



DrumBeat: March 8, 2008

Posted by [Leanan](#) on March 8, 2008 - 10:03am

Topic: [Miscellaneous](#)

[The Triumph of OPEC](#)

For much of its 47-year existence, the Organization of the Petroleum Exporting Countries (OPEC) has been a cartel in name only. It could not, in practice, control oil prices because many of its members regularly breached the production quotas that were intended to regulate the market. So OPEC generally followed oil prices up and down, as supply and demand conditions shifted. But now OPEC may be the real deal: a cartel that works. If so, that's bad news for us.

[Senate Committee Seeks Audit of Iraq Oil Money](#)

Two senior members of the Senate Armed Services Committee have requested a full accounting of how Iraq is spending its soaring oil revenues, amid starkly conflicting estimates of how much the country has invested in rebuilding its broken infrastructure and providing basic services to its citizens.

[Belarus cuts Washington off over U.S. sanctions against oil company](#)

MINSK, Belarus - The Belarusian Foreign Ministry told the U.S. ambassador on Friday to leave the country and recalled its own ambassador from the U.S. over economic sanctions Washington imposed on the former Soviet nation last year.

[State Offers Help After Waterbury Oil Company Abruptly Closes](#)

WATERBURY, Conn. -- The state is offering to help 12,000 customers of a Waterbury oil company that abruptly went out of business and left many people with pre-paid contracts in limbo.

[Official: China to put into use two more oil reserve bases](#)

BEIJING, March 8 (Xinhua) -- Another two strategic oil reserve bases will soon be put into use, a Chinese official said Saturday on the sidelines of the annual session of the

country's top political advisory body.

"Two oil reserve bases in Huangdao (of Shandong Province) and Dalian (of Liaoning Province) is near completion," said Zhang Guobao, vice minister in charge of the National Development and Reform Commission (NDRC), without elaborating how soon.

The two oil reserve bases located in Zhenhai and Zhoushan of Zhejiang Province have been put in operation.

Oil-filling at the two bases is worthwhile in terms of oil prices, and the timings have been well chosen to prevent major impact on international oil price, the official said.

[Colin J. Campbell - The first ever oil database: the history of Petroconsultants](#)

Naturally an oil company has every reason to track the activities of its competitors which can have much commercial significance. In earlier days in the United States, they used to employ people known as "scouts" who would keep rigs under observation, sometimes with binoculars.

[Bangladesh oil company sees nearly one billion dollars loss](#)

Bangladesh's state-owned oil company will post a record net loss of nearly one billion dollars in the current fiscal year due to sky-rocketing global crude oil prices, its chairman said on Saturday.

The Bangladesh Petroleum Corp (BPC), the nation's monopoly oil importer and distributor, sells fuel at prices set by the government that do not reflect the purchase cost.

[Cameroon ups state wages, cuts prices after riots](#)

YAOUNDE (Reuters) - Cameroon's President, Paul Biya, has raised state salaries by 15 percent and suspended customs duties on basic foodstuffs like fish, rice and cooking oil to ease discontent over high prices which provoked riots last week.

In two presidential decrees broadcast on state radio late on Friday, Biya increased the wages of civilian and military personnel from April 1 and raised their family allowances by 20 percent of the monthly basic salary.

[High coal price may cost you](#)

The cash price for coal that utilities burn to generate electricity exceeded \$101 per ton

this week at a West Virginia mine served by Norfolk Southern Railway.

...High-heat, low-sulfur coal from Central Appalachian mines is popular with utilities because it burns cleaner and helps them comply with federal clean-air rules. Five years ago, the same coal was selling for around \$30 per ton.

With half the state's and half the nation's electricity produced from coal, the price trend could mean higher electricity prices for Virginians. Utilities generally are allowed to pass along the increased cost of fuel for their power plants.

[Running out of gas](#)

EDMONTON -- A mysterious problem at Imperial Oil's Strathcona County refinery continued yesterday, choking off gas supply to Esso stations across Western Canada for the second day in a row.

