



DrumBeat: December 24, 2007

Posted by [Leanan](#) on December 24, 2007 - 9:57am

Topic: [Miscellaneous](#)

[Kunstler: A Christmas Eve Story](#)

The comparison with the American situation is chilling. For all its gross faults, the Russians were ironically better prepared for economic collapse and political turmoil than we will be. For one thing, all housing there was owned by the state, and allocated under bare nominal rents, so when the economy collapsed, people just stayed in their apartments. Nobody got evicted. There was scant private car ownership in pre-1990 Russia, so gasoline allocation problems did not paralyze movement. Train service was excellent and cheap, and the cities all had a rich matrix of underground metros, on-street electric trams, and trolley-buses, which continued to run even when central authority flickered out. There was no suburban sprawl to strand and isolate people (in homes owned by banks, that can be taken away after the third monthly failure to make a mortgage payment). Official Soviet agriculture was such a fiasco for half a century that the Soviet people were long-conditioned to provide for themselves. For decades, 90 percent of the food was coming from tiny household gardens, wherever it was possible to grow stuff. When America's just-in-time supermarket resupply system wobbles, and the Cheez Doodles disappear from the WalMart shelves, few Americans will have a Plan B.

[Oil gains on tight U.S. stocks, Mexico port closures](#)

Mexico's transport ministry said the ports of Dos Bocas and Cayo Arcas, both located on the Gulf of Mexico, were shut for the second straight day, while Coatzacoalcas port reopened after being closed Sunday afternoon.

[Gas 'manipulation' will push up UK bills](#)

British households should prepare for a rise in energy prices in the New Year because power companies on the Continent are hoarding gas. Consumer group Energywatch warns consumers will be hit despite there being plentiful reserves of gas that could be piped to the UK.

[Non Peak Oil Update](#)

In 2006 I wrote a little op-ed piece for Lew Rockwell about the fallacies of Peak Oil. I

asserted that proven oil reserves seem to go up every year in spite of both the warnings that we are running out, and that we are consuming it at an every increasing rate. Let's Google a little and see what the state of the reserves is at the end of 2007.

[Another Energy Shortfall](#)

As a University of Kansas recruiting piece for its petroleum engineering program points out, many currently practicing PEs are reaching retirement age, even as demand for the profession is skyrocketing. At the same time, a blue-ribbon task force said earlier this year that the energy talent pool has been hit by a two-thirds drop in geoscience enrollment during the 17 years ending in 2000.

[Western's Yorktown refinery cuts rates after coker snag](#)

Western Refining cut rates at its 62,000 barrel per day refinery in Yorktown, Virginia after a snag with the coker unit, a company spokesman said Monday.

[Kazakhstan: Exxon stalling oil field deal says government](#)

Agreement has been reached with all the consortium members except American oil major Exxon on the terms under which the Kashagan field will be developed, Kazak energy minister Sauat Mynbayev said in a statement on Monday.

[Russia may tighten equity deals with large fields](#)

Russia's Resources Ministry will propose easing access to state auctions of large oil, gas or metal deposits by foreign companies but will tighten control over large equity deals, minister Yuri Trutnev said on Monday.

Analysts said the measure if approved would bring clarity to rules by which the Kremlin will treat foreign investors who have themselves repeatedly called on Moscow to introduce a legal framework to policies often driven by resource nationalism.

[CN Rail buys Alberta's Athabasca Northern Railway](#)

Canadian National Railway Co extended its reach further into Alberta's oil sands region on Monday with a deal to buy and rebuild the struggling Athabasca Northern Railway.

[Nigeria: Attack On NNPC Jetty May Lead to Products Scarcity](#)

PETROLEUM and Natural Gas Senior Staff Association of Nigeria (PENGASSAN), has warned that if proper measures are not taken, last week attack on Nigeria National Petroleum Corporation (NNPC), Jetting at Okirama Village in Rivers state, may lead products scarcity and social dislocation in this festive period.

The umbrella body for senior oil workers in country lamented that the attack by illegal bunkerers disguising as militants while discharging of products was going on has triggered off fears and apprehension amongst staff of NNPC in the area and other jetties around the zone.

[Russian gas exports to Asia-Pacific region could top 50 bln cu m](#)

Gas exports from Russia's Siberian and Far Eastern regions to Asia and Pacific countries could eventually top 50 billion cubic meters, a Gazprom official said on Monday.

"The issue is being discussed of the supply of natural gas along an eastern route to China. Gas in this direction will go from the Chayanda gas field in Yakutia. An inter-governmental agreement with South Korea has been signed and gas has been contracted for supplies to Japan from the Sakhalin-II project," Deputy Chairman of the Gazprom Management Committee Alexander Ananenko said.

[Iran firm on US talks, 19 atomic plants planned](#)

Iran said today it rejected any preconditions for talks with the United States, which suspects it wants an atomic bomb, and a member of parliament was quoted as saying Tehran planned 19 nuclear power plants.

