



## DrumBeat: February 3, 2008

Posted by [Leanan](#) on February 3, 2008 - 9:51am

Topic: [Miscellaneous](#)

### [Oil producers limit the options of multinationals](#)

The share of the world's oil reserves controlled by the big Western oil companies, such as BP, Shell and ExxonMobil, has fallen to less than 10 per cent, compared with 70 per cent in 1978.

The world's reserves are dominated increasingly by government-controlled national oil companies in big producer countries such as Saudi Arabia, Russia, Iran and Venezuela. These groups control about 90 per cent, according to a book due to be published this year. The figures in the book point to the diminishing power of international oil companies by comparing the reserves held by what were in 1978 the eight largest global oil companies — Exxon, Shell, BP, Gulf, Texaco, Mobil, Socal (Chevron) and the Compagnie Françaises Des Petroles (CFP-Total) — with those of the five companies they have merged into today.

“In 1978, these companies together held roughly 70 per cent of world reserves,” Wajid Rasheed, the author of *The Hydrocarbon Highway*, says. “Today, there are ‘five sisters’: ExxonMobil, Shell, BP, ChevronTexaco and Total and their reserves amount to approximately 10 per cent of world reserves.”

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### [Peak oil: Will we see it coming?](#)

The question for the world economy is: Have the Saudis abandoned their role as the swing producer because their fields have peaked and are in irreversible decline? Even more disheartening: Will we even know if the fields are drying up due to those who have a strong interest in hiding the potential for peak oil? If we do not know, how can we prepare?

### [11 dead in gun battle at Nigerian pipeline](#)

Three soldiers and eight militants have been killed in a gun battle at an oil pipeline hub operated by Royal Dutch Shell in Nigeria's southern state of Bayelsa.

Shell said the Tora manifold, which sends oil to the Bonny export terminal, was not damaged in the attack late on Saturday and oil production in Nigeria, the world's eighth

largest oil exporter, was unaffected.

### [Shell Deer Park begins gasoline unit restart-state](#)

HOUSTON (Reuters) - Shell Oil Co's joint-venture 340,000 barrel per day (bpd) Deer Park, Texas refinery began restarting gasoline production units on Sunday after a planned overhaul, according to a notice filed with state pollution regulators.

### [ConocoPhillips Resumes Output From North Sea Fields, Platforms](#)

(Bloomberg) -- ConocoPhillips resumed production at three North Sea oil and gas fields and two platforms after the storms that forced their closure passed.

Production at the Eldfisk Alpha, Eldfisk Bravo and Embla fields and the Ekofisk Alpha and Ekofisk Bravo platforms has resumed, company spokesman Stig Kvendseth said in a telephone interview today. The facilities were shut yesterday as storms brought high winds and waves to the region.

### [Brussels Bureaucrats Threaten UK Oil Heating Industry](#)

New rules from Brussels are threatening the future of the oil heating and cooking industry in the British Isles, claims the Oil Firing Technical Association (OFTEC).

### [Oils Well in the UAE](#)

Did you ever wonder, as gas prices soar, what our friends in the Middle East are doing with all that oil revenue? Well, while we struggle to pay at the pump, our carefree friends in the United Arab Emirates are bidding on license plates at auction.

### [GM Unveils Hybrid Pickups](#)

DETROIT - General Motors Corp. will introduce a new hybrid full-size pickup and a concept hybrid truck this week at the Chicago Auto Show, betting that pickup drivers have been itching to jump on the hybrid bandwagon.

GM says the 2009 GMC Sierra hybrid gets a 25 percent improvement in fuel economy without compromising performance, while its GMC Denali XT concept -- a low-slung, muscular utility vehicle -- gets 50 percent better fuel economy than a comparable small pickup.

## [Climate Code Red: The case for a sustainability emergency](#)

Climate policy is characterised by the habituation of low expectations and a culture of failure. There is an urgent need to understand global warming and the tipping points for dangerous impacts that we have already crossed as a sustainability emergency, that takes us beyond the politics of failure-inducing compromise. We are now in a race between climate tipping points and political tipping points.

## [Air Force pitches coal-to-liquids plant](#)

Air Force officials have laid out an ambitious plan to develop a privately financed coal-to-diesel plant at Malmstrom air base within the next four years at a cost of \$1 billion to \$4 billion.

The plant, which would be among the first of its kind in the nation, would use a technology perfected in Nazi Germany to turn coal into synthetic fuels, including jet fuel for use by the Air Force.

The project has strong support from the coal industry, which considers synthetic fuels a promising new market as coal-fired power plants face opposition over climate change.

But environmental groups already are girding up to fight the project. At a community forum on the Malmstrom proposal Wednesday, they said the plant and others like it could increase emissions of the greenhouse gas carbon dioxide -- even as governments around the world struggle to cut those emissions.

