



## DrumBeat: February 19, 2008

Posted by [Leanan](#) on February 19, 2008 - 9:40am

Topic: [Miscellaneous](#)

### [Oil breaks \\$100, hits new all-time high](#)

NEW YORK (AP) -- Oil prices hit new record highs Tuesday as a Texas refinery fire and fears of an OPEC production cut pushed crude to settle at over \$100 a barrel for the first time ever.

U.S. crude for March delivery jumped \$4.51 to settle at \$100.01 a barrel on the New York Mercantile Exchange, topping the previous settlement record of \$99.62 set Jan. 2.

Oil also hit a new all-time trading high of \$100.10 a barrel, besting the previous high of \$100.9 set Jan. 3.

### [Nigerian President Spokesman: Okah 'Alive, Safe In Custody'](#)

LAGOS, Nigeria (AP)--Nigerian authorities said Tuesday that a militant leader was alive after allied fighters threatened further attacks on the country's oil infrastructure if the government did not address rumors their leader had died in custody of gunshot wounds.

Henry Okah was "alive and safe in custody," presidential spokesman Olusegun Adeniyi told The Associated Press.

### [Alon refinery shut by blast; gasoline at historic high](#)

SAN FRANCISCO (MarketWatch) -- Alon USA Energy Inc. said Tuesday that an explosion and fire temporarily shut production at its Texas refinery, 290 miles west of Dallas.

The accident drove gasoline prices to an historic high Tuesday. Crude futures also rallied.

...Crude oil for March delivery surged more than \$3 to surpass \$99 a barrel Tuesday, and March motor-gasoline futures rallied 10.59 cents, or 4.3%, to \$2.5993 a gallon. It earlier rose to \$2.6084, the highest level a gasoline front-month contract has ever seen.

### [Nigerian oil delta rebels say leader shot dead](#)

LAGOS (Reuters) - A Nigerian rebel group from the oil producing Niger Delta said on Tuesday its leader, Henry Okah, was shot dead in detention in northern Nigeria.

There was no immediate official confirmation.

If confirmed, news of Okah's death could spark a new round of violence in the delta, home of Africa's biggest oil industry which produces 2.1 million barrels per day. It could also derail tentative peace talks between rebels and the government.

### [Venezuela asks ExxonMobil to talk, drop legal cases](#)

CARACAS, Feb 19, 2008 (AFP) - Venezuela has asked US oil giant ExxonMobil to resume World Bank-sponsored talks to resolve a nationalization dispute and to drop legal cases in New York and London, Energy Minister Rafael Ramirez said Tuesday.

"We have heard various messages from Exxon -- what we are asking is that we return to the situation as it was under arbitration" under the auspices of the World Bank's mediation body, Ramirez said.

### [Russia, Algeria talk energy, mum on gas OPEC](#)

A growing warmth in ties between Algeria and Russia in the past few years has fuelled market and media speculation that the creation of an OPEC-style gas charter is in the pipeline.

President Vladimir Putin last year described the concept of a "gas OPEC" as an "interesting idea." Analysts have ruled out the possibility that such a grouping could move world prices to the same degree as OPEC because gas is much harder to transport and a world market in gas does not exist.

But the prospect of a "gas OPEC" has alarmed the European Union and the United States, which believe such an organisation will threaten global energy security.

### [Redefining Urban and Rural: Cooperation in a Time of Local Need](#)

A landscape of blended urban and rural uses is only one of the forces pushing for cooperation. High energy prices and global warming will make it necessary for us to develop a strong, resilient, local economy - parallel, and in addition to, the global one.

### ["Squeezed in" subway ad angers passengers](#)

BEIJING (Reuters) - An advertisement on Beijing's subway proclaiming "Squeezed in?! Go and buy a car then!" has angered passengers who said it only encourages traffic jams, a state newspaper said Friday.

### [Australia seeking fatter mailmen](#)

Australia Post had a weight limit of 90 kgs (198 pounds) for "posties" because its 110cc motorcycles had a safe working limit of 130kg (286 pounds) -- that's 40kg (88 pounds) for letters and up to 90 kgs for mailmen and women fully clothed.

But after talks with motorcycle manufacturer Honda it was agreed the bikes could safely carry a "postie" weighing 105 kgs (231 pounds), said Sydney's the Daily Telegraph newspaper.

But the "posties" will only carry 25 kgs of mail.

### [Lukoil Cuts German Oil Exports by Pipeline on Pricing](#)

(Bloomberg) -- OAO Lukoil, Russia's largest independent oil producer, may cut March shipments of crude oil to Germany by pipeline, continuing the halt ordered yesterday because of a pricing dispute.

