



## DrumBeat: April 9, 2008

Posted by [Leanan](#) on April 9, 2008 - 9:06am

Topic: [Miscellaneous](#)

### [Raymond J. Learsy: As Oil Touches All Time Highs, Our Department of Energy Takes Us For Fools](#)

Our oil whiz, Secretary Bodman of the Department of Energy, perhaps a distant cousin of "Great Job Brownie" of Katrina fame, wrote a letter to the New York Times 3.30.08 rebutting points in an editorial "Pain at the Pump and Beyond" 3.25.08, proceeding I would imagine on the assumption that everyone is as much out of the loop on oil issues as he is.

### [Venezuela seeks new operator for Chalmette refinery.](#)

CARACAS (Reuters) - Venezuela is seeking to remove Exxon Mobil as the operator of its joint-venture refinery in Chalmette, Louisiana, Oil Minister Rafael Ramirez said on Wednesday .

The move escalates the OPEC nation's battle with the biggest publicly traded oil company sparked by Venezuela's takeover of a multibillion-dollar oil project last year.

### [Enterprise Shuts Gas Line for Up to 4 Weeks on Leak](#)

(Bloomberg) -- Enterprise Product Partners LP, the second-largest U.S. pipeline partnership by market value, shut its Independence Hub natural gas platform and a related pipeline in the Gulf of Mexico for repairs that may take four weeks.

### [Predicting the End of the Commodity Bubble](#)

Is history about to repeat itself? And could Russia be an unintended victim of a commodity price bubble that will soon burst?

### [Carbon Dioxide Emissions Accelerating Rapidly](#)

Global carbon dioxide (CO<sub>2</sub>) emissions from the burning of fossil fuels stood at a record 8.38 gigatons of carbon (GtC) in 2006, 20 percent above the level in 2000. Emissions grew 3.1 percent a year between 2000 and 2006, more than twice the rate of growth during the 1990s. Carbon dioxide emissions have been growing steadily for 200 years, since fossil fuel burning began on a large scale at the start of the Industrial Revolution. But the growth in emissions is now accelerating despite unambiguous evidence that carbon dioxide is warming the planet and disrupting ecosystems around the globe.

### [North Dakota - the next Saudi Arabia](#)

No question: Rising oil prices and technological progress will make it cost-effective to extract *some* of Bakken's shale oil and get it to market. But will that flow fundamentally challenge the peak oil thesis? From this corner, the hope seems like a stretch. The world is running low on cheap, easy-to-recover oil, of that there is no doubt. The possibility that the supply of expensive, hard-to-recover oil will keep pace with growing global demand appears dim.

### [Forecaster raises Atlantic hurricane number](#)

MIAMI (Reuters) - The noted Colorado State University hurricane research team on Wednesday raised the number of tropical storms and hurricanes it expects to form in the upcoming Atlantic storm season.

The team founded by forecasting pioneer Bill Gray increased its outlook by two tropical storms to 15, and by one hurricane to eight, compared with a long-term average of around 10 and six, respectively, for a storm season.

"Current oceanic and atmospheric trends indicate that we will likely have an active Atlantic basin hurricane season," said Gray in a statement.

### [British Energy monopoly 'unacceptable'](#)

The Government fired a warning shot to potential bidders for British Energy yesterday by saying it will not tolerate the emergence of a single monopoly player in Britain's drive to build a new generation of nuclear reactors.

### [Pride CEO says Mexico energy debate paralyzes Pemex](#)

NEW ORLEANS (Reuters) - The chief executive of U.S. offshore drilling contractor Pride International Inc said on Wednesday uncertainty over investment rules for Mexico's energy industry has paralyzed state oil company Pemex and is making it challenging to do business there.

### [Calderon's bid for oil liberalization gets ho-hum reaction](#)

MEXICO CITY — Analysts said today that President Felipe Calderon's energy reform bill is a good a start, but falls short of making the sweeping changes necessary to set Mexico's ailing state oil company back on track.

### [Cap-and-trade push grows in U.S.](#)

WASHINGTON — Momentum is building in the United States for adoption of a national cap-and-trade system to reduce greenhouse gas emissions, but it won't come without a titanic fight.

