triggered power outages that paralyzed parts of the most important U.S. oil hub, threatening supplies to the region's oil refineries.

The storm knocked out power to more than 800,000 in the U.S. Central plains and forced Enbridge to shut its 16.7 million barrel oil terminal at Cushing, Oklahoma, the delivery point of the New York Mercantile Exchange crude contract.

"Until we get power we cannot move the oil. There is some damage to our own distribution infrastructure, but right now it mainly depends on how quickly Oklahoma Gas and Electric can restore power to the area," said Enbridge spokesman Larry Springer.

### [Outside View: Russian oil, gas drying up?](#)

Russia must increase investment in oil and gas exploration and production, and save its energy resources, say German scientists.

"At the current level of production, (Russia's) reserves will have been used up in around 22 years," says a report by the Berlin-based German Institute for Economic Research (DIW) released Dec. 4.

### [China Nov crude oil imports up 1 pct on yr](#)

China's crude oil imports rose 1 percent in November from a year earlier to 13.61 million tonnes, preliminary government data showed on Tuesday, as the country suffered through a serious domestic fuel shortage.

### [South Africa: Fuel shortage puts Eskom under pressure](#)

Amid fears of a diesel shortage in the Western Cape this festive season, Eskom says a liquid fuel shortage is "aggravating a very serious situation" of rolling blackouts.

### [Fuel Shortage and Winter Cold Bite Nepal](#)

More than a month after the government raised gasoline prices here to \$4.25 per gallon in an attempt to normalize supply, there are still long lines at the pumps, which open briefly when a tanker arrives, then close again as soon as the fuel is sold. Day-long waits are common; some drivers queue up overnight, sleeping in their vehicles.

### [Egg prices break new ground: Price of a dozen triples in a year](#)

"The cost of feed, transportation and packaging have all gone up. Chickens eat corn and soy, and both are being used to make ethanol fuel. Styrofoam packaging is a petroleum derivative. Transportation to bring it to the store uses more petroleum."

### [GM starts new design shop for Volt](#)

GM has taken another step toward bringing its Volt plug-in electric car to market by opening a new studio where work is being done exclusively on its next generation of electric vehicles.

### [Minding the gas gauge](#)

Most of us behave as if our globe's tank still has plenty of gas as well, ignoring the possibility that it could ever run out. In fact, a tiny fringe actually rejects the conventional view that our oil was formed in finite supply over millions of years by the accumulation and compression of numberless trillions of microscopic organisms.

Proponents of this view believe, instead, that our petroleum supply is practically infinite, that crude-oil deposits are somehow regularly replenished from sources deep within the earth.

We easily see through a bizarre wish-fulfillment fantasy like this one, but we ignore just as easily the doomsayers who argue that we're within a few years, one way or the other, of the peak of worldwide oil production. From here on out, they say, cheap and easily

accessible oil will be a thing of the past. The corollary to this grim predicament is that we're going to be increasingly inclined to fight over what's left.

### [Pakistan: Crisis as oil stocks hit rock bottom](#)

Pakistan's oil reserves have plummeted to the lowest-ever level in the country's history and the stocks of major oil products — kerosene and diesel — are sufficient for six days only.

Under the standard operating procedures (SOPs), the government and its companies are required to maintain a minimum of 21-day stocks of every product at all times to cope with any eventuality. The SOPs are defined in the 'Blue Book' meant for strategic government organisations to handle crises.

### [India: State heading for energy crisis](#)

'Dark age' looms large over Orissa in the coming years even as the Government tomtoms its achievements in energy sufficiency.

A huge gap between supply and demand stares at the State.

### [UK: Diesel Shortage As Weather Delays Fuel](#)

Gale force winds and rough seas have meant a tanker carrying a cargo load of diesel and petrol has been unable to dock at the Plymouth fuel depot and distribute fuel to garages in Torquay, say petrol station bosses. The Esso Garage, Avenue Road, Torquay has been left without diesel after its delivery from the depot was disrupted by gale force winds and downpours of rain over the weekend.

### [Eyeing Rising Oil Prices, US Gas Cos Seek Black Gold](#)

EOG Resources Inc.'s Web site still says: "When you think natural gas, think EOG."

But these days, the Houston independent is steering an increasing amount of its funds away from gas drilling and toward an even more valuable resource in today's commodity markets: oil.

### [Texas-size oil refinery in works](#)

In the U.S., Shell and Saudi Aramco have a strategy of building a high-tech refinery that

can handle the worst – and cheapest – types of crude oil. Doing so keeps costs low and profit margins as wide as possible.

### [\\$18bn investment is needed for pipelines](#)

The Middle East will need to invest nearly \$18 billion for the construction of pipelines and compression or pumping stations over the next five years.