## [Baghdad says it protested Iranian abuses of Iraqi oilfields](#)

BAGHDAD, Feb 3 (KUNA) -- The Iraqi Foreign Ministry said on Sunday it had sent a note of protest to the Iranian side on the background of the Iranian abuses of Iraqi oilfields.

Iraqi Foreign Ministry Undersecretary Mohammed Al-Haj Hmoud told KUNA that the Iraqi Oil Ministry called on the Foreign Ministry to protest to the Iranian side over the Iranian violations of the Iraqi oil fields near the common border.

## [Gas field of dreams](#)

THE race to start exporting liquefied natural gas from Queensland is under way, and the field has just become more crowded.

## [Food-deficit countries hit by high oil prices](#)

NEW DELHI: Many low-income food deficit countries around the world have to shoulder a heavy financial burden in order to meet the cost of food imports amid tightened supplies and oil price increases, according to Jacques Diouf, Director-General of the UN Food and Agriculture Organisation (FAO).

### [Sri Lanka - Inflation: Govt. resorts to cosmetic surgery](#)

The government, which has run out of every possible excuse from the war to the rising world oil prices to hoodwink the masses on the reasons behind the rising cost of living and inflation, has now resorted to scrap the offending consumer price indices itself.

Unable to counter the rising level of inflation, the government has decided to scrap consumer price indexes that have recorded high levels.

### [Pakistan: Gas supply to be restored partially](#)

ISLAMABAD: Gas supply will be restored to 1,250 small industrial units by Sunday in Punjab and the NWFP.

The supply had been stopped because of rising domestic demands for gas in the wake of a recent cold wave in the country.

### [India: Buy into the future with crude oil](#)

One of the most interesting commodities to trade in is crude oil and it has quickly become the commodity of choice for traders big and small.

### [Alaska: State may lose nearly \\$1 billion in oil taxes](#)

JUNEAU -- Lawmakers started discussions on stripping key provisions from an oil tax increase and returning more than \$800 million to North Slope producers -- just hours after one major producer posted record profits.

### [AFGHANISTAN: Emergency Services Collapse Under Bitter Cold](#)

MAZAR-E-SHARIF, Feb 2 (IPS) - An unprecedented cold wave sweeping parts of Asia has been especially tragic in Afghanistan where emergency services have failed completely.

At least 3,000 people poured on to the streets on Jan. 27 in the northern border province of Jowzjan, asking the government for emergency aid in the wake of the severe

weather, which has claimed at least 500 lives countrywide, mostly children.

Heavy snowfall over the past month in Afghanistan's northern provinces has cut off most villages from the capital cities. People have run out of essential supplies because food and fuel supplies are not getting through, according to reports.

### [Montana mines consider expansion because of high metals prices](#)

McCulloch said Montana's metal mining industry is challenged by higher production costs and a shortage of capital. In Butte, a shortage of tires for large mining trucks is putting a damper on copper production.

"Tires that used to cost about \$10,000 apiece are now \$65,000, and they're rationed," McCulloch said. "Labor that used to cost \$12 to \$14 an hour is now up to \$42 an hour plus benefits and bonuses."

### [Bio-fuel bubble: India's Jatropha woes](#)

BANGALORE: The bio-fuel bubble built over the jatropha rage may not last long as the jatropha cultivation and production of bio-fuel from it is facing major hurdles now in India.

In-depth research into the field has shown that if the present trend continues, India's bio-fuel plans may go haywire.

According to a Rabobank report, quoted widely by the media in India, lack of R&D, farmer-level support and questions over the commercial viability were enough reasons to dash the bio-fuel dream in India.

### [Managing Traffic in the Urban Age](#)

The human species is, at this moment, in the process of becoming a mainly urban animal after a thousand generations spent mainly in rural conditions. Many economists and sociologists see this trend as our potential salvation in a world heading toward 9 billion people, although there are some big ifs.

### [Shortage of supplies drives up organic prices](#)

NEW YORK -- True lovers of organic food have always been willing to pay more for it: They spend \$3.99 on a half-gallon of organic milk when a whole gallon of conventional milk costs \$1 less. But that devotion may soon be tested.

The forces that have driven grocery prices up sharply over the past year -- growing demand for food in China and a global biofuels boom -- have had an impact on the organic food market as well. Meanwhile, U.S. farmers haven't kept pace with demand for organic food, sales of which shot up 21 percent in 2006, and that has also sent prices soaring.

### [Motivated by a Tax, Irish Spurn Plastic Bags](#)

DUBLIN — There is something missing from this otherwise typical bustling cityscape. There are taxis and buses. There are hip bars and pollution. Every other person is talking into a cellphone. But there are no plastic shopping bags, the ubiquitous symbol of urban life.

### [Heating oil prices spur wood stove sales](#)

Having already pre-bought their oil for this winter, Borella said some homeowners are putting off buying a wood or pellet stove until summer.