### ['Splash and dash' hits UK biofuels firm](#)

The enormous damage being done by "splash and dash" imports of American biodiesel were highlighted today when one of the UK's leading operators, D1 Oils, said it was closing down all its refining operations in Britain after running up a £46m loss annual loss.

...Elliott Mannis, the D1 chief executive, said it was "extremely frustrating" that the company had been forced to bow out of refining because nothing had been done to stop the deluge of B99 biodiesel from the US. "It's an unbelievable situation and there is no end in sight," he added.

### [Car rentals go "green"](#)

ATLANTA, Georgia (AP) -- The car rental business is slowly undergoing a green evolution, packing its fleets with more hybrids and fuel efficient vehicles.

But so far, it's been a cautious transition, since there's no telling whether consumer demand will meet the supply.

### [Saudi Aramco Expects Khursaniyah On-Stream This Month](#)

(Bloomberg) -- Saudi Arabia will start adding 500,000 barrels a day of oil to its total capacity when the Khursaniyah field comes on stream this month, an official at state-run oil company Saudi Aramco said.

The "Khursaniyah field is coming on this month and within a month will be at 300,000 barrels a day," Abdulaziz al-Judaimi, vice president of new business development at Saudi Aramco, said today at the World National Oil Companies conference in London. Development work at the Khursaniyah field, on the east coast, will eventually add

500,000 barrels a day to the country's production capacity.

Aramco will add a further 250,000 barrels a day by the end of the year when its 500,000 barrel-a-day Shaybah oil field expansion, in the desert known as Rub al Khali, or Empty Quarter, is complete. "Shaybah will come on in December," al-Judaimi said.

### [KunstlerCast #8: The Glossary of Nowhere](#)

When James Howard Kunstler wrote *The Geography of Nowhere*, it was to give people "the vocabulary to understand what's wrong with the places they ought to know best." In this installment we run down a few choice Kunstlerisms, like "parking lagoons", "nature Band-Aids" and "patriotic totems." Kunstler also tells us why the depressing topic of suburban sprawl is also really funny.

### [Brace yourself for electric shocks](#)

In the Californian energy crisis of 2000-01, traders at Enron used strategies nicknamed Death Star and Fat Boy to manipulate the state's crumbling electricity infrastructure for profit.

To this roll call of scams, is it now time to add another – the Highland Fling? The allegation is that power stations in Scotland were shut down to create artificial constraints on supply, only to be reopened, providing an opportunity for a windfall profit.

### [Good to the last drop](#)

Sorry Out of Gas

In this two-part series, Nancy Tousley looks at how architecture met the demand of fuel shortages in the '70s.

### [Generator sales soar as South Africa fights off energy crisis](#)

SOUTH Africans are rushing to buy generators as the country's power cuts become more frequent – and some suppliers are even running out of stock.

### [Gaza's agriculture on the verge of collapse](#)

Deputy-minister of agriculture, Ibrahim Al-Qedra, said in a statement faxed to the

press that the fishing industry alone needs 20,000 liters of gasoline and 6,000 liters of Benzene, noting that the fishing season is focused on April and May

Al-Qedra stated that the lack of fuel has led to a complete stoppage of all agricultural equipment and that machines at local canning factories have already stopped working due to lack of fuel.

### ['Energy poverty and income poverty are linked'](#)

Econometric modelling is required to examine the food-fuel relationship to find out how much land use patterns are changing. How much of the price rise is due to dearer oil? There is a close link between energy poverty and income poverty.

### [Nigeria: The Return of Fuel Queues](#)

Fuel queues are sad and embarrassing reminders of Nigeria's senseless dependence on imported refined petroleum products. As usual, the federal government has responded by passing the buck. The NNPC blames the development on panic-buying by consumers following threats by oil workers to go on strike. The Department of Petroleum Resources (DPR), the regulator of the downstream sector of the oil industry, said it had intercepted shiploads of fuel with high ethanol content, and that news of the interception led to speculation of shortage that triggered panic-buying and consequently the long queues.