### [Surmont oil sands project begins commercial production](#)

After 10 years, ConocoPhillips Co. and Total SA's vast Surmont oil sands venture has begun commercial production.

ConocoPhillips, the third-largest energy company in the United States, and France's Total are co-owners of the Surmont project, located about 60 kilometres southeast of Fort McMurray in Alberta's oil sands. The Surmont project began as a pilot in 1997. In June, 2003, the companies launched commercial development using an energy-intensive process called steam-assisted gravity drainage.

### [Refinery proposal draws crowd](#)

More than 200 people showed up at Beresford last night to learn more about a proposed \$10 billion oil refinery north of Elk Point.

Employees and consultants from Hyperion Energy of Dallas held the first of 3 meetings to answer questions about their plans for the facility.

### [Oil & Gas Industry Leaders, Investment Opportunities](#)

Mexico's national oil company (Pemex) has only nine years of proven oil reserves at current production rates, and the company is hoping to find new deposits in deeper waters of the Gulf to compensate for declining output at its traditional areas. Pemex plans to begin producing oil at deep water projects in 2014.

### [PMI offers county incentives to reduce pipeline impact](#)

A controversial pipeline proposed to be built in the eastern part of the county to transport fuel to Mexico may not have the same impact on the community if Commissioners Court agrees to accept concessions offered by the company.

The 10-inch line, to be installed by PMI Holdings North America Inc., would carry

gasoline across about 14 miles of the county, in the same vicinity as the Longhorn Pipeline, to provide gasoline to Mexico's nationalized Pemex oil company.

### [Real reasons OPEC snubbed production increase](#)

The non increment of production quota by the members of the Organisation Petroleum Exporting countries OPEC to ease the price of crude oil, which interestingly has been on the high side for sometime now, experts say, "do not come as surprise". This, according to keen observers of the activities of the world's apex oil regulatory body, is because the group has always insisted that there was enough crude oil in the market and that, it was not a lack of enough volume of the commodity is creating the continued upward swing of oil prices.

### [Mexico senators begin Pemex reform talks](#)

Mexican senators began hammering out a modest reform of the struggling energy sector on Monday, possibly loosening the barriers to private-sector participation.

### [Hybrids responsible choice but still a stopgap in energy crisis](#)

Driving a hybrid is merely stopgap. Its technology is dated — the first hybrid was actually built in 1901 — and likely to be replaced with something better. I predict that when I'm ready to get rid of it — I usually hang onto a car for seven or eight years — no one will even want to buy it because it burns too much gasoline. By then, CNGs (compressed natural gas), hydrogen fuel cell vehicles and who knows what other new techno-wonder will be standard. By then, people will be using air and water to power their automobiles. Anyway, that's what I hope.

### [What your CEO drives says a lot about the dude](#)

A car can say a lot about the person in the corner office. "Of all the products in the world, cars are the most reliable representation of an individual's personality," says Golden Gate University psychology chair Kit Yarrow.

What CEOs drive offers a look into their personal engine blocks. Some drive hybrids to be green. Others favor older cars to show they can milk the most from available resources. Then, there are those who want expensive and fast because they're at the top and won't settle for less.

### [New solar systems](#)

Widespread anxiety about the damaging effects of burning fossil fuels, coupled with a genuine fear that oil and gas will become scarce before the century ends are fueling a renewed interest in renewable energy and, in particular, solar power solutions.

### [Cameco unlikely to meet 2011 Cigar Lake target](#)

Cameco jumped a hurdle last week when it got a two-year permit extension for overhaul of its flooded Cigar Lake uranium mine in Canada, but analysts say the miner's forecasts of output by 2011 are too optimistic.

With the mine expected one day to supply over 10 percent of the world's mined uranium, any further delays starting production would put upward pressure on uranium spot prices that have already hit a record high earlier this year.

### [Thunder, Hail, Fire: What Does Climate Change Mean for the U.S.?](#)

The regional effects range from more wildfires in the west to stronger storms in the east.

### [Bali needs to know - can China go green?](#)

According to several international studies in recent months, China's emissions have not only surged past the U.S. level, but also are growing at a rate that far outstrips wealthy nations' capacity to decrease theirs. Even if China met its own targets to reduce energy intensity (consumption per unit of economic output), its emissions would increase by about 2.5 billion metric tons over the next five years, the data show. This total is far larger than the 1.1 billion tons in reductions imposed by the Kyoto Protocol on developed nations, including the United States, which has since withdrawn from the treaty.

### [2012 or bust](#)

This UN conference is crucial because time is rapidly running out to prevent global warming from reaching dangerous levels that could redraw the face of the planet and devastate our economies in the coming decades.

