



DrumBeat: March 9, 2008

Posted by [Leanan](#) on March 9, 2008 - 10:11am

Topic: [Miscellaneous](#)

[Deffeyes: The New York Times](#)

Monday, March 3, apparently began with a tremendous boost. Internet reports, attributed to Jed Mouawad and the *New York Times*, contained this passage:

"Still, today's market climate is markedly different from the energy crises of the 1970s and 1980s. These were brought about by sudden interruptions in oil supplies, like the 1973 Arab oil embargo, the Iranian revolution of 1979, or the outbreak of war between Iraq and Iran in 1980. Since 2000, oil prices have more than quadrupled as strong growth in demand from the United States and Asia outstripped the ability of oil producers to increase their output."

Hot dawg! The *Times* in general, and Mouawad in particular, indicate that this one is different. This time, the wolf really is at the door. I sent Mouawad a congratulatory e-mail and welcomed him to membership in the Hubbert Society. I reacted too quickly.

[U.S. economy has less impact on oil prices now: Iran](#)

TEHRAN (Reuters) - U.S. economic performance has less impact on oil prices than in the past because growth in demand has recently come mainly from countries like China and India, a senior Iranian oil official said on Sunday.

Mohammad Ali Khatibi, speaking on the oil ministry's news Web site SHANA, said U.S. calls for a increase in crude oil production made before last week's OPEC meeting did not take into account "market realities."

[Mexico's main crude oil ports closed, one reopens](#)

MEXICO CITY, March 8 (Reuters) - Two of Mexico's three main crude oil ports were closed to shipping for a second successive day as bad weather in the Gulf of Mexico caused big sea swells, the government said on Saturday.

The ports of Dos Bocas and Cayo Arcas were shut because of waves in the Gulf of up to 14 feet (4.2 meters), the transport ministry said.

[Slumping dollar helps fuel surge in oil prices](#)

This inventory build comes in a period when it's commonplace to see seasonal draw downs rather than an increase in gasoline stockpiles. Though we are a long way from the summer drive season, current inventories look sufficient and this stock increase is pressuring gas prices. Adding further weight to gasoline are the weak demand numbers that likely reflect both the normal cyclical weakness but also changing consumer behavior due to pricing.

[Can We Survive? \(Part 1\)](#)

Four significant and interconnected physical problems are likely to reach critical stages over the next two decades. They are:

- Global warming and environmental degradation
- Depletion of key resources including oil, gas and potable water
- Pollution caused by use of fossil fuels with current technologies
- A world population that has grown beyond Earth's carrying capacity (which exacerbates the first three problems)

[What if the MSM simply can't cover humanity's self-destruction?](#)

If those who counsel inaction and delay succeed, billions of humans will suffer unimaginable misery and chaos while most other species will simply go extinct.

Maybe the best one line description of our current situation I have read is:

It may seem impossible to imagine that a technologically advanced society could choose, in essence, to destroy itself, but that is what we are now in the process of doing.

[Winds of change: Home turbines increasingly attractive, but zoning laws are still catching up](#)

Charlene Godown heeded every bit of energy-saving advice on the market. She installed double-paned windows, energy-efficient appliances and those earth-friendly, corkscrew light bulbs in her Carbon County home. Still, her monthly electricity bill was hitting \$500.

Inspiration struck. Why not build a windmill for her 1,500-square-foot house on her 10 acres in Franklin Township?

[Wave-power proposals alarm locals](#)

US waters could supply up to 10 percent of electric needs but fast-track permits anger communities.

[As world appetite grows, will oil hit \\$200 a barrel?](#)

Energy expert David Greene and American Honda's John German point to Department of Energy data that in 1980 it took 9 percent of personal disposable income to drive 10,000 miles; in June 2007 it took about 4 percent to cover the same distance.

Does that mean the cost of oil will continue to rise until consumers really feel the pain and do something about it?