[How an oil company invests in the future of education](#)

Claiborne Deming quietly made his hometown a promise this year. All the high school graduates who have been in the El Dorado, Arkansas school system since 9th grade can attend any college in the country on his company's dime. Up to \$6-thousand bucks a year. For five years. He's challenged kids to dream big — Harvard, Yale. Public or Private Universities. Doesn't matter.

Deming persuaded his company, Murphy Oil, to invest \$50-million dollars. Enough to keep his promise to 5-thousand kids for 20 years.

[The third rail of world politics](#)

This week in an astounding piece in *USA Today*, the newspaper told us that U. S. fertility rates had returned to the replacement value of 2.1 (that is, 2.1 births per

woman on average) after being below replacement since 1971. This was deemed good because "[a] high fertility rate is important to industrialized nations. When birthrates are low, there are fewer people to fill jobs and support the elderly." Ergo, the low fertility rates of Italy, Germany, Japan, Russia, and South Korea (all mentioned in the article) must be bad. These countries were said to be "struggling with low birthrates and aging populations." In fact, some of these low fertility countries are now providing government incentives for *larger* families.

Within the narrow measures of economic competitiveness and public pension support for the elderly the labels of good and bad might be applicable. But what about the environmental degradation and resource depletion that are resulting from overpopulation in these very same countries? Not a single word!

[China's Growing Economic and Political Power: Effects on the Global South](#)

The Chinese contribution to rising world demand and prices of oil and other hydrocarbons deserves special attention. Internationally, it is the second largest consumer of energy, only after the United States. This is partly because of its enormous economic activity, but also a result of the notorious lack of energy efficiency in the production processes that take place in China. Only two decades ago China was the largest oil exporter of East Asia; these days it is importing massive amounts of oil.

[UK: Will the petrol pumps dry up?](#)

Fuel price protesters have warned they will launch more disruptive action next year if the Government refuses to listen to them. Lobby group Transaction 2007 has vowed "2000 is likely to happen all over again" if the Government does not heed their warnings on the rising cost of petrol and diesel.

In 2000 lorry drivers blockaded refineries, leading to chronic nationwide fuel shortages. Many garages virtually shut their doors because they had no fuel.

[Kenya: Fuel Shortage Looms in Western Region](#)

Petroleum dealers have expressed fears of a fuel shortage ahead of Christmas and Thursday's General Election.

Yesterday, sources said the fuel pumped to western Kenya on Friday fell below order, triggering panic that it could ground transport operations.

[Nepal: Petro dealers stop buying from NOC](#)

Nepal Petroleum Dealers' Association (NPDA), the umbrella organisation of petrol entrepreneurs, Monday stopped buying petroleum products from Nepal Oil Corporation (NOC) as part of their pressure campaign to resume the smooth supply of gasoline.

[Sinopec Qilu plans May, Aug crude unit repairs](#)

Under the plans, a 70,000 barrel per day crude unit is set for 20 days' repairs around May, and another 80,000 bpd crude facility for a one-month shutdown in August, the source close to the plant's operations told Reuters.

The maintenance will cut the refinery's throughput for 2008 by about 4 percent versus this year, to around 202,000 bpd, the source said.

[Nuclear power to ease electricity shortage](#)

THE largest joint project ever undertaken between China and Russia, the Tianwan nuclear power station on the shores of the Yellow Sea in Lianyungang in East China's Jiangsu Province, is now producing power.

[Pakistan: Cold, dark, uncertain](#)

We do not live in some outstation far from anywhere, but in the suburbs of a medium-sized city. Yet, to look at the preparations we have made in the last week you would think we are preparing for a lengthy siege. Anticipating cuts in the gas supply over coming months we have refurbished the tanoor in the garden and built an open hearth of mud and straw so that we can cook for ourselves, and a stock of firewood has been laid in to fuel the fire. The paraffin stoves have been serviced and had new wicks installed and there are two jerry cans of paraffin stashed under the stairs. Drinking water will periodically be a problem as we have no mains water and pump up groundwater to a rooftop tank — no power equals no water. Twenty bottles of drinking water are in the larder, just in case. Candles, the big fat ones that burn for hours, are stacked on the pantry shelves.

[Organic dairies fuel feed frenzy](#)

Clarkson estimated that demand for organic feed is growing 20 percent each year, while U.S. production of organic row crops, such as corn and other feed, is growing only by as much as 4 percent.

Add in the "ethanol tsunami" that is encouraging more farmers to grow corn for biofuel rather than feed, he said, and the shortage could continue for organic growers "for a long time."

[History comes to light as lake falls](#)

As a record drought continues to take its toll on the lake that supplies more than 3 million residents with water in metro Atlanta, the receding shore line is revealing more than antique beer cans and other assorted garbage.

It is also offering a glimpse of how the people who made their homes here decades ago once lived.