### [Pakistan: Loadshedding swells to 7 hrs](#)

LAHORE - The seven out of eight electric power distribution companies of PEPCO has resorted to seven-hour loadshedding on Tuesday following the implementation of decision of giving 300mw additional electricity to the Karachi Electric Supply Company (KESC) coupled with the overall electricity shortfall touching the 2800 MW mark.

### [Pakistan: Power crisis puts authorities in an unenviable position](#)

The new government has to adopt all possible measures to improve the supply and curtail the demand for electricity. Forcing commercial markets to conserve electricity should be has an important element in the overall power management strategy.

### [Bangladesh: Price hike reaches intolerable level](#)

Chief of Army Staff General Moeen U Ahmed yesterday said, the prices of essentials have shot up to such a high level that it has been very difficult for the people to tolerate.

The tendencies of some consumers who purchase huge amount of commodities create panic in the market and rise prices of essentials, he said adding that trends of stockholding commodities by importers, wholesalers and retailers are also pushing up prices.

### [Calderon Says Mexico Must Act Now to Stop Decline in Oil Output](#)

(Bloomberg) -- President Felipe Calderon said Mexico must move urgently to reverse declines in oil output and reserves and proposed allowing foreign and private companies to refine, produce and transport crude.

``We have to act now because we're running out of time and out of oil," Calderon said yesterday during a 13-minute, nationally televised speech from Mexico City. He spoke after his party presented an energy reform proposal to the Senate.

### [Mexico Pemex to issue 5 bln pesos of citizens' debt](#)

MEXICO CITY (Reuters) - Mexico's oil state giant Pemex would initially issue around 5 billion pesos of citizens' bonds under a government reform plan, Energy Minister Georgina Kessel said Wednesday.

### [Gulf Finance House Plans \\$10 Billion Energy Hub in Kazakhstan](#)

(Bloomberg) -- Gulf Finance House E.C., Bahrain's largest investment bank by market value, plans to build a \$10 billion business park for energy companies in Kazakhstan, holder of 3.3 percent of the world's oil.

### [Thick ice halts production at White Rose oil field again](#)

For the second time within a week, heavy ice has prompted Husky Energy to suspend production at an oilfield off the coast of Newfoundland.

### [Petrobras: \\$535 Million In Ecuador Investments On Hold](#)

Brazil's Petroleo Brasileiro, or Petrobras, has put on hold some \$535 million in planned investments in operating fields in Ecuador, waiting for a definitive solution to a contract dispute with the government, high-level Petrobras officials said Tuesday.

Petrobras is accused of breaking legal regulations by transferring exploration rights to Japan's Teikoku Oil Co., a unit of Impex Holdings Inc., in 2005.

### [Kazmunaigas EP: Oil Duty Could Cost \\$800M A Year](#)

London-listed Kazakh oil and gas producer KazMunaiGas Exploration Production Tuesday said the financial impact of a new export duty on crude oil could be about \$800 million.

..."Should the new export duty of \$109.91 per ton be applied to the entire export volumes of Uzenmunaigas and Embamunaigas, the estimated annualized financial impact, before income taxes, would be approximately \$800 million," the company said in a statement. "In light of an increase in the tax burden, KMG EP will be undertaking a review of its production, financial and investment plans."

### [Official urges China's power plants to invest in coal sector](#)

BEIJING, April 9 (Xinhua) -- China's electricity regulator has advised major power companies to merge with or acquire coal producers and transporters to help stabilize costs and supplies.

Utilities could slow the expansion of their thermal-power capacity and instead invest in coal transport firms and mines, Zou Yiqiao, director of the price and financial supervision department of the State Electricity Regulatory Commission (SERC), was quoted as saying by Shanghai Securities News on Wednesday.

### [Oil, Iraq and U.S. Foreign Policy: A Way Forward](#)

So, the results of our disastrous "oil policy" is that Exxon and Conoco Philips have been kicked out of Venezuela and are in arbitration. That can't be good for American oil interests. Russia has found ways to reduce British Petroleum's reserves in the region, and that can't be good for American interests (remember, BP is a major player in the U.S. after their takeovers of U.S. companies Amoco and Atlantic Richfield). Also, has anyone noticed recently how foreign oil majors like StatOil, Total and Eni SPA have been getting more and more business from Russia, Venezuela, and other oil rich regions at the expense of the American oil majors? This is proof that Bush's policies have been a total failure in the one area where he and his buddy Dick Cheney were supposed to be experts: OIL.

