



DrumBeat: December 29, 2007

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Topic: [Miscellaneous](#)

[Peak Oil And Dunbar's Number](#)

Within modern capitalism there is no solution to the problem of oil depletion. Oil energy cannot be replaced with the equivalent amount of "alternative" energy in the required time, so the consequences of oil depletion will be disastrous. Those disastrous consequences are beyond the range of the normal or acceptable issues of political debate. No political contender can win votes by saying that the world is coming to an end. The "end" may be real, but there is no political mechanism to deal with it in the over-crowded and overly complex modern state.

[Bin Laden says U.S. seeks to exploit Iraqi oil](#)

Al Qaeda leader Osama bin Laden accused Washington of plotting to take control of Iraq's oil and urged Iraqis to reject efforts to rebuild a U.S.-backed national unity government there.

... The Saudi-born militant said the envisaged Iraqi government was also meant to help Washington "fully dominate" the region with help from allies such as Saudi Arabia.

"The government of Riyadh is still playing its wicked roles," he said, describing Saudi Arabia's King Abdullah as the United States' "chief agent".

[Shell plans to outsource 3,600 jobs](#)

Royal Dutch Shell is to shed thousands of jobs as Europe's largest oil company joins rival BP in trying to cut costs and simplify its structure. Shell is looking to agree one of the largest ever outsourcing deals in the next couple of months, and plans to reorganise other departments, including finance operations.

The company has said previously that it wants to cut costs, but the scale of some of the proposed changes has surprised insiders and led to the leaking of information to an anti-Shell website by disillusioned staff. The biggest change will be in the information technology division, where around 3,600 staff may be affected by a plan to farm out operations to three companies.

[Eni May Cancel 9% of Its Stock; Sees Kashagan Settlement Soon](#)

Eni SpA, Italy's biggest oil company, may cancel 9 percent of its own stock and begin a new share buyback program, Chief Executive Officer Paolo Scaroni said.

Scaroni also said Kazakh President Nursultan Nazarbayev called a Jan. 11 meeting with executives of Eni and the heads of five other foreign oil companies, signaling a potential breakthrough in the dispute over development of the Kashagan oil field. Eni spokesman Gianni di Giovanni confirmed to Bloomberg News today the comments Scaroni made in an interview with the Wall Street Journal.

[Iraq aims to boost Kirkuk oil sales](#)

Iraq plans to boost sales of Kirkuk oil by at least 100,000 barrels per day starting in January and is offering incentives to win back and retain customers, an Iraqi official said on Friday.

[Is The UK Set To Be The Saudi Arabia of Europe?](#)

“Eliminating fossil fuels is scientifically urgent, economically inescapable and technically possible,” CAT Development Director Paul Allen said. “With its good match to the demand profile across the year, offshore wind could make Britain the Saudi Arabia of green electricity in a zero carbon Europe.”

The report states that a zero carbon Britain could “deliver a higher quality of life, along with a sense of collective purpose not felt in Britain for many decades.”

[The trouble with shale gas: Huge reserves come with huge obstacles](#)

According to Mr. Faraj, this country holds so much shale gas that it stretches the bounds of believability.

He has estimated that Canada's depths could contain as much as 15,000 trillion cubic feet (TCF) of gas -- a staggering number nearly triple the proven gas reserves for the entire world. But shale gas is anything but proven, and experience has shown that very little of the gas in place can actually be extracted.

[\\$100 oil a near certainty, say analysts](#)

Oil prices of near \$100 per barrel caused alarm in consuming countries in 2007 and

analysts forecast another tense crude market next year with triple-figure records a real prospect.

Despite a murky outlook for the world economy, crude prices are seen settling at elevated levels, spelling more pain for consumers and a steady flow of petrodollars for the world's oil exporters.

[Pakistan: Petrol, CNG stations owners observe complete strike](#)

Owners of filling stations observed a complete strike in the provincial metropolis on Friday to condemn brutal killing of former Prime Minister Benazir Bhutto.

Petrol pumps and CNG stations were giving a deserted look throughout the day. Covered with tents, these filling stations were not selling petrol, diesel, gas and other oil products. However, taking advantage of the situation, employees of some of the filling stations sold a litre plastic bottle of petrol for Rs 100. Private petrol shops also sold petrol at same rates.