In addition to several local service stations, fuel shortages have also been reported at Esso stations in B.C., Saskatchewan and Manitoba.

[Mexican Interior Minister Defends Earlier Energy Contracts](#)

Mexico's embattled Interior Minister, Juan Camilo Mourino, has vowed to remain in his post despite criticism over two energy contracts he signed years ago during a stint as an adviser to the Energy Ministry.

[Seventy years since oil expropriation](#)

This coming March 18 marks 70 years since General Lázaro Cárdenas nationalized Mexican oil, a conquest of the ancient country of the Aztecs that, given current efforts to reverse it, in 2008 has become a call to struggle for the political opposition and the 80-plus% of the population that opposes the so-called structural reform of the state oil company, PEMEX.

[South Africa: The consumer is dead ...](#)

Diesel generators are a great deal more expensive than electricity and once the electricity rate hike of 14% combined with the 2c KWh comes into affect, it will be inflationary along with the 10% increase in the cost of petrol.

[South Africa: The energy hoax](#)

Did the Government deliberately prevent Eskom from building new power stations and fail to curb multinational coal exports to China and India etc, in order to perpetuate the impression that SA lacked energy and to convince us that newer more radical vectors of energy, such as nuclear and biofuels were required?

[The perils of the 'Great Game'](#)

The 'Great Game' planned towards the end of nineteenth century was aimed at challenging the nineteenth century belief that 'European Civilization had its beginning in Middle East' and to establish global supremacy of Europeans. "The European powers at that time believed that they could change the Muslim majority Asia in the very fundamentals of its political existence, and in their attempt to do so introduced an artificial state system into the Middle East that has made its way into a region of countries, many of which have not become nations by definition even today."

[Better mileage than a Prius? Not so fast](#)

VW's new diesel-powered hybrid gets great mileage - better than Toyota's top-selling hybrid. Its price-tag is another story.

[Thinking green](#)

Some think going green means going lavish. Paquette says that's not the case. A house built, by design, with state-of-the-art energy-saving features costs nominally more than one without such features. However, he says, reduced fuel use of 20 percent to 40 percent on the energy-efficient house quickly recoups its cost.

"I think going green will become standard fare. I think people will turn their focus toward it and ask their builders to include these elements in the house they want to live in."

[Solar-power paint lets you generate as you decorate](#)

A lick of solar-power paint could see the roofs and walls of warehouses and other buildings generate electricity from the sun, if research by UK researchers pays off. The scientists are developing a way to paint solar cells onto the steel sheets commonly used to clad large buildings.

[Surprise Friday: Matthew Simmons](#) (with video)

Following is a summary of the main points made by Simmons during his interview with the Fast Money traders.

You're predicting \$378 a barrel!?

"We never understood the value of oil (domestically), replies Simmons. In England they're paying the equivalent of \$9 a gallon. That translates to \$378 a barrel and it's having no impact on England, right now. The cost of oil is going up, he adds, it's getting scarcer." We're not going to run out but we are peaking."

[Life after oil](#) (review of *World Made By Hand*)

Oil has now climbed past \$100 a barrel for the first time in US history. Some folks believe this is merely the result of market speculators driving up the price so that they can cash in on some serious profits. But for James Howard Kunstler, the astronomical prices are just one more sign that oil, the liquid foundation of techno-industrial civilization, is entering into a long state of emergency.

[Daylight saving time uses more energy, not less](#)

WASHINGTON — For Benjamin Franklin, daylight saving time was about saving candles and for modern lawmakers, it's about electricity — but a recent university study found it might actually cost more energy when the nation resets its clocks Sunday.

[Venezuela's coal moves may cut exports - analysts](#)

HOUSTON (Reuters) - Coal exports from Venezuela this year could fall because of government moves to take greater control of the industry, U.S. analysts and traders said Friday.

The cut in Venezuela's premium grade coal exports would come as the world runs short of coal, prices skyrocket and buyers scramble for supply.