But Borella warned that the price of stoves is likely to increase in the spring, driven by the cost of raw materials driven by China's demand for steel and cast iron.

### [To Pull a Thorn From the Side of the Planet](#)

SANTA CRUZ, Calif. - THE Bonny Doon Garden Company, a downtown flower kiosk here, had signs posted all around it last week for Valentine's Day, but the sales pitch wasn't just about romance.

A bucket held red and fuchsia anemones that were "organic." Ecuadorean roses the size of baseballs were "certified." Roses from a nearby farm were "locally grown."

Was the kiosk selling flowers, or lettuce?

### [Argentina Rises, Minus Its Swagger](#)

As the Argentine author Tomás Eloy Martínez wrote in "Requiem for a Lost Country," a nation once obsessed with its "greatness" is "obsessed by the fear of being thrown into irrelevance." Mr. Martínez wrote those words in 1993, before a crushing economic crisis in late 2001. In its aftermath, crime-filled slums sprang up and the country's currency lost two-thirds of its value. Today, there are beggars in the streets of Buenos Aires; wealthy neighborhoods fall prey to thieves and crack-cocaine addicts.

For many prideful Argentines, the hardest thing to accept has been the inexorable rise

of their much-larger neighbor and perennial rival, Brazil.

That rise, in the works for decades, was thrown into sharp relief with the discovery of a huge oil field off Brazil's coast last fall, followed by a natural gas discovery two weeks ago just as large.

### [A Frail Economy Raises Pressure on Iran's Rulers](#)

TEHRAN — In one of the coldest winters Iranians have experienced in recent memory, the government is failing to provide natural gas to tens of thousands of people across the country, leaving some for days or even weeks with no heat at all. Here in the capital, rolling blackouts every night for a month have left people without electricity, and heat, for hours at a time.

The heating crisis in this oil-exporting nation is adding to Iranians' increasing awareness of the contrast between their growing influence abroad and frailty at home, according to government officials, diplomats and political analysts interviewed here.

### [Not guzzling but still thirsty](#)

A new federal fuel-efficiency law gives a break to makers of SUVs -- and the customers who, despite the rising cost of gas, can't live without them.

### ['Lifestyle' Outlet Malls: Today's Bell-Bottoms](#)

Wrentham Village reflects the current fashion among retailers — the open-air, suburban "lifestyle center" — and it may last about as long as the height of the hemlines and the degree of the discounts found inside its stores. Not that this village-in-a-vacuum is badly designed or poorly built: As such places go, Wrentham Village has a more substantial feel than other outlet malls I've visited. But it stands at the end of an era, built on premises that some global forces may soon render obsolete.

Wrentham Village depends upon inexpensive oil, something that we almost certainly will never see again. As I drove into the parking lot, I noticed the sizable number of cars with license plates from neighboring states, and wondered when the day will come when it costs more to drive to such outlets that we can save on our purchases there.

### [Fog worsens travel nightmare in China](#)

Huge cities have plunged into darkness, with parts of Chenzhou, a city of 1.2 million in central Hunan province, without power for eight days.



Photos posted on the Xinhua News Agency's Web site and taken Thursday night showed blocks of buildings plunged into darkness, their rooftops covered in snow. The only lights were those of trucks on the street.

### [Pakistan must remain a nuclear-armed state](#)

One possibility may well be for the global powers to consider a civil nuclear energy programme for Pakistan, of the kind offered by the United States to India. In return, Pakistan can be asked to offer new safeguards, such as some agreement to cap its nuclear weapons at a mutually acceptable level which also applies to India.

The result could be the creation of a new nuclear regime in South Asia that would help improve the security situation in the region.

### [Nuclear Leaks and Response Tested Obama in Senate](#)

Mr. Obama scolded Exelon and federal regulators for inaction and introduced a bill to require all plant owners to notify state and local authorities immediately of even small leaks. He has boasted of it on the campaign trail, telling a crowd in Iowa in December that it was "the only nuclear legislation that I've passed."

...A close look at the path his legislation took tells a very different story. While he initially fought to advance his bill, even holding up a presidential nomination to try to force a hearing on it, Mr. Obama eventually rewrote it to reflect changes sought by Senate Republicans, Exelon and nuclear regulators. The new bill removed language mandating prompt reporting and simply offered guidance to regulators, whom it charged with addressing the issue of unreported leaks.

### [Uranium reserves in Mali 'highly encouraging': Australian company](#)

DAKAR (AFP) — Australian mining company Oklo Uranium Limited said Saturday the result of prospecting for uranium in Mali was "highly encouraging", with widespread elevated uranium levels in the northeastern Kidal region.

