



DrumBeat: December 12, 2007

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Topic: [Miscellaneous](#)

[Platts: The top 10 oil industry stories of 2007](#)

We want your help. We want you to tell us what you think were the 10 biggest oil industry news stories of 2007.

This was an eventful year in our business; really, what year isn't? But certainly, it does seem like the industry was buffeted by change and crosscurrents at a pace that exceeds most years. So we've set up a survey on Survey Monkey. You can get there by clicking [this link](#).

[EIA: OPEC Oil Production to Rise 400,000 B/D in 1Q '08](#)

Members of the Organization of Petroleum Exporting Countries will increase crude production by 400,000 barrels a day over current levels in the first three months of 2008, the U.S. Energy Information Administration said Tuesday.

[Thruway truckers: Raise tolls and we'll exit](#)

The New York State Thruway Authority's plan to raise tolls to make up for fewer-than-expected drivers could push even more traffic off the highway, according to truckers.

[Lukoil May Switch to Oil, Gas Sales in Rubles Within Two Years](#)

OAO Lukoil, Russia's largest independent oil producer, may start selling crude and gas in rubles within two years as the U.S. dollar continues to weaken.

"Selling for rubles is much more attractive," Deputy Chief Executive Officer Leonid Fedun said in an interview in New York today. "Gazprom is considering introducing ruble-denominated contracts and I think that technically Russian companies can do it by 2009 if the banks are ready."

[Our view on energy mandates: States wean from fossil fuels, so why can't Washington?](#)

Take Texas, where a modest renewable electricity requirement in 1999 helped spawn a robust wind energy industry, in part by reassuring investors that if they sank money into wind turbines, there'd be a market for them. It's a good example of the government setting a goal and private enterprise figuring out how to get there.

It's curious, then, that the same guy who signed that bill as governor of Texas — George W. Bush — is now the enemy of a plan that would impose a similar requirement across the USA.

[Pete Domenici: Let the states decide](#)

As a longtime voice on energy issues in the Senate, I have a strong record of advancing renewables such as wind, solar and biomass to meet our nation's growing energy needs. I spearheaded the largest tax credits in history to encourage the development of these technologies, and I fought for new wind farms from California to Cape Cod.

Even so, I oppose the so-called federal Renewable Electricity Standard (RES). Not only would this one-size-fits-all mandate punish those living in states without sufficient natural resources, it would likely fail to bring more renewable electricity on line.

[Oil-eating bugs may unlock clean energy from crude](#)

A tiny oil-eating bug that lives deep underground may allow the world's oil industry to unlock energy trapped in trillions of barrels of heavy crude, which is costly and dirty to produce using today's methods.

British, Canadian and Norwegian researchers have shown how microbes in oil reservoirs break down crude and release methane gas, a discovery that could spur much more environmentally friendly energy production as resources get more scarce.

[Toshiba to ship new rechargeable battery](#)

Toshiba plans to make a quick-charging new battery for forklifts, construction machinery and other industrial use.

Toshiba Corp.'s Super Charge ion Battery, to start shipping in March, can recharge to 90 percent of its full capacity in less than five minutes, Toshiba spokeswoman Hiroko Mochida said.

[We Are What We Eat](#)

When we fully realize or finally admit the effects of climate change, peak oil, and globalized food as our primary source of food, food from international sources will be more expensive than local food. How do we get back to where local food is normal and affordable, and food from far away is exotic and truly expensive? We have successfully wiped out most of the farms and do not have many farmers left. I can only hope that we can start supporting our local farmers-real support, not the tokenistic once in a while local treat. We must face the reality that urban sprawl must give way to farmland. We must realize that we cannot eat beef every day, but, at least when we do it won't kill us. This will involve spending more of our money, but soon the amount we spend on food will feel normal and not expensive. Americans pay less per capita than anyone else in the world for food.

[IEA to blame for \\$100 oil spike - Groppe](#)

When the oil price soared to over \$99 per barrel earlier this year, the cause was not surging demand, nor speculation, nor even impending peak oil, but a forecasting error by the International Energy Agency. That's according to a presentation by veteran analyst Henry Groppe, one of the most original thinkers in the oil patch.