### [U.S. Opposes 25-40 Percent Cuts in Climate Proposal](#)

The Bush administration, which has long rejected mandatory limits on global warming pollution, opposes a United Nations draft proposal calling on developed countries to make binding emissions cuts of 25-40 percent by 2020.

``Our principal difficulty with having any numbers in the text to begin with is that it

might prejudice outcomes," senior U.S. climate negotiator Harlan Watson said today at a news conference on the Indonesian island of Bali, where almost 200 countries are gathered to begin talks for a new climate accord.

### [The Oil Industry's Future: An Illusory Platform](#)

It felt like I'd just walked onto the set of the sequel to Jurassic Park. There was an industry dinosaur who I'd thought was gone for good.

But no. Former ExxonMobil CEO Lee Raymond, and his colleagues at the National Petroleum Council, an industry committee that advises the Secretary of Energy on key issues of concern, released "[Hard Truths: Facing the Hard Truths about Energy](#)" (a report about the future of the oil and gas industry) Monday at the American Enterprise Institute."

### [Spend on public transport, not an M74 ext](#)

Your description of the problems with the Kingston Bridge is a perfect example. Built to cope with 20,000 vehicles daily and now carrying nine times that number, it's a clear demonstration that congestion isn't a function of "not enough road", but one of "too much traffic". Even without the new imperatives of climate change and peak oil, how long can this go on? Relentless increases in road traffic will leave this latest project as worthless as every previous predict-and-provide fallacy.

### [Two critical \(but tentative\) green victories hang in the balance](#)

The eyes of the world are now on the US Senate. Our oil-endangered species anxiously awaits even a tiny American step toward fighting global warming and saving the planetary environment.

But the battered and embattled Energy Bill now being held hostage by the Republican neo-con minority hides two huge victories tentatively won by the No Nukes/safe energy movement. If those victories hold, the odds on human survival could take a quiet but huge leap forward.

### [Dennis Kucinich: Winning a losing campaign](#)

Part of the secret to Kucinich's appeal is that he is remarkably accepting. He attracts and takes seriously a lot of people who, like Kucinich himself, hold "strange" ideas and hold them passionately. People who are intense, a little off-kilter, who lean in to talk to you and won't stop talking about whatever it is that makes them angry. People who twitch and shift and kind of STARE when they ask questions about peak oil, 9/11



conspiracy theories or veganism. These people don't scare Kucinich. He loves them.

### [Green gifts: 'Oh, you shouldn't have – really!'](#)

So you got a goat for Christmas.

Well, not you specifically, but a family in an African village got a goat, thanks to a donation made in your name by your do-gooder sister as a holiday gift to you. You, however, would have been happier with a luxury goatskin handbag.

Still, you feel guilty about being disappointed, and what about those hapless African villagers? So you smile and trill, "Wonderful!" Inside, you're peeved, on the way to seething.

### [Dems cite manipulation in climate report](#)

The White House has systematically tried to manipulate climate change science and minimize the dangers of global warming, asserts a Democratic congressional report issued after a 16-month investigation.

..."The Bush administration has engaged in a systematic effort to manipulate climate change science and mislead policymakers and the public about the dangers of global warming," the report concludes.

### [Parents should pay climate change tax on extra kids: expert](#)

Parents who have more than two children should be charged a lifelong climate change tax to offset the effect of their extra greenhouse gas emissions, an Australian medical expert has proposed.

They should pay 5,000 dollars (4,400 US) a head for each extra child and up to 800 dollars every year thereafter, according to the plan published in the Medical Journal of Australia.

In contrast, contraceptives and sterilisation procedures would be eligible for carbon credits, suggested Professor Barry Walters at the King Edward Memorial Hospital in Perth.

### [At Bali climate change meeting, a hard look at Kyoto](#)

Efforts to start two years of talks aimed at crafting a new global pact on climate change enter their most intense phase this week. Ministers from more than 180 countries

arrive Wednesday to give final shape to a framework for the talks, which could begin as early as next June.

But even as they look to the future, ministers also will be dealing with the present – giving a final burnish to the 1997 Kyoto Protocol before turning it loose next year. The protocol's first – and perhaps only – enforcement period begins Jan. 1 and runs through 2012.

### [Climate Change's Health Effects May Surprise, WHO's Chan Says](#)

Global climate change may have unexpected consequences on human health, including the spread of diseases such as malaria in the U.S., said Margaret Chan, director-general of the World Health Organization.

### [Canada could "derail" climate talks: activists](#)

A leaked government document suggests Canada could derail talks to reach a post-Kyoto agreement at the UN conference in Bali, Indonesia, with a set of priorities that go against Kyoto principles, climate activists said Saturday.