This leads to another question: Will New York Times columnist John Tierney lose his \$5,000 bet to Texas investment banker Matthew Simmons, who wagered that by 2010 the average price of a barrel of oil will reach \$200, adjusted for inflation?

[Crude oil prices may surge to \\$130 this year, says fund chief](#)

LONDON: Crude oil may reach a record \$130 a barrel this year because pension funds are investing more in commodities, said Pierre Andurand, the chief investment officer of BlueGold Capital Management, a hedge fund. The outlook for oil over the next five years is also "bullish" as producers find it hard to replenish reserves, and demand outpaces supply, London-based Andurand said.

[Aramco to miss Khursaniyah deadline](#)

Saudi Aramco's plans to boost production at its Khursaniyah oil field by 500,000 barrels a day (b/d) by April are unlikely to be met, according to contractors working on the project.

Two senior executives working on different parts of the scheme say that only a limited increase in supplies will be possible by mid-April, with the full expansion delayed because of a shortage of skilled contractor labour.

[Service giants split \\$1bn Manifa heavy oil drilling work](#)

Global oil service giants France's Schlumberger and the US' Halliburton are to be awarded separate drilling deals worth up to \$1bn in total by Saudi Aramco for the 900,000-barrel-a-day (b/d) Manifa heavy oil field.

[Background Note: Saudi Arabia U.S. State Department](#)

The Bureau of Near Eastern Affairs of the U.S. State Department recently updated its online "Background Note" for Saudi Arabia. These documents serve as an excellent country profile and include categories such as: people, history, government, political conditions, economy, foreign relations, U.S. relations, travel and business. Today we provide for your consideration the US-Saudi Arabian Relations portion of the newly revised "Background Note."

[Sri Lanka CPC to boost cooking gas production; start retailing by June](#)

LBO) – Sri Lanka's state-owned petroleum utility will enter the liquid petroleum gas (LPG) market by June using fuel dealerships, a top official said, while plans are underway to boost gas production.

[Solar panels produce energy and lessons for schools](#)

Texas schoolyards can get really hot when the sun beats down on those tree-starved fields.

Now, thanks to a donation by TXU Energy, schools can put that solar heat to a better use. The retail electricity unit of Energy Future Holdings is donating solar panels to several Texas schools to accompany a new energy curriculum.

[New York: Toward a green tomorrow](#)

Many experts predict that the world will be grappling with a serious energy crisis within the next 50 years unless society takes steps now to reduce dependence on fossil fuels. The same goes for global warming. While 50 years may seem too far away to worry about now, Gov. Eliot Spitzer is right to make renewable energy a priority, rather than pass the problem off on future generations of New Yorkers.

[Harsh truth behind oil at \\$105 a barrel](#)

Who would have believed that the world could shoulder an oil price that reached a record high in New York last week of \$105 a barrel? The soaraway price of black gold has prompted apocalyptic visions of a planet that will soon run out of oil, with dire consequences for mankind. While many will find that prognosis unnecessarily alarmist,

even serious economic commentators are talking about 'peak oil'.

According to this theory, we have reached the point of no return: demand is so strong that supply cannot hope to keep up. High oil prices are something we are going to have to live with for the foreseeable future.

[Could Arctic ice melt spawn new kind of cold war?](#)

WASHINGTON (Reuters) - With oil above \$100 a barrel and Arctic ice melting faster than ever, some of the world's most powerful countries -- including the United States and Russia -- are looking north to a possible energy bonanza.

This prospective scramble for buried Arctic mineral wealth made more accessible by freshly melted seas could bring on a completely different kind of cold war, a scholar and former Coast Guard officer says.

[OPEC does U.S. favor, indirectly](#)

As the price for a barrel of oil soars to new records, OPEC sure doesn't seem like our friend.

But that raises the question of what friends are for. Sometimes friends tell us things we don't want to hear — and OPEC sure gave the U.S. an earful last week.

