



DrumBeat: February 16, 2008

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Topic: [Miscellaneous](#)

[Although pinched by costs, fans flock to Daytona](#)

"It [the price of gas] affects our fans just like it affects everyone else," said Jim Hunter, longtime NASCAR vice president. "Some of our hard-core old-line fans used to go to six-eight races a year, but back then hotels didn't charge seven-day minimums, track prices were half of what they are now, and gas was a lot cheaper. Now I hear those same people say, 'I'll just go to my favorite few races, and I'll watch the rest on television.'"

Hunter, like many around the sport, said he thinks any drop in attendance will not be major, even with an economic downturn. Hunter was involved with NASCAR in the early '70s during a fuel shortage when NASCAR shortened races, encouraged fans to carpool and even helped service stations near tracks save fuel for race fans to come and go.

[CERA: Action needed to avoid oil crisis, Hess chief says](#)

HOUSTON -- Oil companies, oil-producing countries, and consumers need to act now to avoid the oil crisis that is coming within the next 10 years, said John B. Hess, chairman and chief executive of Hess Corp.

"It is not only a matter of demand. It is not only a matter of supply.... We need to take steps on both fronts, and we need to start today," Hess told an overflow crowd Feb. 12 at the Cambridge Energy Research Associates' annual energy conference in Houston.

[Strategy change urged in Mexico](#)

MONTERREY, Mexico — In 1978, Mexican President José López Portillo boldly proclaimed the country's vast new oil resources meant a farewell to poverty.

The nation would have to "administer abundance," he said.

López Portillo missed his chance, notoriously spending Mexico into its economic crisis of 1982 while skimming off a presidential share for a lavish retirement.

Five presidents and two more economic crises later, the opportunity has been squandered. Cantarell, the giant Gulf of Mexico oil field that has padded pockets and subsidized Mexico's government for a generation, is in rapid decline.

[Mexico Business Picks Up For Oil-Service Companies](#)

MEXICO CITY -(Dow Jones)- In Mexico the oil services business is picking up as state-run Petroleos Mexicanos boosts spending in an attempt to halt faltering production.

[Srak to miss Empty Quarter well drilling target](#)

The South Rub al-Khali (Srak) exploration company expects to complete drilling on only one more well in the Rub al-Khali (Empty Quarter) before its contract with Saudi Aramco expires in January 2009.

This means several planned wells will not be drilled, raising further doubt over Riyadh's search for gas in the region.

[Central Asia's Poorest States in Crisis](#)

After a freezing winter marked by severe energy shortages, Tajikistan and Kyrgyzstan fear spring could bring food shortages as well.

[Kazakhstan Suspends Fuel Oil Exports to Kyrgyzstan](#)

A shortage of Kazakhstan's energy resources is the reason behind the suspension of fuel oil supplies to Kyrgyzstan, the press service of Elektricheskiye Stantsii [Electric Stations] open joint-stock company has told the Regnum news agency correspondent.

[Nepal: Fuel crisis spawns protests](#)

Irked consumers took out a rally in localities like Kalanki, Chabahil, Koteshwor and Jorpati early on Friday, chanting slogans against the government and Nepal Oil Corporation (NOC) and demanding fuel to cook food and run vehicles.

Sporadic rallies were also organized within city centers like Nagpokhari. But these were scattered through police interventions, said Sarvendra Khanal, chief of Metropolitan Police, Kathmandu.

Bhaktapur was worst hit by the protests, as agitating tractor operators blocked the major roads to vent their ire against the fuel shortage.

[Bangladesh: Local commodity market going through supply shortage](#)

Oil prices have gone up by more than 30 percent in the last 5 months. We are paying more foreign currency to import the same volume of oil due to increased prices. This increase in oil price has not been passed on to the consumers; rather the government, in the form of subsidy, has absorbed it. How long and how much price increase the government would absorb that remains a pertinent question, given the high amount of debt papers being issued to the financial market to fund Bangladesh Petroleum Corporation's balance sheet. However, prices have started to come down recently it has already dropped to \$ 88 per barrel from a high of \$100, mostly due to US recession expectation among the market participants. Even though many economists are talking about \$75 level for oil price, I think it's too early to say. If US economy goes through a "V" shaped recovery because of the aggressive rate cut and giant fiscal stimulus package, we will not have to wait a long time to see the oil price rising again. Increase in fuel price, will of course keep on affecting shipment cost, as well as, domestic movements of commodities and thereby commodity prices.