Lukoil stopped February exports through the Druzhba pipeline and will consider cutting March sales while demanding higher prices from traders in Germany, spokesman Dmitry Dolgov said by phone today. The Moscow-based oil producer has reserved space in the pipeline for next month, he said.

"Why should we sell oil cheap?" Dolgov said. "We have found alternatives."

### [Venezuela's Boscan Oilfield Shut by Protest, Universal Reports](#)

(Bloomberg) -- Venezuela's Boscan oilfield, which typically produces 108,000 barrels a day, suspended operations yesterday after a worker protest, El Universal reported.

About 200 oil workers blocked the road to the field, preventing about 750 workers from reaching their posts, the newspaper said, citing Rafael Ramirez, a member of the oil workers' union.

### [Kazakhstan plans to double oil production by 2015](#)

LONDON(RIA Novosti) - Kazakhstan intends to double oil production by 2015 up to 120-130 million metric tons (about 880-950 million bbl) per year, a Kazakh energy and mineral resources vice minister said on Tuesday.

"We plan to produce 70-80 million tons of oil annually by 2010 and to increase production to 120-130 million by 2015. The figures are not insignificant," Lyazzat Kiinov said.

### [Gazprom says gas exports to rise 4-5 pct in 2008](#)

MOSCOW (Reuters) - Russian gas export monopoly Gazprom expects its shipments to key European markets to rise by 4-5 percent in volume terms this year, a Gazprom executive told a conference call on Tuesday.

### [West African gas pipeline delayed till April](#)

ACCRA, Feb 19 (Reuters) - The startup of a West African gas pipeline operated by Chevron Corp. has been delayed by over three months due to repairs on supply pipes in Nigeria but first gas should flow by April, its director said on Tuesday.

The 678 km (420 mile) pipeline will transport natural gas from Nigeria's Niger Delta to Benin, Togo and Ghana to help ease chronic power shortages around West Africa, seen as a major hindrance to development in the region.

### [The future for off-roading looks electric](#)

Like civilians, the Army wants to cut fuel use, because fuel constitutes 70 percent of the materiel it moves into combat zones, according to Andy Abele, Quantum's executive director of strategic development. Hybrid electric vehicles not only give soldiers the ability to sneak around quietly, they also serve as generators to power the myriad computer, radar, GPS, radio and other electronic systems upon which the modern military depends, he added.

### [Tajikistan: UN Urges Food Aid, As Anger Mounts Over Energy Crisis](#)

As the United Nations appeals for urgent food aid to stave off a humanitarian crisis in Tajikistan, critics say anger is mounting among Tajiks, who for the first time since their civil war in the 1990s may be ready to protest for major change.

It's been the harshest winter in living memory for Tajikistan, leaving hundreds of thousands of people bitterly cold and hungry.

In some areas, temperatures have dropped below -20 and even -30 C. Rivers have

frozen over, dealing a severe blow to the country's decrepit and out-of-date hydroelectric power system, on which Tajiks are dependent.

Energy supplies have also been cut from neighboring Kyrgyzstan and Uzbekistan. The result: severe shortages of gas and electricity, with a knock-on effect on food supplies.

### [ConocoPhillips adds 1.34 boe of reserves in 2007](#)

NEW YORK, Feb 19 (Reuters) - ConocoPhillips said on Tuesday it added 1.34 billion barrels of oil equivalent to its reserves in 2007, bringing its total proved reserves to 10.6 billion boe.

Excluding Venezuela's seizure of more than 1 billion boe of reserves in there last year, the company said its reserves replacement rate was 159 percent, based on 842 million boe of production in 2007.

### [Exxon Chairman: Willing to Work with Venezuela if It Honors Contract](#)

At an energy conference in London, ExxonMobil Chairman Robert Olsen said that his company legal battle with Venezuela is due to the South American country's failure to honor the terms and obligations of the original contract.

### [Iran ups Feb gas oil imports from Singapore](#)

Iran is importing 250,000 tonnes of gas oil from Singapore in February, up from 200,000 tonnes bought for January as the icy winter boosted demand for heating and power generation, industry sources said on Tuesday.

The Opec member has been buying gas oil from Singapore since early this year, after India's Reliance halted supplies last year when French banks BNP Paribas and Calyon stopped offering credit on the deals, company and industry sources had said.

### [Nigeria's oil production outages](#)

(Reuters) - Oil companies and industry sources have detailed about 515,000 barrels per day of shut-in Nigerian production due to militant attacks and sabotage.

The amount represents around 17 percent of the West African country's installed output capacity of around 3 million bpd.