[Pakistan cities shut down after Bhutto death](#)

Daily life for tens of millions of Pakistanis was on hold Saturday, with major cities virtually shut down as the nation mourned the assassination of Benazir Bhutto.

On the second day of official mourning for the slain opposition leader, most people were unable to buy food or petrol, with all shops, fuel stations, banks and offices closed down.

[Papua New Guinea trucking operators say fuel prices could put them out of business](#)

The National Transport Association says if any operator is forced out it would greatly affect the freight of supplies into the Highlands and the national economy.

Association President, John Lacey, says there is already a big shortage of trucks operating between Lae and the Highlands and the country cannot afford to have more pulled off the road.

[Kazakhstan Signals Possible Kashagan Breakthrough](#)

The government of Kazakhstan has signaled what could be a breakthrough in its long-running standoff with foreign oil companies developing the massive Kashagan oil field in the northern Caspian Sea.

[Karluk fuel pinch dire](#)

Short was informed the village had been out of heating fuel for some time and had only two days worth of fuel left for the generator. Without fuel for the generator, the village would be without electricity.

[Burning food charcoals witness](#)

A man with no business experience envied his friend who bought hats for two dollars and sold them for four. The novice opened his own hat store but to gain market share sold his hats for \$1.50.

His more experienced friend asked how he intended to stay in business, selling hats for less than they cost him.

"Volume," said the new businessman.

There are many reasons to abandon ethanol as a fuel source before that bad idea becomes a curse that even volume cannot redeem.

[A Christmas Present - Something You Can Do For Your Kids](#)

Christmas is for kids. Give your kids the present they really need this year: Promise them you will do whatever you can to help turn the corner on climate change. It's life and death for your kids, for your grandchildren. Promise them you will work hard so that they will have a safe future.

[What control does Opec have now?](#)

The Organisation of Petroleum Exporting Countries (Opec) declared last month it had lost control of the world market, but energy experts say the group has wrested much of the control back since.

"Opec now has more control than it had a month ago. But it's not quite there yet," Ann-Louise Hittle, a Boston-based oil analyst with global consultancy firm Wood Mackenzie, told *Gulf News*.

[Not so gushing for oil firms](#)

The forecast of soaring crude oil prices could boost handsome returns for China's oil producers in 2008, despite concerns of higher resource taxes.

Still, the nation's refineries, represented by China Petroleum & Chemical Corp, also known as Sinopec, may again suffer hefty losses in the oil processing business as state control of refined oil prices is not likely to be relaxed given the high and rising inflation rate.

[The Gulf's Financial Tidal Wave](#)

Gulf countries now hold more than \$1.5 trillion in foreign assets. Fed by insatiable oil demand combined counterintuitively with record oil prices, their accounts are forecasted to swell to \$2 trillion in 2009. What happens when the world's largest pool of investable capital links with the world's largest population and fastest-growing large economy? Nothing less than a tectonic shift in global power. All economic players, especially American and European companies, will need to adapt to the nexus of the Gulf and China.

[Mankind is on the brink...but I'm optimistic](#)

Whatever the true figure, almost all the biggest challenges in the world are directly connected to those astonishing projections of human growth. Nature is not mocked - and the symptoms of a dying world are there for all to see.

So we have the energy crisis as the world scrabbles for deposits of carbon; the disappearance of species as the rainforests are destroyed to grow food; the rise of Islamist militancy in parts of the world where the population of young men is growing far faster than jobs and resources; water wars; the coming pandemics. . . and of course, the lurches in temperature and wind speed as the planet hots up.

[Joint venture to supply nitrogen to Mexico](#)

Air Products said a joint venture company with its Grupo Infra partner will supply 90 MMscfd of nitrogen to Petroleos Mexicanos Exploracion y Produccion (PEP).

Nitrogen from the gas turbine and steam-driven facility is supplied for injection and enhanced oil and gas recovery from PEP's Jujo-Tecominoacan oil fields near Villahermosa in Tabasco, Mexico.

[Demand rising for OSVs in Latin America](#)

Offshore support vessel (OSV) owners active in the region continue to sing praises for Central and South America. With as many as 238 offshore support vessels, of 254 total in the region, on term charter, why wouldn't they be pleased?