### [Masdar City: Not a showcase, but an 'Entrepreneurial Eco-system'](#)

But here's a problem that all smart policy-makers in the oil producing countries are faced with: not only are their oil reserves expected to eventually run out (EIA estimates peak oil to be reached in year 2037), but they face also a mounting awareness around the world of the negative impact of continued dependence on fossil fuel.

## [Will the future look like the Jetsons or Ingalls?](#)

Erickson, a retired IBM engineer, uses various calculations and models to predict that we are on the downward side of the peak oil boom. If he's right, Saudi Arabians will go back to riding camels and our society may look more like the Amish community than the jet-setting, cosmopolitan culture that seems to be a given as we look ahead.

"Our future is not going to be a bigger and better replication of our past," Erickson explains.

## [The Big Picture: Resource Collapse](#)

We (the human we) have pushed the limits of many of the resources our civilization has come to depend upon. Oil is the most talked-about example, but from topsoil to fisheries, water to wheat, many of the resources underpinning life and society as we know it face significant threat. In many cases, this threat comes from simple over-consumption; in others, it comes from ecosystem damage (often, but not always, made worse by over-consumption).

## [World Made By Hand](#)

**High gas prices, the war in Iraq, the tremulous stock market:** Complain all you want, but these troubling times are doing their part to fuel post-apocalyptic literature. Unlike the bleakness of style and subject in Cormac McCarthy's *The Road*, James Howard Kunstler's *World Made by Hand* is an end-of-days novel that is more a pleasure than a burden to read; it frightens without becoming ridiculously nightmarish, it cautions without being too judgmental, and it offers glimmers of hope we don't have to read between the lines to comprehend.

## [10 more years of research to make solar energy competitive - peak oil](#)

Efficiency issues still make solar power a tough investment sell against fossil fuels. Research is driving to use solar energy to directly produce hydrogen from water for use as a transportation fuel.

Despite oil prices that hover around \$100 a barrel, it may take at least 10 or more years of intensive research and development to reduce the cost of solar energy to levels competitive with petroleum, in the eyes of one expert.

## [Turning up the Heat on Coal Investing](#)



Opponents of coal use are turning up the heat. This week, protests turned violent against a coal-fired plant being built in North Carolina by a unit of DUKE ENERGY.

Eight demonstrators from a group called "Rising Tide" were arrested after chaining themselves to construction equipment at the Cliffside facility. Others were stunned with Tasers and charged with trespassing, as police cleared the facility so work could resume.

### [The real reason why oil is so expensive](#)

OPEC pumped an average 32.35m barrels a day in March, down 85,000 barrels from February. Production by the 12 members with quotas (all except Iraq) fell 30,000 barrels to 29.97m barrels a day. This is the first time output has fallen in seven months.

### [Oasis budget airline stops flying](#)

Hundreds of passengers have been left stranded after the Hong Kong airline Oasis stopped flying and applied to go into liquidation.

...Soaring fuel bills have forced other airlines out of business recently, including the Hawaiian airline Aloha and the business class airline Maxjet.

### [Oil Services Exec Cites Weak Investment](#)

NEW ORLEANS - Efforts to boost the supply of oil in the face of expanding world demand are being hampered by insufficient investment, despite surging crude prices, the head of a major petroleum services company said Monday.

### [Mexico submits oil reform proposal](#)

MEXICO CITY - Mexico's president on Tuesday sent an energy reform bill to the Senate aimed at allowing private contractors a greater role in helping the ailing state oil company boost declining production and build new refineries.

Felipe Calderon stressed that the bill would not privatize Petroleos Mexicanos, or Pemex, a volatile issue that has led the leftist opposition to threaten massive protests if the conservative government tries to sell off a company seen as a symbol of national sovereignty.

### [Venezuela to Boost Oil, Gas, Refining, Build Own Rigs](#)

(Bloomberg) -- Venezuela plans to boost its oil and gas production, refining and reserves and ship more oil to China, an executive at state-run Petroleos de Venezuela SA said.