### [Shell says southern Nigeria pipeline repaired](#)

ABUJA (AFP) - Crude oil output from the Forcados export terminal in southern Nigeria is back up to "between 150,000 and 200,000 barrels per day" after a pipeline repair, Royal Dutch Shell said Tuesday.

Last month, Shell declared a force majeure on exports from Forcados for the rest of January and February after pipeline sabotage, but Shell regional executive Vice President for Africa Ann Pickard said output was back up.

### [Bashing private oil companies no longer valid](#)

Those famous "seven sisters" -- Standard Oil, Royal Dutch Shell, British Petroleum, Texaco, Chevron, Exxon, and Mobil -- are no longer what they once were. Whereas they once hogged 80 percent of the world's production and reserves of crude oil and natural gas, today they hold less than 10 percent and are just shadows of their former selves.

They have been replaced by seven other sisters, in this case state-owned enterprises, to which we can attribute the astronomical price of oil and other associated calamities. According to Financial Times, these are the new villains: Saudi ARAMCO (Saudi Arabia), Gazprom (Russia), CNPC (China), NIOC (Iran), PDVSA (Venezuela), Petrobrás (Brazil) and Petronas (Malaysia).

### [NOCs, IOCs need to find new partnership models](#)

National oil companies are delivering higher levels of growth in market capitalization compared with international oil companies, and new models of collaboration are necessary to deliver secure and sustainable energy supplies to the global market, speakers told delegates at International Petroleum Week in London.

### [Boomtown, Iraq](#)

Imagine a country where Americans are beloved, mini-mansions are springing up, and oil bubbles forth unaided. Is this the future of Iraq or just a desert mirage?

### [S.Africa firms want tax breaks for energy spending](#)

JOHANNESBURG (Reuters) - South African businesses crippled by an energy crisis are unlikely to receive the tax breaks and other concessions they crave from Finance Minister Trevor Manuel's budget on Wednesday.

An expected slowdown in growth, partly on the power crunch, global economic woes and higher domestic interest rates point to reduced revenue, and pressure on the national

accounts.

### [Yar'Adua apologises to Nigerians over energy crisis](#)

President Umaru Yar'Adua on Monday apologised to Nigerians over what he described as embarrassing power failure in the country. Yar'Adua made the public apology on Monday in Abuja at the 20th anniversary of the Federal Road Safety Commission (FRSC) while restating the determination of his administration to address the problem.

### [Bangladesh: Mining coal for energy security](#)

To conserve the environment from pollution by restricting the use of sulphur-rich coal, mining of local coal has become urgent. The use of local coal will not only help keep pollution at a low level but also save hard-earned foreign currency. The use of this natural resource has become urgent also on another score. The present recoverable reserve of natural gas may last only another four years. Otherwise, if the gas resource depletes Bangladesh would face energy crisis of insurmountable proportions.

### [Canadian companies lagging in green IT practice](#)

Take a 1,000 PC company. If it can ensure computers are turned off at night and on the weekends, it will save enough to cover wages and benefits for another full-time employee.

### [California casts a wary eye on deregulation](#)

California's energy crisis ended seven years ago, but electricity customers are still paying for it, lawyers are arguing over it and regulators are reigniting debate over the policies that led up to it.

The U.S. Supreme Court will hear arguments today about whether the high-priced energy contracts signed amid the crisis can be reopened to make sure the rates are fair.

### [It's waste not, want not at super green Subaru plant](#)

LAFAYETTE, Ind. — Subaru's giant assembly plant here is on track to produce 180,000 cars this year. Yet the automaker pledges that virtually none of the waste generated from its eye-popping output will wind up in a dump.

Copper-laden slag left over from welding is collected and shipped to Spain for recycling. Styrofoam forms encasing delicate engine parts are returned to Japan for the next

round of deliveries. Even small protective plastic caps are collected in bins to be melted down to make something else.

All told, Subaru says 99.8% of the plant's refuse is recycled or reused so it doesn't go to a landfill. That includes a small portion, about 5%, that goes to a waste-to-energy plant that burns waste to make steam to heat Indianapolis' downtown.

### [With Oil Prices Rising, Wood Makes a Comeback](#)

NEWPORT, Vt. — As a child, Brian Cook remembers hurling wood into the big orange boiler his father bought during the oil crisis of the late 1970s, helping feed the fire that provided heat and hot water to his family.

Thirty years later, Mr. Cook dragged the boiler out of his childhood home and hooked it up in the house that he and his wife, Jennifer, own to cut their oil bills.

“I did not want to pay \$3,000 to heat this house,” Mr. Cook said in his garage here in Vermont’s heavily wooded Northeast Kingdom. “I see a lot more people burning wood this year.”