[Soaring propane bills spur furor](#)

January heating bills that topped \$500 for some Payson homeowners have spurred a political furor, with homeowner protests and a flashpoint debate in the mayor's race.

The big January propane bills issued by SemStream reflect both a global energy shortage and the fine print in the Arizona Corporation Commission's approval of the company's purchase of Payson's unique underground propane system last year, say officials.

[How Big Oil Could Help on Climate Change in Iraq](#)

These hot spots, detected from 500 miles into space, were not sparked by bombings or by gunfire on the war-torn ground. They are neither flames of insurgency nor of combat. This is a snapshot of energy waste and the pointless release of millions of tons of greenhouse gas into the atmosphere.

This image shows the flaring, or burning, of natural gas that is brought to the surface as the Iraqis extract oil. There's no way to get the oil out without releasing this "associated" gas. Flaring is the cheap and dirty way to get rid of this combustible fuel when there are no pipelines, gas-fired power plants, or export terminals nearby.

[It's time for oil price controls](#)

History repeats again! Oil companies have released staggering earnings. When crude oil

costs rise, it drags fertilizer, feed costs, food, and meat prices with it. Plastics, homes, cars, and heating prices rise. Amidst all this, oil companies prosper suspiciously.

How is it that the cost of a raw material (crude oil) rises, people use less of the finished product (gasoline, diesel) by driving less, yet oil companies make increased profits? The operative word here is "profit," not revenue.

[Oil swings widely on conflicting data](#)

In recent days, many analysts have questioned oil's price strength in the face of falling demand.

"It makes no sense," said Tom Kloza, publisher and chief oil analyst at the Oil Price Information Service in Wall, N.J., who suggested speculators may be behind the recent rise. "I think it's financial and it's speculative."

[Energy independence in US: don't bet on it](#)

US President George W. Bush shocked world energy producers in 2006 when he pledged to slash America's reliance on Middle East oil. But today one of every two barrels of oil consumed in the United States still comes from foreign suppliers like Saudi Arabia, and that picture is not likely to change much through 2030.

[Feds curious about Alaska pipeline problems](#)

Federal regulators say they are looking into an equipment malfunction at the trans-Alaska pipeline, the latest setback for a project to automate a conduit that is crucial to West Coast oil needs.

[Norway: Tensions rise between fishing and oil industries](#)

A feverish quest for new sources of oil, fuelled by high oil prices, is sparking territorial battles between Norwegian fishing interests and oil exploration firms searching for new reserves in the North and Norwegian seas.

Skirmishes have been taking place for months off the coast of Norway, as fishing vessels and seismic vessels try to work in the same areas. Last year, three fishing boats tried to prevent a seismic vessel from conducting oil exploration in the seas off Vesterålen.

[Rosneft to Spend 600 Billion Rubles to Boost Siberian Output](#)

(Bloomberg) -- OAO Rosneft, Russia's largest oil producer, plans to spend as much as 600 billion rubles (\$24.4 billion) through 2020 to boost oil production in eastern Siberia, Chief Executive Officer Sergei Bogdanchikov said.

The state-owned company will spend 50 billion rubles this year and 600 billion rubles over the 12-year period as it seeks to raise annual oil output to 170 million tons by 2020, Bogdanchikov said today at a conference in Krasnoyarsk, Siberia. The company produced 102 million tons of oil last year.

[Exxon Mobil extends trend of increasing its reserves](#)

Exxon Mobil Corp. said Friday it added 1.6 billion barrels of oil equivalent to its proved reserves last year, extending a positive trend of replacing more barrels than it produced.

The added reserves for the world's largest publicly traded oil company totaled 101 percent of its 2007 output.