[Italy's truck drivers defy back-to-work order and continue strike](#)

Italy's truck drivers defied a government order and continued to strike Wednesday, blocking highways and borders in a protest that idled factories, left gasoline pumps dry and grocery shelves bare.

[Oil spill in North Sea off Norway](#)

A large spill of crude oil has been observed in the North Sea off Norway, Norwegian officials say.

It is the second largest spill in the country's history, the Norwegian Petroleum Safety Authority (PSA) said in a statement.

[Chile: Uncertain Energy Landscape](#)

According to the CNE, the Chilean National Energy Commission, more than half of all electric energy consumed in that country in 2003 was generated by electrical power plants fed by natural gas. That situation only increased Chile's dependence on Argentina, Chile's only provider of hydrocarbons. There was no way to reverse that state of affairs, and things became even more troubling starting in 2004.

[How Should We Be Thinking About Urbanization? A Freakonomics Quorum](#)

Urbanization has been climbing steadily of late, with more than half of the world's population now living in cities. Given the economic, sociological, political, and environmental ramifications, how should we be thinking about this? We gathered a quorum of smart thinkers on this subject — James Howard Kunstler, Edward Glaeser, Robert Bruegmann, Dolores Hayden, and Alan Berube — and posed to them the following questions...

[DVD picks: 'Crude Awakening' and 'Jesus Camp'](#)

Are believers in peak oil a lunatic fringe? Not according to Basil Gelpke and Ray McCormack's compelling and disturbing *Crude Awakening: The Oil Crash*, which provides further evidence that we are depleting the world's oil supplies at an unsustainable rate.

[Hungers global hotspots: 11 December 2007](#)

Countries where violence persists and populations live in fear. People in Hunger's Global Hotspots don't know what tomorrow will bring and they often have to rely on WFP for their next meal.

[Thailand: Cost of living is set to soar](#)

Consumers will be burdened with a higher cost of living next year as the domino effect of increasing demand for alternative fuel crops and skyrocketing oil prices push up food prices 10-30 per cent.

[Questions And Concerns About The Ice](#)

Another concern for some has been gasoline. Long lines formed around many gas pumps on Tuesday. QuikTrip says there is no supply shortage of gasoline, but you may still have to wait in line. Residents are advised to fill up before heading out of town.

The Oklahoma Turnpike Authority says fuel services are very limited on both the Turner and Will Rogers. Also diesel supplies are running short. Many stations are out. A QuikTrip spokesperson says that situation should be resolved soon.

[A long, cold winter in store for the poor](#)

Virtually everyone is shuddering this year at the high cost of home heating oil.

Worst off are low-income families, who face heating-oil prices anywhere from 10 to 22 percent higher than last winter with less assistance from the federally funded Low-Income Home Energy Assistance Program. While the Bush administration falls down on the nation's moral responsibility to care for its poor and vulnerable, a few local souls are striving to make sure no families go without heat this winter.

[South Africa: Blackouts killing business, owners complain](#)

While Eskom says fewer rolling blackouts are expected on Wednesday, frustrated shopowners warn that even "one power failure is more than enough" and outages are "killing businesses".

[Ottawa thwarts nuclear watchdog](#)

Nuclear Safety Commission warns of possibility of serious accident at Chalk River, but PM says there's no safety issue in restarting reactor.

[Dutch to deny palm subsidies until green levels met](#)

The Netherlands warned on Monday it will not renew subsidies for palm-based biofuel until global producers meet its environmental requirements.

[Malaysia May Revoke Biofuel Permits as Palm Oil Rises](#)

Malaysia, the second-biggest palm oil producer, may revoke some licenses to produce biofuel from the commodity as the surging price of the raw material makes the fuel too expensive to make, a minister said.

[Mideast missing link in global climate talks](#)

It's not that the Middle East produces the bulk of the oil being burnt globally. But oil demand there is growing at a faster clip than nearly every other region, while fuel efficiency in such cities as Tehran - where gasoline costs just 38 cents a gallon at the pump - simply hasn't caught on.

