



## DrumBeat: February 11, 2008

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Topic: [Miscellaneous](#)

### [Oilsands producers can't fill gap if Venezuela cuts off oil to U.S.](#)

CALGARY - With Venezuela talking tough about cutting off its oil exports to the United States, the Americans might look to their friendly neighbour to the north - already the No. 1 exporter to the U.S. - for a stable fuel supply.

But the question is whether companies who operate in Northern Alberta's vast oilsands can step up production fast enough to fill the gap should the South American communist state, the fourth largest exporter to the U.S., decide to follow through on its threat.

"The U.S. may have to get supply from other countries, including Canada," said Gordon Laxer, a University of Alberta political economist.

But shortages in labour and pipeline capacity might put a damper on that plan, he said.

"I really don't think that we can ramp up production quickly. We don't have surplus production capacity."

### [Chavez's Big Oil Bluff](#)

Peeved by Exxon's legal victory, Venezuela's President is threatening to end oil exports to the U.S.—a move that would probably backfire

### [Omani company's output to decline for eighth year](#)

Muscat: The fall in Oman's oil production last year and the next four years has been attributed by the Managing Director of state-controlled Petroleum Development Oman (PDO), John Malcolm, to ageing oilfields and complex operations to produce oil.

### [Gas Talks Come Down to The Wire](#)

Emergency talks between Gazprom and Ukraine failed to resolve a simmering debt dispute Monday as the possibility of a mid-winter shut-off of gas supplies to the country

inched closer.

### [Britannia field resumes output after evacuation](#)

London: Oil and gas production from Chev-ron Corp's Britannia field in the UK North Sea resumed yesterday after a halt forced by an emergency platform evacuation.

Production at Britannia was "shut in as a precaution," Chevron spokes-woman Laura Easton said today in a telephone interview. It resumed at about 4:30pm local time yesterday, she said.

### [ConocoPhillips Lobbied on Climate, Trade](#)

WASHINGTON (AP) -- Oil company ConocoPhillips spent more than \$4 million in 2007 to lobby the federal government on environmental, energy and trade issues.

### [Russia Writes Off Iraq's Debt In Return For Greater Access To Oil](#)

(RTTNews) - Russia signed an agreement with Iraq to write off the lion's share of 13 billion dollars Iraq owed to them in debt. Iraqi foreign minister Hoshiar Al Zibari, who is on a state visit to Russia, in turn, assured renewed opportunities for Moscow's participation in the country's lucrative oil sector.

### [Clouds on the Horizon](#)

Peaceful Kurdistan has been the silver lining amidst the upheaval of the Iraq War. But controversial oil deals threaten the stability.

### [Liquefied natural gas has got a logistic appeal as well](#)

Although not all the news in LNG is good - there are still not enough regasification facilities in relation to the amount of LNG produced, for instance - 2008 is looking to be a brilliant year as many projects finally reach completion.

New production is set to come on line this year in Russia, Indonesia, Nigeria, Australia, Yemen and Qatar, where production is expected to eventually hit 39 million tonnes per year.

### [Peak oil and the seismic silver lining](#)

The launch of *International Hydrographic & Seismic Search Magazine* raises an interesting question: have the publishers taken leave of their senses? True, the coffers of their target audience have been swollen by the near-\$100 barrel, but the outlook for the global oil industry and economy is darkening by the week. The fate of the oil service sector is ultimately tied to that of the producers, and both IOCs and NOCs are clearly in trouble. In the circumstances, it is reasonable to ask whether hydrographic and seismic contractors' fortunes are about to nosedive, and whether the first edition of this magazine might also be its last.

### [Crude Oil Rises to 1-Month After Valero Shuts Delaware Refinery](#)

(Bloomberg) -- Crude oil rose to a one-month high after Valero Energy Corp. shut a Delaware refinery because of a power failure late yesterday.

Valero, the biggest U.S. refining company, said it is restarting units at the company's refinery in Delaware City after the shutdown, caused by storm-related high winds.

### [Producer prices at 16-year-high](#)

Price inflation of goods leaving UK factories has reached its highest rate in 16 years, driven higher by petrol and food costs, official figures show.

Annual output price inflation reached 5.7% in January, up from 5% the previous month, according to the Office for National Statistics (ONS).

### [Oil rig dream bomb taxpayer bill 'astronomical'](#)

A false bomb alert over the weekend led to scores of offshore workers being unnecessarily evacuated by helicopter from a North Sea platform at taxpayers' expense. Blame for the panic is being placed variously on oil company management (by unions) and on a young female worker aboard the rig (by management).