[Require flex fuel to stop OPEC's hold](#)

A little-known section of the Energy Security Act of 2007 contained a provision that would require within five years all new vehicles sold (foreign and domestic) in the United States be capable of running on alcohol fuels (a.k.a. "flex fuel") as well as gasoline. It costs, on average, about \$100 to make a car flex-fuel capable. The most common flex fuel available today is ethanol, or E85, but flex-fuel cars can run on any alcohol-based fuel such as methanol or butanol and, of course, on gasoline.

[Alaska plays hardball with oil companies](#)

Alaska Gov. Sarah Palin is challenging some of the world's biggest oil companies, and like Venezuela President Hugo Chavez, she's not backing down.

Palin threatened to evict Exxon Mobil Corp., the world's biggest oil company, and partners BP, Chevron and ConocoPhillips from a state-owned gas field, winning their promise to increase Alaska's natural gas output 17 percent. She raised taxes on oil profits by \$1.5 billion a year and rejected industry ownership of a \$25 billion pipeline.

[Drilling for oil to start in Falkland Islands](#)

The inhabitants of the Falkland Islands are preparing for a South Atlantic oil rush which they hope will make them among the richest people in the world.

After 10 years of frustrating delays since oil fields containing up to 60 billion barrels of "black gold" were discovered off the islands, oil companies are planning to start drilling within the next 12 months.

[Oil prices have Gulf drillers going deeper](#)

Though industry leaders say oil prices have stoked interest in Gulf drilling, the number of rigs actively working in the Gulf has actually declined in the past year. As of Friday, 60 rigs were working in the Gulf, down from 87 one year ago.

"The Gulf (rig count) is kind of a head-scratcher," said Gene Shiels, assistant director of investor relations at Baker Hughes, the Houston firm that has conducted industrywide rig counts since 1944.

[Russia's oil and gas giant Gazprom may fund 2012 Olympics](#)

If a deal is struck it will come at a time when diplomatic ties between Britain and Russia hang in the balance. Gordon Brown is hoping that relations will improve following the election of Dmitry Medvedev as Russia's new president.

[How ConocoPhillips kept cat in the bag](#)

Last month, ConocoPhillips revealed plans to build a new technology center and corporate learning center on the 432-acre former StorageTek campus in Louisville it purchased from Sun Microsystems for \$58.5 million. The announcement culminated a highly secretive process in which fewer than a half-dozen people knew the company's intentions.

"Colorado has been associated with oil, but is very pro new energy," said Mary Manning, general manager for global real estate and facilities service for ConocoPhillips. "We want to be a leader in that area. It was a great fit."

[The best is yet to come](#)

Although ConocoPhillips has yet to announce details concerning its final plans for the site, we know they're making a major commitment to find practical ways to produce renewable energy, increase energy-efficiency and integrate new energy technologies. They are currently the nation's third-largest oil company and continue seeking ways to make liquid fuels from environmentally sound renewable sources. They also want to discover practical ways to convert coal, our nation's most abundant energy resource, into a clean-burning hydrogen fuel.

[In China's growth, oil company looking for oil, gas and profits](#)

Today, Ingriselli, 53, is again trying to strike oil and gas deals in the world's most populous nation. Ingriselli is president and chief executive of Pacific Asia Petroleum Inc., a company he started with two partners in 2005.

He has recruited a cadre of 10 former Texaco executives and managers to join him in a quest to turn China's seemingly insatiable demand for energy into shareholder wealth.