[South Korea: Iran is stable oil supplier](#)

LONDON (IranMania) - Chairwoman of Presidential Transition Committee, Lee Kyung-sook, says Iran is the most reliable supplier of oil to South Korea, PressTV reported.

[Iran Parliament Approves \\$3 Billion Fuel Import Budget](#)

TEHRAN (AFP)--Iran's parliament on Saturday approved a \$3 billion spending plan to fund diesel and petrol imports during the next Iranian year, the official IRNA news agency reported.

[Iran should cut dependency on oil: Haddad-Adel](#)

LONDON (IranMania) - Iran's Parliament speaker Gholam-Ali Haddad-Adel warns against the reliance of national budget on oil revenues, urging the need for its optimal spending, PressTV reported.

One of the problems with our budget is its heavy dependence on oil, Haddad-Adel told reporters on Thursday.

[Venezuela Rips Exxon, Settles With ENI](#)

Venezuela has settled a spat with one oil giant while continuing to heap invective on another.

[Venezuela requests help from U.S. senator](#)

Venezuela's ambassador to the U.S. has asked Sen. Richard Lugar to press Exxon Mobil Corp. to drop legal measures that have frozen \$12 billion in assets worldwide.

"Through tactics that can only be compared with the very discredited strategy of preemptive war, Exxon Mobil has clearly violated the terms of the arbitration process," Bernardo Alvarez, Venezuela's ambassador to the U.S., said in a letter to the Indiana Republican that was released by the embassy Friday. Lugar is the top Republican on the Senate Foreign Relations Committee.

[Mr. Chavez's Bluff](#)

If Venezuela's strongman cut off oil exports to the United States, the first victim would be his regime.

[AEP CEO sees crisis without more coal plants](#)

HOUSTON (Reuters) - The United States faces an electricity crisis if it eschews coal-fired power plants on its way to a low-carbon economy, said the chief executive of American Electric Power, one of the nation's biggest utilities.

Michael Morris of AEP said that he fears the United States will rely on natural gas plants too heavily if it drastically cuts burning coal to make electricity.

...Within five years to a decade, heavy industrial users will face involuntary power cuts unless more coal plants that emit less carbon dioxide (CO₂) come on line, said Morris, speaking to energy executives at the week-long CERA conference in Houston.

[Time is up for coal: environmental analyst](#)

NEW YORK (Reuters) - The United States should leave its estimated 200 years' supply of coal in the ground and invest in wind farms and solar technology for its power-generating needs, a leading environmental analyst said on Thursday.

Wall Street, politicians and public opinion have all turned so dramatically against coal in the last year over climate concerns that it is probably "the beginning of the end of the coal industry," said Lester Brown.

[Vietnam to slash coal exports by a third in 2008](#)

HANOI (Reuters) - Vietnam, a key coal supplier to Japan and China, will slash coal exports this year by more than 32 percent to about 22 million tonnes to save more for new power plants at home, a government official said on Friday.

[Thailand worries over food shortages amid palm oil debate](#)

BANGKOK (Thomson Financial) - Thailand has started requiring that all its diesel fuel include a component made from palm oil, a move that could reduce costly energy imports but is driving up prices for the commodity, experts say.

[US risks trade dispute with Canada on fuel](#)

Environmental restrictions on the US government's purchases of fuel could leave it vulnerable to a trade dispute with Canada and other exporters of oil extracted from hard-to-reach deposits.

The new rules prohibit the US federal government from buying fuels that emit more greenhouse gas during their production and use than conventional petroleum-based fuel.

The issue is the latest in a string of potential and actual disputes that will test the ability of the rules of the world trading system to regulate highly contentious global warming issues.

[Australia: Meet the man to fix petrol price problems](#)

AUSTRALIA'S first Petrol Commissioner was appointed yesterday to force oil companies into reining in their controversial pricing behaviour.

[Shadow of terrorism looms over oil industry](#)

The first hint of activity was the soft whut-whut of rotor blades, then suddenly a military helicopter, which had approached flying so low it almost skimmed the tops of the waves, rose up by the side of the platform. Ropes were tossed out and seconds later black-clad soldiers abseiled on to the landing deck, then charged down into the platform proper.