### [Daniel Ortega brands Exxon Mobil's move as another US attack](#)

Nicaraguan President Daniel Ortega slashed out at US oil firm Exxon Mobil for launching "a clear offensive of the empire in order to push (Venezuelan state-run oil firm) Pdvsa into bankruptcy," Efe reported.

The Sandinist leader claimed it was not by chance that the US National Security Director Michael McConnell told the US Congress that "the things that are happening in Latin America involve a threat."

### [Gunmen attack Naval escort boat in southern Nigeria, killing one sailor](#)

PORT HARCOURT, Nigeria: Unidentified assailants on Monday attacked a Naval vessel escorting petroleum-industry watercraft in chaotic southern Nigeria, killing one sailor and injuring another, officials said.

The gunmen fired on the boats serving the natural gas industry as they headed toward an island hosting an oil-export terminal, said a senior security officer on condition of anonymity, citing prohibition on speaking with the media.

### [Venezuela moves bank accounts after Exxon embargo](#)

CARACAS (Reuters) - Venezuelan state oil company PDVSA has moved its export payment accounts to UBS bank in Switzerland, traders said on Monday, after Exxon Mobil Corp secured an embargo of up to \$12 billion of PDVSA's global assets.

### [Australia: Government Strategy to Reduce Oil Demand](#)

The State Government is to develop a strategy to help Queenslanders lessen their reliance on liquid fossil fuels as the price of oil increases and supply diminishes. Minister for Sustainability, Climate Change and Innovation, Andrew McNamara, said the future availability of fossil fuel and alternative energy supplies is one of the main sustainability issues facing society today.

### [PR, Media Attention & Consumers Driving Climate Change in the Corporation](#)

A recent survey of corporate executives published in the latest McKinsey Quarterly indicates that though climate change is considered important and awareness is high, relatively little is being done in terms of building climate change mitigation, energy usage and emissions reduction into corporate decision-making or operational processes. And yet while a large majority expect some form of regulation coming in their home countries, one-third see opportunities and risks equally balanced and more than one-third believe the effect on profits will, to varying degrees, be positive on the whole.

### [Biofuel demand leading to human rights abuses, report claims](#)

EU politicians should reject targets for expanding the use of biofuels because the demand for palm oil is leading to human rights abuses in Indonesia, a coalition of international environmental groups claimed today.

A new report, published by Friends of the Earth and indigenous rights groups LifeMosaic and Sawit Watch, said that increasing demands for palm oil for food and

biofuels was causing millions of hectares of forests to be cleared for plantations and destroying the livelihoods of indigenous peoples.

### [Agencies discover hydrocarbon in Aceh](#)

Indonesian and German research agencies have claimed a massive finding of underwater hydrocarbon, which may contain oil and gas reserves, off the western shore of Aceh Nangroe Darussalam.

In its press statement on Saturday, the Agency for the Assessment and Application of Technology (BPPT) and its counterpart Bundesanstalt für Geowissenschaften und Rohstoffe (BGR) said the unproven reserve might reach 107 billion barrels of oil or gas as a minimum.

### [Coal mining plans put fresh water at risk](#)

Plans to mine for coal in the catchment areas of major rivers present a serious threat to South Africa's fresh water resources.

Acid pollution caused by coal mining has already destroyed the Wilge River that flows through the Ezemvelo Reserve near Bronkhorstpruit, Mpumalanga, and has caused mass deaths of fish and crocodiles at the Olifants River inlet to Loskop Dam, between Middelburg and Groblersdal.

### [Scottish dolphins 'at risk from oil drilling'](#)

The bottlenose dolphins of the Moray Firth in Scotland are the best known and most studied dolphins in the UK. They entertain onlookers with their energetic playing and feeding, and are regularly seen near the shore. In 2005 they were given their own sanctuary under European law.

But the Government says it is "likely" to grant a licence for sub-seabed oil and gas exploration in the sanctuary, which means the dolphins will be seriously disturbed, according to the Whale and Dolphin Conservation Society (WDCS). It says that if oil and gas production goes ahead they will face the threats of waste discharge and oil spills.

### [As Asia food prices bite, analysts warn of worse to come](#)

HONG KONG (AFP) — Rising food prices have hit Asia's poor so hard that many have taken to the streets in protest, but experts see few signs of respite from the growing problem.

An array of factors, from rising food demand and high oil prices to global warming, could make high costs for essentials such as rice, wheat and milk a permanent fixture, they say.

### [China Turns to Economic Controls](#)

Beijing's resort to command economy decrees has not been confined to electricity alone. Beset by inflation galloping at a decade high of more than 6 percent, the government has steadily widened price controls, finally freezing all food prices last month as well as clamping limits on fertilizer prices and raising price supports for rice and wheat.

