



## DrumBeat: January 17, 2008

Posted by [Leanan](#) on January 17, 2008 - 10:06am

Topic: [Miscellaneous](#)

### [Citgo cuts hundreds of Louisiana contractors - sources](#)

Citgo Petroleum Corp cut more than 500 contract maintenance workers in late December at its Louisiana refinery as part of a program to increase returns to corporate parent Venezuelan state oil company PDVSA, according to sources familiar with the company's refinery operations.

Between 500 and 700 contractors were let go at the 430,000-barrel-per-day (bpd) Lake Charles plant, which the U.S. government lists as the nation's third largest, the sources said. A Citgo spokesman declined to discuss operations at the Lake Charles refinery.

### [Drought-hit Brazil maxes out thermal energy](#)

RIO DE JANEIRO (Reuters) - Brazil is trying to offset falling water levels at drought-hit hydroelectric reservoirs with more thermoelectric generation, including using pricey fuel oil, but officials deny risks of energy shortages.

Outgoing acting Mines and Energy Minister Nelson Hubner said on Thursday the Cuiaba gas-fired plant, which stopped working last September after Bolivia reduced natural gas supplies, will go back on line, now running on fuel oil.

### [Oil falls on Bernanke comments](#)

Oil futures fell Thursday after Federal Reserve Chairman Ben Bernanke said he expects slower growth in 2008, but no recession.

Bernanke's comments added to the negative economic sentiment that has been the market's dominant driver in recent days, pushing prices down nearly \$10 from their record over \$100 a barrel two weeks ago. Despite Bernanke's comments, many investors fear a recession is imminent.

[CERA v. peak oil](#)

Mr. Yergin is a smart man. Mr. Bakhtiari was, too. Mr. Yergin's undulating peak is immediately more reassuring - we have lots of time to change. Mr. Bakhtiari was more anxious, seeing change forced on the world much more quickly, in four stages, the first (right about now, he argued) seeing oil production slip almost imperceptibly. Then, in the second stage, it becomes clear oil production is not rising but in fact falling. Then, worsening in stage three, a "remarkable" decline begins, with stage four featuring a harrowing "rather steep" slide (and that could occur by 2020).

[Aramco Chief Debunks Peak Oil](#)

"We have grossly underestimated mankind's ability to find new reserves of petroleum, as well as our capacity to raise recovery rates and tap fields once thought inaccessible or impossible to produce." So said Abdallah S. Jum'ah, Saudi Aramco's president and CEO, during his address at the 11th Congress of the World's Energy Council in Rome last November.

With the mass media focused on soaring oil prices and publishing a rash of peak oil stories, Jum'ah's latest contribution to the peak oil debate has gone largely unreported. Remarking on the abysmal prediction record of peak oil alarmists through the years, Jum'ah countered it would be possible for the oil industry to produce at least 3 trillion barrels (over 1.3 trillion barrels more than usual estimates) from conventional recoverable and proven reserves in known fields over several decades. "Based on projections I've cited," Jum'ah said, "the world seems to have over 3 trillion barrels of recoverable conventional and non-conventional liquid fuel resources if we opt for extra-conservative assumptions, and about 6 trillion barrels" if more liberal assumptions are used.

[China and India's pressing energy crunch](#)

By 2030, China will be importing the same amount of oil as US currently imports daily. And India's daily oil imports will have overtaken the European Union and Japan.

Those figures are from the International Energy Agency (IEA), which advises governments around the world on energy issues.

"The oil markets will get tighter and tighter," says Fatih Birol, the IEA's chief economist.

[Ukraine, Gazprom hold gas talks as fears mount](#)

MOSCOW, Jan 17 (Reuters) Ukraine's energy executives today met the chief of Russian gas export monopoly Gazprom as Ukraine's new government seeks to revise the terms of gas agreements with Moscow amid mounting debt.

Russia, which supplies one quarter of Europe's gas needs, ships four-fifths of its exports to Europe via Ukraine. Europe closely watches gas price disputes between Kiev and Moscow, as they can lead to transit supply cuts.

### [Deadline extension sought for Texas LNG terminal](#)

Proponents of a liquefied natural gas import terminal near Corpus Christi, Texas, on Thursday asked U.S. regulators for a nearly three-year extension of the original deadline for putting it in operation, according to a filing.

...The letter cited market conditions in the LNG industry for the request to delay. The growth of the LNG trade has been hampered by uneven development of supply and demand, including delays in facilities overseas for liquefying natural gas for shipment.