### [Nightmare in Africa: the crisis in Darfur has spread to Chad](#)

THE WEST'S worst nightmare concerning the five-year-old Darfur catastrophe in western Sudan was that the conflict would spill over into neighbouring Chad, creating regional chaos and making the Darfur situation even more intractable. The nightmare happened yesterday.

Chadian rebels, backed by the Sudanese government in Khartoum, completed a rapid,



three-day, 510-mile advance west from Sudan and entered the Chad capital, N'Djamena.

Thousands of fighters from the United Front for Democracy and Change (UFDC) penetrated N'Djamena early yesterday in 300 vehicles, and spread through the city. Last night they were surrounding President Idriss Deby's palace, from where gunfire and explosions could be heard. State radio went off the air.

### [Key facts about Chad](#)

Landlocked Chad became an oil exporter in 2003 with the completion of a \$3.7 billion pipeline linking its oilfields to terminals on the Atlantic coast.

The Doba pipeline, operated by Exxon Mobil with partners Chevron Corp and Malaysia's state run Petronas, pumps around 160,000 barrels a day through Cameroon to the Gulf of Guinea.

### [Libya oil chief doubts OPEC will lower output](#)

VIENNA (AFP) - Libya's oil chief Shukri Ghanem downplayed fears on Saturday that oil cartel OPEC could decide to lower production at its March 5 meeting in Vienna.

"I don't think much will happen (at the meeting). I think prices will stay between 85 and 90 dollars," Ghanem told AFP after an extraordinary meeting of the Organisation of Petroleum Exporting Countries in the Austrian capital.

### [Iran says French base in Gulf "not conducive" to peace](#)

TEHRAN (Reuters) - Iran declared on Sunday that a French military base in the Gulf would not help security and peace in the oil-rich region.

Paris signed a deal with the United Arab Emirates in January to build France's first permanent military installation in the Gulf, just across the water from Iran.

The base will accommodate 400 to 500 personnel, keeping France within reach of sea lanes through which over a third of global oil shipments pass.

Matthew Simmons has posted a new presentation at his Web site: [PEAK OIL - Is It Real? When Might It Occur?](#)

***Most Oil Pundits Scoff At Peak Oil Issue***

- Energy optimists loudly deny that Peak Oil is a serious risk.
- CERA proclaims it is decades away and followed by lengthy “undulating plateau.”

### [Getting ready for the end of oil](#)

Where will you be when all the oil is gone?

How will you get your food, heat your home and get to work?

We may not be around when the last drop burns away, but a 37-year-old Wayland Middle School teacher has taken on the task of convincing us to prepare for that day.

### [China disputes claim of coal shortage link to power plant closings](#)

BEIJING (Xinhua) -- China's State Administration of Work Safety (SAWS) on Sunday disputed claims that coal shortages being experienced around the nation were related to a campaign to close small coal-fired power stations.

### [US nuclear power plants to get more Russia uranium](#)

WASHINGTON (Reuters) - U.S. nuclear power reactors will be able to obtain more supplies of Russian enriched uranium for fuel, under a trade deal signed by the two countries late on Friday.

The agreement will provide U.S. utilities with a reliable supply of nuclear fuel by allowing Russia to boost exports export to the United States while minimizing any disruption to the United States' domestic enrichment industry.

### [Tesla to make gas-electric car](#)

Tesla Motors, the people who put the all-electric car on the map, are going to work with gas too.

The San Carlos, Calif.-based company will produce two basic types of its Whitestar sedan, due toward the end of 2009. One will run completely on batteries. The other will be a range-extended vehicle, or REV, CEO Ze'ev Drori said in an interview. In an REV, a small gas motor recharges the battery pack while the car is being driven. The battery pack on these types of cars only goes about 40 to 50 miles on a charge, but because it gets recharged while driving, the range of these cars will be longer.

### [Gas-to-liquid fuel used in Airbus flight](#)

Airbus tested gas-to-liquid fuels Friday on a superjumbo A380 in the first flight of a commercial aircraft using the potential alternative to regular jet fuel.

### [Qatar plans solar power plant](#)

Qatar is considering building one of the world's largest solar power complexes to help meet demand, which could increase fourfold over the next 30 years, the Middle East Economic Digest (MEED) reported. Gulf Arab states have about 30 per cent of the world's oil reserves and eight per cent of its gas, but an economic boom spurred by record crude prices is driving demand for power and water so rapidly that many are considering turning to alternative energies including nuclear.

### [Green and naive](#)

It's not easy being green, mostly because we're only green when it suits us to be. And I do wonder just how much good our individual efforts really do. It's all well and good being concerned about food miles, recycling, showering instead of having a bath, etc etc, but while we do all that with one hand, the other hand is busily snapping up cheap clothes and jumping in our Chelsea tractors to make the journey to the supermarket.

But why should we bother when our municipal masters are hopelessly inconsistent? At the beginning of January, a local authority in Kent approved a new coal-fired power station.



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