[This Earth Ain't Big Enough for the Both of Us](#)

We're locked in an existential game of "chicken" with China, each nation daring the other not to take its foot off the gas pedal as we careen towards catastrophe. We don't want to

change the way we live, and the Chinese want to live the way we do, too.

[Pemex Daily Output May Drop by 1 Million Barrels in Nine Years](#)

Petroleos Mexicanos, the biggest Latin American oil producer, may face a production drop of about 1 million barrels a day by 2016 if drilling equipment remains scarce and lawmakers fail to ease rules on the company.

Energy Minister Georgina Kessel said the government has a worst-case scenario of daily production at Pemex, the third- largest oil exporter to the U.S., falling to 2.1 million barrels in nine years from 3.1 million. In a best-case scenario, which includes law changes and stepped-up drilling in deepwater fields, Pemex may boost daily output to 3.4 million barrels, Kessel said in a Mexico City speech.

[Offshore Riches](#)

The world gets about one-third of its daily oil supply from offshore wells. Over the next decade, this share should grow even larger. Dr. Michael Smith, CEO of EnergyFiles Ltd., has published the most comprehensive research I've seen on the world oil supply situation.

[Iran Oil Bourse to start work soon: official](#)

Head of Oil Pension Fund Tuesday announced that oil and economy ministers were holding talks on the setup of Oil Bourse and the center would become operational in the near future.

[Lebanese Hezbollah supporters protest electricity outage](#)

Lebanon's ongoing power outages on Monday sparked protests in Beirut's southern suburbs, which is mostly inhabited by Hezbollah followers and where daily rolling power outages have reached up to 20 hours in some areas.

The protestors burned tyres and blocked roads leading to the capital's southern suburbs, calling on the leaders to stop 'the political bickering and help the people of Lebanon.'

[China: Cities told to keep food, oil reserves](#)

The central government Tuesday instructed 36 major cities to each maintain a minimum 10-day reserve of food and cooking oil supplies, as part of its measures to

ensure market stability during the current period of rising food prices.

[Oil-producers adamantly refuse calls for emission reduction - Kuwait](#)

Members of OPEC and OAPEC are adamantly refusing all calls for reducing gas emission partly because of forecast impact on their national economies, said Kuwaiti Oil Undersecretary Abbas Naqi on Tuesday.

[“Peak Oil” piques state worker interest](#)

A group of state workers are hosting a presentation on “Peak Oil” tomorrow, focusing on the impact of rising gasoline costs on state services.

[Exxon Plans Ocean LNG Terminal](#)

Exxon Mobil says it wants to build a floating liquefied natural gas receiving terminal off the coast of New Jersey that would ease the supply of natural gas to that state and neighboring New York.

[European Solar Power Keeps Spending](#)

Demand for alternative energy is being driven by the bleak outlook for non-renewable fuel supplies such as oil. Fears of tightening supplies, [peak oil](#), energy dependence and of limitless demand from emerging titans like China have all contributed to the search for more reliable alternatives.

[Korea's Oil Spill Still Spreading](#)

Five days into the disaster, the oil slick is still spreading. As of Tuesday, the spill had contaminated an estimated 24 miles (38km) of coastline, damaging several thousand hectares of aquatic farmland and a handful of scenic beaches. And as the damage spreads, so does the blame: Korean media and environmentalists now argue that the disaster could have been mitigated had the government responded more effectively.

[UN chief demands breakthrough at climate talks](#)

Talks on halting the juggernaut of climate change swung into top gear here Wednesday with a blunt warning from UN chief Ban Ki-moon that the world was counting on a breakthrough.

[Gore: US blocking climate talks progress](#)

Nobel Peace Prize winner Al Gore on Wednesday accused the U.S. of blocking progress at U.N. climate talks in Bali but said a breakthrough was possible in the final days of the conference.

"Some of the reports are worrisome, but I know from experience ... that when breakthroughs do occur, they usually happen in the last 48 hours," Gore told reporters in Sweden. "I hope there will be a change on the part of some countries, including most importantly my own, the United States."