### [Energy Tribune Speaks With Dave Pursell](#)

I am not sure when oil production is going to peak, but since Colonel Drake discovered oil, everyone who has called the top of oil production has been wrong. The initial peak oil theory developed by M. King Hubbert, used to accurately predict the peak in U.S. Lower 48 onshore oil production, is reserve-based...one has to know the reserve picture to make a peak oil projection. I find it interesting that many peakoilers have also been very vocal about the lack of solid global reserve data.

### [Unconventional natural gas reservoir in Pennsylvania poised to dramatically increase US Production](#)

Natural gas distributed throughout the Marcellus black shale in northern Appalachia could conservatively boost proven U.S. reserves by trillions of cubic feet if gas production companies employ horizontal drilling techniques, according to a Penn State and State University of New York, Fredonia, team.

### [BULGARIA: On To A New Nuclear Path](#)

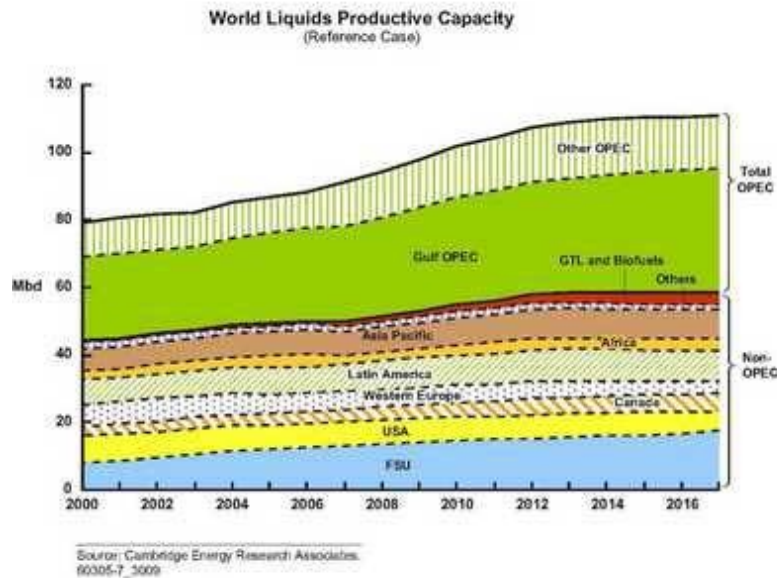
The European Commission (EC) has given a positive opinion on construction of a nuclear plant at Belene by Russian Atomstroieksport, controlled by Gazprom.

Russian President Vladimir Putin, who is in Sofia to mark the beginning of the 'Year of Russia in Bulgaria', was set to bless the signing of this deal Friday.

### [Roads to nowhere](#)

Georgetown is one of those southern Ontario towns “near Toronto.” Like others in the area, it is rapidly expanding into the surrounding farmlands, blanketing some of Canada’s richest soil with a thick coat of concrete. Last year, around 3,000 hectares of farmland were transformed into pre-packaged suburbia – row upon row of identical houses, roads, and big box stores. This isn’t news: roughly the same amount of arable land has disappeared every year in the area for the last three decades.

[No Evidence of Precipitous Fall on Horizon for World Oil Production: Global 4.5% Decline Rate Means No Near-Term Peak: CERA/IHS Study](#)



CAMBRIDGE, Mass. — The missing link for understanding the future of world oil supply - a solidly based view of oil field decline rates - has now been filled by a new field-by-field analysis of production data by Cambridge Energy Research Associates (CERA) and IHS Inc.

The aggregate global decline rate is 4.5 percent, rather than the 8 percent cited in many studies, based upon CERA's analysis of the production characteristics of 811 separate oil fields.

"Some of the more gloomy, pessimistic 'peak oil' views about the future of oil supplies that are current today result from an assumption of high decline rates," said CERA Oil Industry Activity Director Peter M. Jackson, author of the Finding the Critical Numbers report. "This new analysis provides the basis for more confidence about the future availability of oil.

"The absence of definitive, comprehensive analysis of production timelines and decline rates has led to widely differing estimates of the potential future availability of oil: an information vacuum that has contributed to the 'peak oil' theory of future liquids production capacity," he added. "We hope that this study will contribute to a more informed understanding of the issues, both below ground and above ground."

## [The Oil Price Rise - Timing Benchmarks Delineate Our Likely Advance to the Oil Peak](#)

Back in 2001, I set out some timing benchmarks for energy developments that I saw coming towards us (“Nearing the Top of Hubbert’s Peak,” 8/1/01). These benchmarks have served me well over the succeeding six years in a general sense, but now I think that they need to be sharpened and tightened a bit. We are closing in on some of the dates cited for important defined events such as the peak of non-OPEC oil supply, projected then for 2010. I now believe that certain of these dates should be modified, in this case to 2008. The reasons here are more technical than fundamental.