The controls are meant to shield China's poor and working classes, who spend up to half their incomes on food. But the inflation spike is blamed on shortages of pork and grain, and economists warn that putting a lid on prices just shifts the hardship to farmers, discouraging them from raising output, which would bring down high prices.

### [Reformers battle global oil price tide](#)

Polymakers working to determine when to close the gap between the comparatively lower prices of refined oil products in China and those on the international market have been struggling with the record-setting global price.

### [Thailand: Driven to be green](#)

Thailand has been one of the most successful countries in Asean in creating demand for greener energy, but there's still a long way to go. No matter how energetically the government promotes the alternatives, a lot of drivers can't imagine putting anything in their tanks but 100% petroleum-based fuel.

Recently, however, soaring oil prices have triggered a big shift in public opinion. What cost \$40 a barrel in 2001 costs around \$90 today - it briefly touched \$100 last month. The tank of premium gasoline that cost you 600 baht at the start of 1995 costs 1,200 baht now. How many of your other regular expenses have doubled in three years?

### [In Gaza, cars are cooking with gas](#)

Apart from trucks and taxis, which mostly run on diesel fuel – still sporadically available – it's probably a safe bet that most of the cars still seeing action in the gas wars of Gaza have a canister of cooking gas hooked up in the back seat or trunk.

The conversion of cars to run on cooking gas is by no means unique to Gaza. It is popular in India and many other countries because it offers improved fuel economy and a



cleaner-burning engine.

The difference in Gaza is that, here, the procedure is being used to help circumvent a hostile blockade.

### [Energy independence, yes; income equality, no](#)

During the next few weeks and months, I plan to write a series of columns about energy. I plan to write about what we must do to add to all sources of energy. I hope to be able to satisfy any reader's skepticism about the need to move beyond our dependence on fossil fuels, but also hope to demonstrate that fossil fuels will remain an important part of the total energy solution.

### [Corporate Social Responsibility and Carbon Offsets](#)

Millions of people here in America are now buying into the concept of carbon offsets, are spending their hard earned money to purchase them. Imagine if that money were being invested in greening poor communities! With state and federal rebates, solar could be deployed onto homes for around \$20,000 dollars. Now, let's just imagine one million Americans each spending \$100 to purchase carbon offsets from one of these companies...you have just given them the ability to own \$100 million dollars in green infrastructure. What if your carbon offset money were used instead to put solar on the homes of poor Americans. With \$100 million dollars, at \$20,000 a home, we could put solar on the roofs of 5,000 American families homes that otherwise could not afford it.

### [The poverty of nations](#)

The universal sense of impoverishment in rich societies is simply the subjective expression of an objective need for more; a need as vast as it is impersonal, for it is the essential characteristic of a system and not of humanity. We are all poor in this scheme of things, for our own frail individuality is pitted against measureless engines of global production. It is now our destiny to gain as much of this abundance as we can cram into one poor limited lifetime. To frame our response in moral terms, as some do, is mistaken. Greed, avidity, eagerness for experience, sensation and novelty are names, not of vices or virtues, but of the urgencies that we inhabit and which inhabit us - the impulse towards perpetual growth and increase; "development" it is sometimes called.

### [Southern Iraq being drained of oil](#)

BASRA, Iraq, Feb. 11 (UPI) -- The Iraqi government has accused neighboring Iran of taking over more than 15 oil wells on the Iraq-Iran border.

Inadequate security permit militia groups in the south -- allegedly backed by neighboring countries -- to loot the region's riches, particularly along the borders, the

Alsumaria Iraqi satellite network reported Monday.

A U.S. report estimated oil smugglers pocketed yearly revenues of nearly \$4 billion, equal to some developing states' budgets, the network reported.

### [Petrobras' global quest for power](#)

Analysts say the Brazilian government's decision to open the company up to outside investors, to break its monopoly on the nation's oil fields and to push the company to develop deep-water drilling technology were critical to its growth. But the company's adventuresome spirit is also paying dividends.

### [Russia may cut Ukraine gas supply by a quarter](#)

MOSCOW (Reuters) - Russian gas export monopoly Gazprom will cut supplies to Ukraine by a quarter from Tuesday morning if no deal over debts for previous supplies is reached, Gazprom's spokesman said on Monday.

Sergei Kupriyanov told Ekho Moskvyy radio station Gazprom would cut supplies of Russian-produced gas while continuing to supply gas that originates from Central Asia. "That (the Russian gas) represents around 25 percent of our gas supplies to Ukraine," he said.