### [Darfur rebel group claims it attacked Chinese-run oil field](#)

A Darfur rebel group claimed it attacked an Chinese-run oil field in central Sudan on Tuesday forcing more than 1,000 soldiers to flee the area.

Khalil Ibrahim, the powerful leader of the Darfur's rebel group the Justice and Equality Movement, said rebels attacked the oil field early Tuesday and forced three Sudanese army battalions, which were protecting the oil fields, to flee. The attack, which could not immediately be independently confirmed, was the latest attempt by the rebel group to broaden the battle beyond the western Darfur region.

### [Bodman: 'Clear And Present Challenge' To Meet US Fuel Demand](#)

U.S. Energy Secretary Samuel Bodman, addressing a crowd at Motiva Enterprises LLC's Port Arthur refinery, said that oil refiners must expand their capacity to meet rising demand, which coupled with increased prices, has placed an "indirect" tax on families.

He said that companies must respond to a "new energy reality that sees world demand increasing substantially in the next two decades."

This demand growth, Bodman said, will be a "clear and present challenge to America's facilities."

### [Explosion, fire injures 3 workers at Philly refinery](#)

The Fire Marshal's office says a welding torch appears to have touched off an explosion and fire that injured three people at a Sunoco oil refinery in South Philadelphia.

### [Norway says not mulling "green" cuts to oil output](#)

Norway's leftist finance minister said the government was not considering cutting oil production for environmental concerns, although she wanted a debate on how quickly more acreage should be opened up for exploration after 2009.

### [Greenpeace is wrong — we must consider nuclear power](#)

In its recently issued final report for 2007, the IPCC makes a number of unambiguous references to the fact that nuclear energy is an important tool to help bring about a reduction in fossil fuel consumption. Greenpeace has already made it clear that it disagrees. How credible is it for activists to use the IPCC scientists' recommendations to fuel apocalyptic fund-raising campaigns on climate change and then to dismiss the recommendations from the same scientists on what we should do to solve it?

### [Japan Approves Oil Relief Plan, Subsidizes Kerosene](#)

The Cabinet of Japanese Prime Minister Yasuo Fukuda approved a plan to subsidize heating oil for people on low incomes or who live in colder areas, part of a package of proposed relief measures to cope with high oil prices.

"We must alleviate the burden of petroleum prices on Japan's economy," Economic and Fiscal Policy Minister Hiroko Ota said. The Cabinet will meet again by the end of the year to work out specifics of the subsidies, she said.

### [Big Oil lets sun set on renewables](#)

Shell, the oil company that recently trumpeted its commitment to a low carbon future by signing a pre-Bali conference communique, has quietly sold off most of its solar business.

The move, taken with rival BP's decision last week to invest in the world's dirtiest oil production in Canada's tar sands, indicates that Big Oil might be giving up its flirtation with renewables and going back to its roots.

[Ecuador to drill park unless world pays](#)

Ecuador will open bidding for a major oil project in a jungle nature reserve in June if the poor Andean country does not receive international funding to abandon the proposal, the oil minister said Monday.

[Colorado: Beyond the Boom - a special report](#)

Colorado is on the front end of what may prove the greatest natural resource boom in its history, with more than 33,000 oil and gas wells pumping and tens of thousands more on the drawing board. It is a multi-billion dollar energy bonanza with potentially enormous social and environmental consequences for the state.

In *Beyond the Boom*, four days of special reports beginning Dec. 10, the *Rocky Mountain News* will examine whether Colorado is ready to deal with the phenomenon that could shape its future for decades to come.

['The biggest environmental crime in history'](#)

BP, the British oil giant that pledged to move "Beyond Petroleum" by finding cleaner ways to produce fossil fuels, is being accused of abandoning its "green sheen" by investing nearly £1.5bn to extract oil from the Canadian wilderness using methods which environmentalists say are part of the "biggest global warming crime" in history.

[George Monbiot: The real answer to climate change is to leave fossil fuels in the ground](#)

Ladies and gentlemen, I have the answer! Incredible as it might seem, I have stumbled across the single technology which will save us from runaway climate change! From the goodness of my heart, I offer it to you for free. No patents, no small print, no hidden clauses. Already this technology, a radical new kind of carbon capture and storage, is causing a stir among scientists. It is cheap, it is efficient and it can be deployed straight away. It is called ... leaving fossil fuels in the ground.

[Climate change goal 'unreachable'](#)

In public, climate scientists and European politicians are generally optimistic that rising carbon dioxide levels and temperatures can be curbed.

In private, some are less sanguine; but there has been a widespread unwritten code of optimism to avoid being accused of scaremongering or creating despair.



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