## [World Oil Demand Up, Says IEA; OPEC Unwilling to Ease the Pressure](#)

The International Energy Agency (IEA) has revised the 2007 world oil demand, increasing the estimate by 150 kb/d to 85.8 mb/d. The IEA states that demand forecasts for 2008 are slightly higher, yet the Organization of Petroleum Exporting Countries (OPEC) has refused to increase oil outputs despite pleas from IEA and world leaders.

## [James Howard Kunstler on the human habitat](#) (audio)

Author James Howard Kunstler talks with Duncan Crary of the Institute for Humanist Studies about the tragedy/comedy of suburban sprawl, what makes a successful town, and the fantasy of alternative fuels. Kunstler also reads passages from his book, *The Geography of Nowhere*.

## [C-Realm Podcast: Cui Bono](#) (audio)

In this episode, KMO concludes his conversation with James H. Kunstler, author of *The Long Emergency: Surviving the Converging Catastrophes of the 21st Century*. Later, we hear from Kathy McMahon, founder of *PeakOilBlues.com* about the range of psychological reactions which commonly manifest themselves in people who come to appreciate the implications of peak oil.

## [Petroleum industry leader urges better understanding by elected officials and public](#)

Crude oil and gasoline prices underscore a major obstacle to addressing our nation’s energy challenges: the public’s lack of understanding about energy, particularly oil and natural gas. People are understandably concerned about energy prices. Unfortunately, however, they do not understand that price volatility is actually a symptom of the energy problems confronting our nation. We have massive energy resources here in the United States and worldwide; we have a wealth of energy information and analysis; and we have a wide array of energy studies and research. What we don’t have is public awareness and opinion-leader understanding of the need for energy and what it takes to

find, develop and deliver affordable fuels reliably to customers.

### [Warming Climate Accelerated Greenland's Thaw, Scientists Report](#)

Climate change led to accelerated melting of Greenland's ice sheet during the past half-century, scientists said in a study that adds to evidence suggesting sea levels will rise faster than expected.

### [Massachusetts: Senate offers a 'GREEN' solution to energy crisis](#)

In last week's column, I wrote about the Senate's passage of the Regional Greenhouse Gas Initiative, a multi-state compact to reduce carbon dioxide emissions from larger power plants throughout New England and several bordering states by 10 percent over the next decade.

This week, I will take a look at another statewide energy initiative: An Act to Generate Renewable Energy and Efficiency Now, which passed the Senate unanimously on Jan. 9.

### [Pakistan short of everything except crises](#)

QUETTA, Pakistan - There is a crisis of crises facing Pakistan. While the political crisis centering on President Pervez Musharraf and the future of general elections scheduled for February 18 dominate the headlines, this country of 160-plus million people faces a tangle of escalating problems, extending from energy shortages to soaring wheat prices to a cotton industry facing meltdown.

### [Albania Hit by Power Blackout](#)

Albania has been hit by a succession of severe energy crises in the last few years, due its total dependence on hydro-power for the generation of electricity, an obsolete distribution network and growing demand from an increasingly-prosperous population.

### [Bulgaria Stops Electricity Exports](#)

Bulgaria has halted electricity exports for at least a week because of an emergency caused by an exceptionally cold spell at home.

### [Bulgaria: There should be a report on financial losses caused by closure of 3rd and 4th reactor of NPP](#)

There should be a report on the financial losses which the country suffered after the closure of 3rd and 4th reactor of Nuclear Power Plant Kozloduy, Bulgarian Prime Minister Sergey Stanishev said during a jointly press conference together with Minister of Economy and Energy Petar Dimitrov, FOCUS News Agency informs. Both of them discussed today the execution of the plan for extension of the period for work of 3rd and 4th reactor of NPP Kozloduy.

### [Mike Adams On His Personal Routine For Optimal Health](#)

When the weather gets radical, the crops disappear, and then the population disappears. We are in what I call a food bubble and a population bubble. It's a food bubble because modern food production is only supported by non-renewable resources, oil and water. When peak oil is really realized and oil becomes scarce, and when the water tables around the world begin to run dry, we are very close to that in many regions now. The food production that we enjoy today will disappear and with that, the population must, unfortunately, follow.

### [Christians playing their part in sustainability](#)

Traditionally, Christianity is concerned about caring for God's creation. So you'd think we Christians would be out at the front when it comes to doing something about all the threats to the environment we are suddenly aware of. But not necessarily. 'I just trust in God,' one woman said, and presumably went on living in her old familiar creation-wasting way. ('Poor God,' some nuns said, when they heard that one.) A parish priest, who said the matter didn't interest him, was asked what would happen when the seas rise and sweep over Ireland. 'Ah, they can all go to America,' was his simple solution.