[Iran gas: China waits as India wavers](#)

NEW DELHI - China is emerging as a potential partner in the proposed multi-billion dollar, 2,700-kilometer gas pipeline originally intended to link Iran, Pakistan and India.

[Iraq desires to improve co-op with Turkey in energy sector](#)

ANKARA, March 8 (Xinhua) -- Visiting Iraqi Minister of Oil Husayn al-Shahristani said on Saturday that Iraq desired to improve its cooperation with Turkey in the energy sector.

...He said that Iraq wants to provide gas to Turkey and considers Turkey as a transit country as well.

[Ukraine president again blasts PM on gas row](#)

Ukrainian President Viktor Yushchenko issued a new denunciation of his prime minister on Friday over her stand on gas trade with Russia ahead of new talks to resolve long-running price and supply disputes.

[Analysis: Uzbeks, S. Korea eye natural gas](#)

While Russia's Gazprom dominates Central Asian natural gas exports through its pipeline monopoly, the leaders of the "stans" are unhappy about the arrangement, as Gazprom buys cheap and sells dear to European consumers. Seeking to break the deadlock, Uzbekistan has been investigating alternatives, and on Feb. 25 state-owned Uzbekneftegaz signed an agreement with a South Korean energy consortium led by state-run Korea Gas Corp. to develop a gas field in western Uzbekistan and construct a gas-chemical industrial complex.

[Biodiesel producers could shutter without state subsidies](#)

Pennsylvania biodiesel producers said without help from the state they could go belly-up by the end of this month.

The companies are urging the Legislature to pass a bill to increase the amount of subsidies per biodiesel gallon produced. Without that boost, many of the state's producers could go out of business in less than 30 days, said Ben Wootton, president of Keystone Biofuels Inc. based in Silver Spring Township, Cumberland County.

"We've all been running on fumes and bank loans," he said.

[US dumping of biofuels will ruin us, says UK firm](#)

The US is flooding Europe with subsidised biofuels that threaten to destroy Europe's domestic refining market, the head of the biofuel company D1 Oils warned yesterday as its shares lost a third of their value.

[David Keith and Thomas Homer-Dixon: A win-win-win solution](#)

What should we do with the carbon we produce when we burn fossil fuels? Some experts say we should fight climate change by putting the carbon back underground, whence it

came.

[Oil rally may be economy's undoing](#)

NEW YORK - Preoccupied the last few months with shrinking credit and a slumping economy, Wall Street has all but ignored the relentless rise in oil prices that has taken a barrel of crude to a once-unthinkable \$106.

But the market may not be able to look the other way much longer — especially when consumers, already hurting from the soaring cost of gasoline, find themselves paying even more to fill their tanks come spring.

[Peak Oil Passnotes: Knock-Through](#)

We have long talked about the various impacts of higher oil and energy costs. The way that inflated energy prices knock-through into other commodities, for example by hiking transportation and extraction costs, is one of them. From commodities they then knock through into your pocket, maybe making you feel poorer, or if you bet on their rise, possibly richer.

Other impacts aside from your personal well-being or otherwise have included the run-up in food prices, also linked to transportation and manufacturing, but also to the way biofuels have been so badly mismanaged. All along we have pointed out that there is a correlation between general all round inflation due to rising energy costs, but with a significant time lag.

[The Gold In Automotive Green](#)

Whether world "peak oil" comes within a decade or several, traditional petroleum production will eventually not meet demand, especially with economies such as China and India in the early stages of an auto boom. It is becoming increasingly difficult and costly to retrieve marginal oil, and many deposits, such as the oil sands in Canada, pose formidable environmental challenges.

['When Will Peak Oil Strike' – The Renewable Energy Centre UK Comments on the Debate](#)

Peak Oil has been the subject of debate for many years and has largely been ignored by industry optimists but has continually worried many industry experts.

The big question has it seems, finally been answered with new projections placing the point of peak oil occurring within the next 10 years.

[CT Lawmakers push for clean energy department](#)

HARTFORD - A group of lawmakers, including state Rep. Terry Backer, D-Stratford, yesterday called for the creation of a new Department of Clean Energy to help the state reduce its dependence on oil.