The spectators – oil workers who had slipped out unannounced – would later learn that the deployment was phase two in the battle against any terrorists potentially on the platform. Members of the Special Boat Service, the amphibious equivalent of the SAS,

had already clambered up the platform's concrete leg and secured the control room where "bombs" were primed and ready to blow.

[The Islamic way of wealth](#)

The credit crunch has added a new significance to the wealth amassed in the oil kingdoms of the Middle East. While western bankers count the cost of a reckless spending spree, assets that comply with Islam's ban on the receipt of interest are growing at about 15% a year and may hit \$1000bn by 2010, experts say. A quadrupling of oil prices since 2002 has inundated Arab and Islamic lenders with billions of dollars that are now looking for a home, and financial centres from Tokyo to London are clamouring for a piece of the action.

[Oil, arms and a marriage of convenience](#)

China's involvement in Sudan stretches back more than a decade and has snowballed to the extent that it now supplies nearly a quarter of the African country's imports and accounts for about 70% of its exports, mostly oil.

But despite growing global criticism of Chinese blank cheques written to the regime in Khartoum, Beijing has shifted its policy in the past 18 months. Though President Hu Jintao announced a \$13m interest-free loan for a new palace for his Sudanese counterpart, Omar al-Bashir, and cancelled debt worth \$70m during a visit to Sudan in February last year, his government publicly called for a ceasefire and a negotiated settlement in Darfur.

[Canada's oil sands a massive disaster - green group](#)

OTTAWA – Canada's massive oil sands are "the most destructive project on earth" and the federal government must intervene to clean up the mess, a leading green group said Friday.

[Kuwait: Breakthrough Awaited](#)

Saad al-Shuwaib, chief executive of state Kuwait Petroleum Corp. (KPC), has made some progress in reforming Kuwait's energy industry and advancing major projects, especially downstream, since taking the reins six months ago with a promise of revamping the sector. The delayed Al-Zour refinery is moving ahead, KPC's subsidiaries are being restructured, and a new international advisory board is in place. Now, al-Shuwaib told *Energy Compass* in Kuwait this week, a breakthrough should come soon in upstream negotiations with international oil companies -- a development desperately needed to deliver long-term expansion.

[Transocean exits shallow-water Gulf business](#)

Transocean Inc. has agreed to sell three of its jackup rigs and equipment to Hercules Offshore Inc. for \$320 million.

The Houston offshore drilling contractor said the move marks its exit from the shallow-water area of the Gulf of Mexico.

...Also on Friday, the company contracted with Simmons Cos. International to sell two semisubmersible rigs.

[Once you start, where does the stampede of moralism stop?](#)

So let me get this straight: we are supposed to boycott or protest against the 2008 Beijing Olympics, because the Chinese Government buys oil from the Sudanese regime engaged in a civil war in Darfur. I carry no torch for the Chinese authorities, but once you fire the starter's pistol for such a stampede of moralism, where does it stop?

Should the 1908 Olympics have been held in London? After all, millions were toiling under the yoke of the British Empire and Parliament had refused to allow Ireland Home Rule, leading to a boycott of the Games by the Irish team.

[Global warming could invite sharks to Antarctica: biologists](#)

BOSTON, Massachusetts (AFP) - Global warming could bring ferocious sharks to Antarctic waters, threatening a unique marine life shielded from predators by frigid conditions for millions of years, biologists warn.

[Agency urges US to use pricing to fight energy woes](#)

WASHINGTON (AFP) - The International Energy Agency on Friday called on the United States to do more to curb energy use and fight global warming, saying pricing was the best way to curb demand.

[China: rich 'culprits' on climate change](#)

UNITED NATIONS - Negotiations on a new treaty to fight global warming will fail if rich nations are not treated as "culprits" and developing countries as "victims," China's top climate envoy said.

The whole world must take action to confront climate change, but developed countries have a "historical responsibility" to do much more because their unrestrained emissions

in the past century are responsible for global warming, said Ambassador Yu Qingtai.



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