After years of steep decline, wood heat is back, with people flocking to dealers to buy new wood stoves, wood boilers and stoves that burn pellets made of wood byproducts. Others like Mr. Cook, to the dismay of environmentalists, are dusting off old wood-burning devices that are less efficient and more polluting.

### [Oil nears \\$98 on supply worries, OPEC](#)

LONDON (Reuters) - Oil rose on Tuesday to the highest level in a month, near \$98 a barrel, driven by expectations that supplies will be tight.

...The market is on edge over a quarrel between OPEC producer Venezuela and the world's biggest oil company, Exxon Mobil.

### [OPEC unlikely to cut oil output: sources](#)

LONDON/DUBAI (Reuters) - OPEC is unlikely to cut oil output at a meeting in March due to rising prices and uncertainty about supply from Venezuela and Nigeria, OPEC sources said on Tuesday.

### [Refineries to take more of Russia's crude - TNK-BP](#)

LONDON (Reuters) - Up to 10 million to 15 million tonnes of Russian crude per year



(200,000-300,000 barrels per day) could be sucked into a few well placed Russian refineries over the next 3-5 years, a senior refining executive said on Tuesday.

As crude production growth flags, that could mean a cut in exports.

### [Africa enters world economy](#)

African Union (AU) member countries at the weekend launched Africa's answer to the Organisation of Petroleum Exporting Countries (Opec) – the African Energy Commission or Afrec.

Afrec, which has been set up with the intention of co-ordinating policy for the energy-rich continent, was launched following a three-day meeting of AU energy ministers in Algiers.

### [Nippon Oil Buys Crude From Sakhalin-1 Under Long Term Contract](#)

(Bloomberg) -- Nippon Oil Corp., Japan's largest refiner, signed a long-term contract to buy Russian oil from Sakhalin island, the first such agreement by the country's refiners in a drive to diversify supply from the Middle East.

### [New Arctic sea floor mapping data could bolster US claims, scientists say](#)

ANCHORAGE, Alaska - New mapping data could bolster any claims the U.S. might make in the Arctic as countries including Canada in the region compete for potentially rich reserves of oil, gas and minerals buried beneath the sea floor, U.S. scientists said Monday.

...Bathymetric soundings taken last year showed the foot of Alaska's continental slope extending more than 100 nautical miles farther from the U.S. coast than previously believed, according to the National Oceanic and Atmospheric Administration.

"We found evidence that the foot of the slope was much farther out than we thought," said Larry Mayer, the chief scientist for the expedition last year. "That was the big discovery."

### [Oil companies 'are facing greater risks'](#)

DUBAI: Oil companies face the risk of underinsurance as world oil prices reach record highs, a global insurance broker and risk adviser warned yesterday.

"An increase in activity in the oil sector means that any major loss will cost more than

ever to replace," Marsh managing director Andrew George said.

### [Nigeria: Oil Exploration - Gazprom Revives North's Hope](#)

Years after the search for petroleum deposits in the North appeared to have been jettisoned, a new effort is on to explore gas resources believed to be abundant in the area.

### [Pakistan: Farmers prefer to sow oil seed crops instead of cereal crops](#)

LAHORE: The farmers would get attractive price of canola and other seed crops, as the price of palm oil has increased in the international market, Daily Times learnt here on Monday.

The Ministry of Food, Agriculture and Livestock (MINFAL) has also suggested for cultivating oilseed crops, as the profitability of these crops are the highest.

### [Biofuel blight threatens spectacular Kenyan wetland](#)

A flourishing wetland on Kenya's northern coast is under serious threat from plans to grow vast amounts of sugarcane, partly for biofuel production.

Developers want to transform nearly 50,000 acres (20,000 hectares) of the spectacular Tana River Delta into sugarcane plantations with other parts of the Delta earmarked for rice.

### [The scary oil sands](#)

Canadians' concerns over Alberta oil-sands development centre largely around its impact on climate change.

And for good reason. In a list of 207 *nations* ranked by greenhouse gas emissions, Alberta's oil sands come out higher than 145 of them.

### [Australia PM most popular for 20 years: poll](#)

CANBERRA (Reuters) - Australian Prime Minister Kevin Rudd is the country's most popular leader in two decades after apologizing to Aborigines for past injustices and ratifying the Kyoto climate pact, a poll showed on Tuesday.

[24 world cities in 'Earth Hour' black-out: organisers](#)

SYDNEY (AFP) - Twenty-four cities around the world will fall into shadow next month as homes and businesses turn off the lights to raise awareness about global warming, organisers said Tuesday.



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