"The days of plentiful, cheap oil are drawing to an end," Backer told reporters during an afternoon news conference. "It isn't a question of whether we will switch to a clean-energy economy, but when."

[Norway's oil capital seeks new image for post-petroleum era](#)

STAVANGER, Norway (AFP) — Long considered the oil capital of Norway, the small southwestern town of Stavanger has begun hunting for a new image that will keep the money flowing in even after the oil wells dry up.

"We really have to take advantage of the wealth we have in this town now to give us more legs to stand on going forward. We know the oil isn't going to last forever," said Helge Solum Larsen, the deputy head of the Stavanger council for city development.

[Dependence on Russian gas worries some – but not all – European countries](#)

Two years later, rumors of a common European energy policy are again circling Brussels. Russia rattled the European Union this week when it cut Ukrainian shipments by half, prompting Ukraine to threaten –briefly – to siphon Russian gas sent to Europe via Ukraine. Gazprom announced Wednesday that it was resuming full shipments.

But individual nations continue to make deals that make them reliant on Russia for the long term. This tension between the recognized need for a common market and nations acting in their own long-term energy security interests is at the core of a growing European rift over how to deal with Russia.

[Iran sees pre-election US bid to reduce oil price](#)

TEHRAN (Reuters) - A senior Iranian oil official said on Saturday he expected the oil price to fall ahead of November's U.S. presidential election, suggesting Washington would seek to push it down for political reasons.

Hojjatollah Ghanimifard told the Fars News Agency that "those in political power in the (United States) will try to (influence) the market through various factors to create interest in voters to elect individuals of their preference."

[Iraq vows to block oil contracts signed by Kurds](#)

ANKARA (AFP) - Baghdad will block any contracts signed by foreign oil companies with Iraqi Kurdish regional authorities, Iraq's Oil Minister Hussein Chahristani said on Saturday.

"All contracts will be handled by the central government," he told a joint press conference in Ankara with his Turkish counterpart Hilmi Guler.

"No contracts signed by any regions in Iraq will be recognised by the government of Iraq. Companies will not be allowed to work on Iraqi territory unless their contract is approved by the central government in Baghdad."

[Iraq's parliament faces big challenges revisiting delayed laws, speaker says](#)

BAGHDAD: Big challenges are ahead of Iraq's parliament when it resumes work March 18 and revisits controversial measures including an oil and gas law and a bill to set up provincial elections, Iraq's parliament speaker said Saturday.

A measure aimed at regulating foreign investment in Iraq's underdeveloped oil sector, and distributing its revenues among the nation's Sunni and Shiite Arab communities and the large Kurdish minority, has been bogged down in parliament since February 2007.

[Kuwait-China \\$5bn oil refinery stalled](#)

TOKYO (KUNA): Pollution concerns in the Pearl River Delta region in southern China continue to stall the approval of an evaluation on a planned Sino-Kuwait \$5-billion oil refinery and chemical plant, the state-run China Daily reported Friday.

[Climate change a new factor in global tensions: EU](#)

BRUSSELS (AFP) - The risks of climate change have turned from a threat to reality impacting the conflict in Darfur, migration from flood-prone Bangladesh and hopes for stability in the Middle East, according to a new EU report.

From Africa to Asia, and from pole to pole, climate change has become "a threat multiplier which exacerbates existing trends, tensions and instability," warns the seven-page report on "Climate change and international security", to be presented to a European summit in Brussels on March 13-14.

[Climate Watchers Place Own Big Bet On Alaska's Thaw](#)

The Ice Classic has given them a rare, reliable climate history that has documented to the minute the onset of the annual thaw as it shifted across 91 years. By this measure, spring comes to central Alaska 10 days earlier than in 1960, said geophysicist Martin Jeffries at the University of Alaska, Fairbanks -- and that trend is accelerating. "The Nenana Ice Classic is a pretty good proxy for climate change in the 20th century," Dr. Jeffries said.



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