### [Saudi backs limit on foreign residency in Gulf](#)

RIYADH - Saudi Arabia's labour minister said in remarks published on Monday that Riyadh supports a residency limit on the millions of foreign workers in the Gulf to prevent them from ever gaining a political voice in the oil-rich region.

'We do not want the day to come when we are forced allow the (foreign) workers to be represented in our parliaments or municipal councils,' Ghazi Al Gosaibi told the Arabic language Al Eqtisadiyah.

### [Woman due in court over North Sea oil rig evacuation](#)

LONDON (AFP) - A 23-year-old woman was due in court later on Monday in connection with the evacuation of a North Sea oil rig off Scotland following a telephoned warning of a suspicious device.

### [Rep. Bartlett - Talk to your Representative about peak oil!](#)



I had the opportunity to meet with Congressman Bartlett last December in his office near Frederick (north of Washington DC). During our meeting, he had some specific suggestions about how to raise awareness of peak oil.

### [Economics: Energy mercantilism](#)

Jeff Vail, an energy analyst, describes the phase that the world of oil is moving into as “energy mercantilism”. Mercantilism is an economic philosophy that rests on the idea that the amount of wealth in the world is limited; if someone is getting more, it must be because someone else is getting less. Mercantilism played a huge role in strengthening the hand of the European states during the middle of the last millennium — and was one of the early justifications for securing colonies.

The worry that oil is running out, with gas not far behind, has led to a situation where a perceived essential ingredient of economic growth is dwindling before our eyes. The aggressive manoeuvring of national oil companies (NOCs), especially Asian ones, a resurgence in resource nationalism, and a rush to secure oil by exclusive bilateral contracts are all rooted in the belief that energy will be very scarce, very soon.

### [BP: Changing perspectives on Peak Oil - Investment vs. Supply vs. Demand](#)

In 2004, the British Petroleum (BP) exploration consultant Francis Harper told London's The Business newspaper that world oil supply would be peaking earlier than expected, and that "the world's total original usable oil resources — the amount of oil before drilling began — at about 2.4 trillion barrels of oil. This is considerably less than the 3 trillion assumed by bullish commentators such as the US government's Geological Survey. This points to oil production peaking between 2010 and 2020."

When the world peaks isn't the critical thing. What's more salient is when non-Opec oil peaks, then you'll have the control of marginal production passed back to a progressively smaller group of countries."

### [Uganda: Fuel Reserves - Govt Quiet, Cites Security Concerns](#)

THE failure of the government to disclose the status of the national fuel reserves in Jinja has been linked to fear of a possible attack by enemies.

Sunday Monitor has learnt that Security Minister Amama Mbabazi told ruling party MPs during a caucus meeting at Statistics House in Kampala on Thursday that the government would not reveal how much fuel it has in its reserve tanks because such information would be exploited by state enemies.

### [Energy Crisis Hits Tajik Press](#)

Many Tajik newspapers may not be published this week because of the severe energy shortage affecting the country, the privately- owned Tajik news agency Asia-Plus reported on 11 February.

(The energy crisis has been caused by what the state meteorological agency says is the country's coldest winter for a quarter of a century. This has led to the icing up of a river feeding the lake that drives the key Norak hydroelectric power station. The problem has been exacerbated by cuts to fuel and electricity imports from neighbouring Turkmenistan and Uzbekistan.)

### [India: Tidal power plants given go-ahead](#)

KOLKATA: After a 13-year long wait, the Centre has finally cleared the setting up of four MW tidal power plants in the Sundarbans.

"I'm happy that the pilot project of tidal power plant will be set up in our state," Mr Buddhadeb Bhattacharjee said today at a workshop on "Energy: Crisis and Remedies" jointly organised by IIT Kharagpur and West Bengal Renewable Energy Development Agency (WBREDA).

### [Southeast Asia's Looming Nuclear Power Industry](#)

The 2005-07 spike in petroleum prices topping out at \$100 a barrel has prodded economic planners across the globe to reconsider their energy options in an age of growing concern over global warming and carbon emissions. The Southeast Asian economies, themselves beneficiaries of an oil and gas export bonanza through the 1970s-1990s, also find themselves in an energy crunch as once ample reserves run down and the search is on for new and cleaner energy supplies.

### [Europe vulnerable without common energy policy](#)

Europe needs a common energy policy with the emphasis on security of supply and more openness towards technologies - including nuclear - that can make the region less dependent on energy imports, according to a newly released study from the World Energy Council.

### [UN gathering to address climate change](#)

UNITED NATIONS - The U.N. General Assembly is bringing together business leaders, activists and government officials for a debate on climate change starting Monday — an

effort to keep up the momentum for a new treaty by 2009 to fight global warming.



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