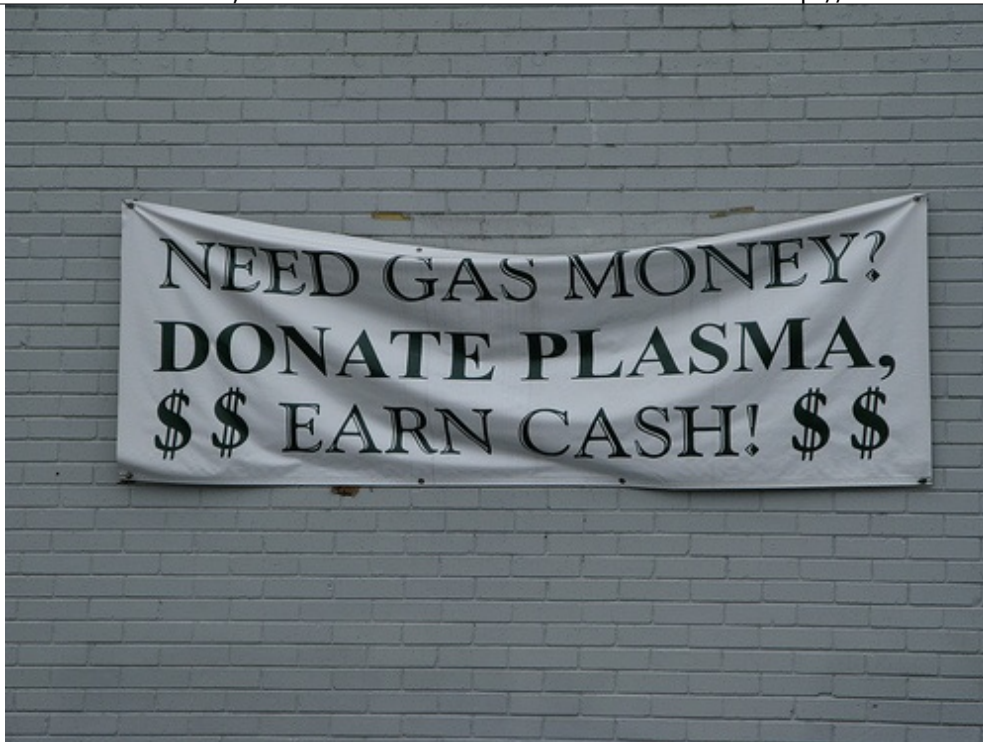
[Top Tire Makers Announce Further Price Increases](#)

TOKYO, Japan/PARIS, France – In February the world's two biggest tire makers Michelin and Bridgestone pointed to further raw material prices increases hitting the market. French tire giant Michelin kicked off a fresh round of price rises in Europe, passing on a spike in raw material prices including natural rubber, synthetic rubber, steel and oil.

[Folding Bike Pricing Increasing Friday](#)

Due to the falling dollar and rising fuel costs, pricing on all folding bikes has gone up substantially. On some models, the increase is @ 30%, far more than I could ever hope to absorb. Unfortunately, that means prices are going up across the board; I'm in the process of making the changes now.

[Blood for oil](#)



When I was in college, the stereotype of these plasma centers was that it was all junkies who sold their blood to get their next fix. Seems apropos.

[The Crash is past, Comes now Inflation](#)

So, essentially, what we've done over the past 30 years of deregulating banking and finance is create incentives for speculating and arbitrage, while creating disincentives for actual investment of capital in the real economy. We have shifted from industrial capitalism to financial capitalism. Rather than building a new economy of alternative energies and green technologies, Wall Street, U.S. elites, and the oilarchies have dug in to defend what they have. They have dug in to defend the past.

[Texas poised to become regional hub for ethanol](#)

...Texas is poised to emerge as a key regional hub for ethanol production — now centered in the corn-rich Midwest — as U.S. demand rises for the renewable fuel.

But even the companies behind the projects acknowledge this isn't the best time to be opening new corn ethanol plants.

[U.S. raises bar on Energy Star label](#)

WASHINGTON — The Energy Department is beefing up standards for washing machines sold with the Energy Star label, which identifies less-energy hungry

appliances.

The department said Friday the change is projected to save \$92.4 million on water and utility bills in the first year, based on a projection that 1.9 million washers will be sold under the new Energy Star requirements beginning July 1, 2009.

[TOP 10: Ways to deal with \\$4-a-gallon gasoline](#)

10. Take second job -- have paycheck deposited directly with oil companies.
9. Get interest-free credit card -- a siphon hose.
8. Run red lights so you don't waste gas idling in traffic.



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