[Paying other nations to be green](#)

The fight against global warming has given a new boost to a long-stymied environmental cause: saving the rain forests.

Under a scenario that has gained widespread support, developing countries would be paid billions of dollars a year to not raze their trees.

[Delegates Weaken Deforestation Proposal as U.S. Balks](#)

Climate-change treaty negotiators weakened a draft proposal to reward developing nations for preserving forests with potentially tradable emissions credits as the U.S. and Brazil balked at such measures.

['Crunch time' for climate change](#)

For a moment this week, negotiators at this year's round of UN climate talks in Bali were able to pause and contemplate the treaty, which their forerunners' compiled in the 1997 Kyoto winter.

[Expert links stockpiling to oil price](#)

The Bush administration's decision to add more oil to the Strategic Petroleum Reserve has added as much as 10 percent to the price of crude, an oil consultant told a Senate panel Tuesday.

"The rise in light, sweet crude prices to almost \$100 a barrel in November came about because the U.S. Department of Energy has been removing a significant share of the daily volume of this type of crude from the market for storage in the Strategic Petroleum Reserve," said Philip Verleger of Aspen, Colo.-based PKVerleger.

[Peak Oil, At Our Door](#)

Whether one calls it a peak or a plateau, the result may be the same—with demand for oil rising (due to booming economies like China and India); available ‘giant fields’ dwindling; the value of the dollar falling; economic resource nationalism (in places like OPEC—member nations: Iran, Venezuela, Nigeria, and Ecuador) growing; tensions rising between America and the world’s current largest oil producer, Russia and OPEC nations in no hurry to increase oil production in time to address heating oil supply concerns going into winter—the American economy is facing some hard times as soon as next year.

[EIA: Oil to Average \\$85 a Barrel in 2008](#)

Oil prices are expected to jump more than 18 percent per barrel in 2008 as speculators continue flocking to markets with tighter supplies and increased demand, the head of the Energy Department's forecasting arm told lawmakers Tuesday.

[Russian navy disrupts access to North Sea oilfields](#)

Norwegian oil and gas producer StatoilHydro STL.OL has suspended helicopter flights to some of its main fields in the North Sea due to Russian navy exercises in nearby international waters, the company said on Tuesday.

StatoilHydro, one of Europe's biggest oil groups, said the disruptions would not affect production levels at the fields, including the Troll field -- the biggest production area of offshore Norway.

[ConocoPhillips reveals its big oilsands ambitions](#)

ConocoPhillips said Tuesday it aims to produce one million barrels a day from Canada's oilsands - the most ambitious goal yet of any player in the unconventional deposits.

[How risky is the new era of nuclear power?](#)

Nearly two years ago, the Nuclear Regulatory Commission gave the operator of the Indian Point nuclear plant a year to add backup power supplies to the plant's emergency warning sirens. Entergy paid a \$130,000 government fine in April — but still hasn't done the work at the plant 24 miles north of New York City.

[Can the Planet Be Saved in Bali?](#)

More so than many other developing nations, India views climate change through a political position that prioritizes the responsibility of the rich countries, and rejects mandatory cuts on countries just beginning to industrialize. Their argument is based on population size: Even years from now, when China and India will be emitting much of the world's carbon gas, the average Chinese or Indian will still be responsible for far less global-warming pollution than the average Westerner. The burden of restrictions, they argue, should therefore be shouldered first in the industrialized West.

[Poor hit hardest by climate change](#)

Surrounded by rising seas and short of water, the glitzy city state of Singapore has built one of the world's largest desalination plants and is paying Dutch experts tens of millions of dollars to devise ways to protect their island.

Bangladesh, meanwhile, is digging out from a cyclone that killed at least 3,200 and left millions homeless. The impoverished country wants to build up its coastlines to ward off the potentially devastating impacts of global warming, but has no money.

[Arctic summers ice-free 'by 2013'](#)

Scientists in the US have presented one of the most dramatic forecasts yet for the disappearance of Arctic sea ice.

Their latest modelling studies indicate northern polar waters could be ice-free in summers within just 5-6 years.



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