[We are what we eat. Or, the corn maze](#)

Pay particular attention to talk about ethanol; the feel-good sound of the corn-based fuel as opposed to its hidden costs; the diversion of corn into subsidized fuel creating a shortage that already is driving up the prices of other food products for consumers and farmers -- especially those feeding corn to pigs and chickens. Pollan also points out ingesting corn really isn't good for cattle.

In "The Omnivore's Dilemma," he makes the point that the government's 51-cents-a-gallon subsidy for ethanol has only encouraged farmers to grow more and more corn for the sake of growing more corn -- all of it requiring more fuel and fertilizer.

[Is the Hydrogen Age Just Around the Corner?](#)

You may think hydrogen power is some futuristic fantasy, fit only for science-fiction writers. Or, at best, you might consider it a promising technology that won't be ready for prime time for another 40 to 50 years. If so, think again. In a special edition on "Best Inventions 2006," *Time* magazine praises the decision by Shanghai-based Horizon Fuel Cell Technologies "to design and market the H-racer, a 6-inch-long toy car that does what Detroit still can't. It runs on hydrogen extracted from plain tap water, using the solar-powered hydrogen station."

Hydrogen vehicles are not mere toys. More than 500 are on the road today.

[Land for Biofuel](#)

In a city of 100,000 people, at a population density of 5,000 people per square mile (what used to be a high density suburb, but what the smart growth people now call egregious sprawl), the city itself would consume 20 square miles. The land necessary to provide the inhabitants with 100% of their automotive fuel would consume an additional 190 square miles, a ratio of 9.5 to 1.0.

[January 1st 2008: The Day Brazil Goes Biodiesel](#)

The scene of petroleum gushing out of an accidental hole in arid land, as shown in Hollywood movies illustrating the time when the fossil fuel was discovered in United States ground, is not part of the Brazilian scenario. In Brazil, petroleum lies offshore.

However, cities such as Caarapó, in the midwestern Brazilian state of Mato Grosso Sul, and Alto Araguaia, in the state of Mato Grosso (also in the Midwest), not widely known to Brazilians, will soon have biodiesel pouring out like rain.

[Somalia: Africa Oil Demands President's Signature for Puntland Project](#)

A Canadian exploration firm with rights in Somalia's northern Puntland enclave has demanded the signature of interim President Abdullahi Yusuf before the exploration project can move forward, inside sources told Garowe Online.

[Gambia: Oil Discovery for the Gambia is Another Hoax](#)

The oil that never was. Gambia's President Yahya Jammeh has been lying about an oil discovery in the sores of the Gambia, but in reality there is no oil in this country. Mr. Jammeh should give up his unfinished lies for the sake of preserving the reputation of the Presidency. Gambians have long been treated as dummies by Jammeh. We can bet that come 2009, there wouldn't be any oil mining in The Gambia. Jammeh is just buying time. He has failed miserably as a leader.

[Cash-Strapped Consumers](#)

During the holiday shopping season, Americans bought fewer gifts while paying more for necessities. From Thanksgiving to Christmas, spending rose only 3.6 percent over the same period last year, the weakest performance in at least four years, according to early tallies from MasterCard Advisors, a unit of the credit card company. One-third of that increase was for gas purchases.

[The Diminishing Demand For Dollars \(Part I\)](#)

The value of a currency—if not clearly defined and maintained by a credible authority in what is called a *fixed exchange rate regime* — is determined by the relationship between the supply of that currency (in the case of the America dollar, determined by the Federal Reserve's control over the 'printing' of money or creation of currency) and the demand for that currency (in the case of the American dollar, determined by how often the dollar is used in transactions for goods and services by individuals and institutions).

Because oil is denominated or officially priced in dollars, that important commodity has represented a significant *demand* for the dollar.

[Soaring oil bills put pressure on Africa's fragile economies](#)

When prices rise, it is the poor who suffer most. This year's surge in the oil price towards \$100 a barrel has been no exception: it is a concern for rich countries but its greatest threat is to the poorest.

The oil shocks of the 1970s were one of the roots of the developing-country debt crisis of the 1980s. Fatih Birol, chief economist of the International Energy Agency, argues that as soaring oil import bills put pressure on fragile economies, there is a danger the pattern will be repeated.

He calculates that the additional cost of oil imports for his sample of 13 countries since 2004 is \$10.6bn: equal to 3 per cent of their gross domestic product over that period. "It is a worrying trend," he said.