An abandoned stretch of Georgia Highway 53 sits along one edge of the lake, consigned to the deep by state planners when Lanier was built. Foundations of long-forgotten buildings dot shorelines. Elsewhere in the vast expanse of exposed lake bed, a still intact one-lane road with faded yellow lines peeks out from the mud.

[High oil prices to stifle Gulf crude output in long term](#)

Gulf oil heavyweights are reaping the fruits of strong oil prices in the short term but their crude production could plunge by at least 12 million barrels per day in the long term, according to an official US report.

In case oil prices remain above \$90 a barrel, the crude oil output of the UAE and neighbouring Gulf producers could be as low as 27.5 million bpd in 2030 but could be as high as 40.9 million bpd in case of low oil prices of around \$34 a barrel, said the report by the Energy Information Administration (EIA) of the US Department of Energy.

[Exxon Pipeline to China Is Blocked](#)

ExxonMobil has been denied permission to start work on a gas pipeline to China from Sakhalin-1 this year, the Industry and Energy Ministry said in a statement on its web site Friday.

The government also refused to allow Exxon to invest in drilling oil deposits discovered near the Sakhalin-1 boundaries, the ministry said.

...Gazprom has said it needs gas from Sakhalin-1 for domestic consumption.

[Iraq warns South Korea against Kurdish region oil exploration](#)

SEOUL, Dec. 24 (Xinhua) -- Iraq has issued a warning, saying that it may cut off oil exports to South Korea unless South Korean energy companies halt oil exploration in the Kurdish region, South Korea's Yonhap News Agency reported on Monday.

[Africom and the new scramble for Africa](#)

The recent unveiling of Africom by the Bush administration is the clearest indicator yet of the military establishment's continued ascendancy over the State Department in formulation and implementation of foreign policy, a trajectory that began soon after the conclusion of World War II.

The great contradiction within this trajectory is that as modern military establishments become more technological and exert greater political influence, they become less relevant to modern warfare as can be seen in Iraq, where a \$3 million tank proves to be tactically worthless against a \$15 IED (improvised explosive device).

[Uncertainty keeps coal prices high](#)

Coal prices are likely to remain strong next year, close to this year's average levels, because there are many supply uncertainties despite the emergence of the United States as a major exporter.

Coal prices surged to record highs this year after a shift from historically abundant supply to tightness due to a leap in Chinese demand, which prompted a cut in its exports.

[Russia: Companies guilty of wasting gas to face fines](#)

The government is calling on oil companies to utilise more of the gas produced as a by-product of oil extraction - usually called associated gas. It wants the industry to reduce flaring - or burning off waste gas - and to increase its use by more than 90% over the next three years.

[Small oil firm gambles on Arctic](#)

The North Slope accounts for about 14 percent of U.S. domestic output, but its production -- which stands at about 740,000 barrels per day -- is declining about 6 percent a year.

Oooguruk's projected yield of 20,000 barrels a day won't solve the North Slope's production decline, but analysts and industry executives say Pioneer's work cannot be underestimated as it's designed to produce oil for up to 25 years.

As larger basins of oil and natural gas become harder to find, oil companies are looking to places considered out of reach 10 years ago such as the Arctic Ocean and greater depths in the Gulf of Mexico.

[Haiti seeking Chevron's help to import Venezuelan fuel](#)

Haiti is seeking a contract with Chevron Corp. to ship Venezuelan oil purchased under President Hugo Chavez's discount fuel program, a government official said Sunday.

Haiti joined Chavez's Petrocaribe initiative more than a year ago, but has been unable to transport or receive any oil shipments so far, said Michael Lecorps, director of the aid management office in charge of implementing the program.

[Dubai Crude to Be Traded at \\$77 Next Year](#)

Dubai crude, a benchmark for Asian refiners, will likely be traded at an average price of \$77.50 (roughly 72,811 won) per barrel next year, though the price could sporadically surge beyond the \$100 mark, according to the country's state-run oil firm Monday.

[Loss of sea ice could harm walrus](#)

Federal marine mammal experts in Alaska studying the effects of global warming on walrus, polar bears and ice seals warn there are limit to the protections they can provide.

They can restrict hunters, ship traffic and offshore petroleum activity, but that may not be enough if the animals' basic habitat — sea ice — disappears every summer.

[`Drilling up' into space for energy](#)

While great nations fretted over coal, oil and global warming, one of the smallest at the U.N. climate conference was looking toward the heavens for its energy.

The annual meeting's corridors can be a sounding board for unlikely "solutions" to climate change — from filling the skies with soot to block the sun, to cultivating oceans of seaweed to absorb the atmosphere's heat-trapping carbon dioxide.

Unlike other ideas, however, one this year had an influential backer, the Pentagon, which is investigating whether space-based solar power — beaming energy down from satellites — will provide "affordable, clean, safe, reliable, sustainable and expandable energy for mankind."



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