### [The Peak Oil Crisis: We Are Starting To Dim](#)

While waiting to see how the contest between a demand-killing recession and shrinking oil stockpiles plays out, it might be worthwhile to spend a little time reviewing the world's electricity situation. If there is any form of energy that would be sorely missed by people who had once had it, electricity would be it.

Private cars we could do without, but not our lights and appliances. Most of us here in America have been blessed to have an unlimited amount of electricity for all of our adult lives. There are very few left who can remember a time when it was not universally available.

### [Oil giant ordered to pay millions in damages over spill](#)

IT WAS one of Europe's grimmest maritime oil spills, suffocating hundreds of kilometres of France's Atlantic coastline with a tide of black, toxic, heavy fuel and killing or injuring

300,000 sea birds.

In a historic ruling, a Paris court on Wednesday held that the oil giant Total was responsible for the 1999 sinking of the ageing oil tanker Erika and must pay millions of euros in damages.

### [Analysis: Iraq oil flow actually lower](#)

New reports on Iraq oil production find it flat, possibly decreasing, dampening expectations the sector was steadily advancing in the final months of 2007.

The needs of Iraq's oil sector to continue and expand are not new. But the inability to exact levels of oil flow -- particularly the exports that bring in the tens of billions of dollars a year that support the federal budget -- highlight a troubling lack of transparency for Iraq and occupation powers.

### [Bush hopes OPEC will raise production](#)

SHARM EL-SHEIK, Egypt - Saudi Arabia's King Abdullah told President Bush he was worried about the impact of high oil prices on the world economy, the White House said Wednesday. After their talks, Bush was hopeful that OPEC would authorize an increase in oil production.

The White House did not say there was any commitment from the king about increasing oil output. The kingdom holds the world's largest oil supplies and is a major voice in decisions by OPEC.

### [PetroChina Longgang May Be Nation's Largest Gas Field](#)

PetroChina Co.'s Longgang natural gas field may have twice the reserves of Puguang, the nation's largest gas field run by rival China Petroleum & Chemical Corp., a government official said. PetroChina's stock rose 3.9 percent.

### [Oil profits could spark some backlash](#) - *But expert says many lack understanding of industry*

Historic oil prices and \$3-a-gallon gasoline have been contributing to fears of a recession, but they've yet to cause the hue and cry that some might expect. Americans may simply be growing more accustomed to high fuel costs, analysts say.

All that may change beginning Friday, when oilfield services giant Schlumberger Ltd. kicks off earnings season for the oil sector. Companies may not post record profits, but certainly may report big enough earnings to raise some eyebrows.



### [Energy experts to discuss threats to future](#) (Rochester, MN)

You probably have heard more about climate change and energy supply issues in the last year than in the last 10. We have all noticed the increase in fuel prices and felt its effect on our budgets.

This Friday you can get the latest information on climate change and energy, how they might affect communities and how to prepare for them.

### [Planning officials give OK to land rezoning for refinery company](#)

ELK POINT, S.D. (AP) -- Union County planning officials late Wednesday voted to recommend that county commissioners approve a Texas company's request to turn 3,800 acres north of Elk Point into a planned development district for a \$10 billion oil refinery.

### [UAE about to start building green city in desert](#)

The United Arab Emirates plans to start building a multi-billion-dollar green city in the desert in the first quarter of this year, as the oil producer looks to become a pioneer of alternative energy.

The zero-carbon, zero waste city -- actually a town of up to 15,000 residents -- is being steered by Masdar, an initiative set up by the Abu Dhabi government to develop sustainable and clean energy.

### [Brown heads to China, India](#)

LONDON (AFP) - Prime Minister Gordon Brown heads to China and India Thursday for his first visit as prime minister, looking notably to get the world's two most populous countries on board for a new deal on climate change.

### [Texas is biggest carbon polluter](#)

Everything's big in Texas — big pickup trucks, big SUVs and the state's big carbon footprint, too. Texans' fondness for large, manly vehicles has helped make the Lone Star State the biggest carbon polluter in the nation.

### [US calls January 30-31 climate talks](#)

US President George W. Bush has called major world economies to a second round of climate change talks on January 30-31 in Hawaii, the White House's Council on Environmental Quality announced.

### [EU commission refuses to compromise on greenhouse plan](#)

STRASBOURG (AFP) - European Commission chief Jose Manuel Barroso refused Wednesday to compromise on a plan for the 27-nation to cut emissions of the gases responsible for global warming.

"Do not expect us to compromise on European interests," he told members of the European Parliament. "Both our international credibility and credibility before European Union citizens depend on fulfilment of the targets."



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