[Playing That '70s Funk Again, but Not in a Good Way](#)

Like fundamentalists forced to keep pushing back the date of the Rapture, environmental activists remain convinced of the current crisis; they're just not sure which will get us first, "peak oil" or global warming. Former oil analyst turned environmental zealot Jan Lundberg predicts the coming of a "final energy crisis" that rivals the most chilling denouements since the Book of Revelations. Once the price of oil reaches astronomic levels, he predicts, we'll see "End time for USA" and "the swiftest empire collapse in history."

Is there anything good to be drawn from this analogy? Sure. After all, the '70s didn't last forever. In the two decades that followed, minus a brief break in the early 1990s, the United States experienced pretty consistent economic growth. The scariest bogeymen of the 1970s -- Japan, the European Union, the Soviet Union -- all fared much worse.

[Opening Your Energy Mailbag](#)

By 2030, global demand will reach the equivalent of 115 million-120 million barrels of crude per day, but the world may not be able to produce more than 100 million barrels a day. The result likely will be disruptions and confrontations on a global scale. The term for this shortfall is "peak oil," and for too long it's been considered a concern of the lunatic fringe.

[Slow down — to save both fuel and money](#)

Engineers say the most efficient speed for a motor is somewhere between 30 and 55 mph. Beyond 60 mph, the fuel economy drops off substantially. The cost is only pennies per mile, but that amounts to a couple of bucks for an hour's drive. Several studies show about a 12 percent reduction in gas consumption for those who slow from 75 mph to 60 mph.

[Solar energy 'revolution' brings green power closer](#)

The holy grail of renewable energy came a step closer yesterday as thousands of mass-

produced wafer-thin solar cells printed on aluminium film rolled off a production line in California, heralding what British scientists called "a revolution" in generating electricity.

[Solar's time to shine](#)

In a place that calls itself the Sunshine State, you'd think everybody would be using solar energy. You'd think high utility costs would be an incentive to turn to a source that's free. But in a state with a population exceeding 18 million, only about 15,000 homeowners heat their swimming pools with solar, and there are several thousand domestic solar water heaters, according to the Florida Solar Energy Center.

[Chevron shuts Australian oil fields due to cyclone](#)

Oil major Chevron said on Saturday it has shut down operations at two of its oil fields off northwest Australia due to an approaching cyclone.

A Chevron spokesman said the evacuation of non-essential personnel was well-advanced and operations on Barrow and Thevenard Islands were being shut. The fields have a combined production of about 8,000 barrels per day.

[Indonesia to issues incentives for boosting oil output'](#)

Indonesia's Finance Ministry announced new fiscal incentives on Saturday to boost the country's oil production, which is likely to be below this year's target.

Indonesia is expected to produce 899,000 barrels per day this year, below the target of 950,000 bpd in the 2007 budget.

[China National Petroleum subsidiaries to pay billions for Central Asia gas pipeline](#)

China's biggest oil company, China National Petroleum Corp., will spend US\$2.2 billion (euro1.5 billion) to help build a natural gas pipeline from Turkmenistan that will eventually supply energy for booming cities such as Shanghai, a state news agency reported.

China's energy demands have soared, driven by annual economic growth that has exceeded 10 percent the past four years. Energy companies have signed a flurry of deals to explore for and develop oil and gas in former Soviet republics, Africa and elsewhere.

[Russia Soon to Export Fuel Oil to North Korea](#)

Russian Deputy Minister of Foreign Affairs Alexander Losyukov announced that Russia is soon to export fuel oil to North Korea in exchange for the latter's actions on deactivation of nuclear objects.

[BP refinery nears end of repairs](#)

BP PLC's Texas City refinery should be near full capacity in another four to six weeks, a company spokesman said Friday.

The refinery has been operating at about half its capacity of 470,000 barrels a day since March 2005, when a series of explosions killed 15 workers and injured almost 200 more. The end of repairs will have consequences not only for the company and industry as a whole, but also for Texas City, which will reach another milestone in a long and painful recovery from the disaster.

[Detroit Considers Sale of City's Small Parks](#)

The Recreation Department's master plan calls the proposal "park repositioning," which officials promote as a clear-eyed way to look at necessary downsizing, a way to align park space with the significant demographic shifts over the last half-century in Detroit, which has lost about a million people since 1950.

But critics say it could further hurt downtrodden areas where parks are equally appreciated, and that green space is too precious to be bartered for money.



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