Venezuela will pump 3.5 million barrels a day of oil this year and 6.8 million barrels a day in 2021, Luis Vierma, PDVSA's vice president of exploration and production, said at the World National Oil Companies conference in London today. PDVSA wants to build its own drilling rigs and build a fleet of tankers to ship its oil to China, where it already sends about 300,000 barrels a day.

``There are no rigs available around the world," Vierma said. ``For that reason we are going to build our own rigs." A tanker fleet will help the nation ``capture markets in Asia," he said.

### [Venezuela, India sign joint venture in oil-gas-rich Orinoco](#)

CARACAS (AFP) - Venezuela and India on Tuesday signed a five-year, 400-million-dollar joint venture to drill for oil and gas in Venezuela's oil-rich southeastern Orinoco region, Oil and Energy Minister Rafael Ramirez said.

### [BP Ceyhan Pipeline's Daily Oil Exports to Increase 16.6% in May](#)

(Bloomberg) -- Daily Azeri crude oil shipments through a BP Plc-operated Caspian Sea pipeline to the Turkish port of Ceyhan will rise about 16.6 percent next month, loading schedules show.

### [BP Could Lose \\$20 Billion to Gazprom](#)

The Russian government in general, and Gazprom in particular, has a history of forcing foreign oil and gas companies out of local fields through corporate and legal harassment and tax hikes. The government hasn't gone so far as to say, "leave Russia to the Russians," publicly, but you can imagine the sentiment being passed between cabinet ministers and police chiefs as they rifle through TNK-BP's Moscow offices (which they did a couple of weeks ago).

### [Alaska now has 2 gas pipeline proposals](#)

JUNEAU, Alaska - For decades, Alaska has unsuccessfully pursued a pipeline project that would ship natural gas to U.S. markets to power homes and business. After years of failure and frustration, suddenly there are a pair of viable proposals on the drawing board.

### [Chile Power Shortage May Disrupt Mines, Spur Copper to Record](#)

(Bloomberg) -- An energy shortage in Chile may do for copper what cuts in electricity supplies did for platinum in South Africa -- spark a record-setting rally in prices.

### [OPEC Countries Pumping Less Crude On Maintenance: Survey](#)

LONDON -- OPEC member countries pumped 110,000 barrels of crude oil a day less in March than they did in February, according to a survey released by Platts. Platts said much of the decline is related more to maintenance work in Nigeria and Venezuela than any shift in philosophy.

### [Dems push for forcing Iraq to spend its oil surplus](#)

WASHINGTON — Democrats plan to push legislation this spring that would force the Iraqi government to spend its own surplus in oil revenues to rebuild the country, sparing U.S. dollars.

### [Our fool's paradise to crumble as calamities set to collide](#)

Our life in fool's paradise is ending. Just as all humans eventually must face demise, so too the world's good times are going. Add a pinch of pollution, a few drops of peak oil, the quickening of climate change, an aging population, and we experience the bursting of the capitalistic bubble, fueled by debt, which has allowed everybody to live beyond their means: corporations, states, families, depleting non-renewable resources in the process.

### [China Nuclear Seeks Canadian Acquisition for Uranium Reserves](#)

(Bloomberg) -- China National Nuclear Corp., the nation's largest nuclear power plant builder, said it is looking for Canadian acquisitions or partners to help boost uranium reserves and its plans to sell reactors in North America.

The state-owned company is considering options including takeovers and supply agreements that range in value from "several hundred million dollars to more than a billion," Cui Jianchun, general manager of subsidiary CNNC Finance Co., said in an interview in Toronto.

### [Low-carbon living takes off in the US](#)

Cohousing offers a low-carbon lifestyle, and developers are poised for a market that could soon burgeon in the US, according to a new study. Until now, cohousing has occupied a niche market in the US, but the paper by Dr Jo Williams at UCL (University College London) suggests the situation is changing. Cohousing not only helps to halve

energy use, it offers health and social benefits for families and older people seeking secure and affordable homes.

### [Food price rises threaten global security - UN](#)

Rising food prices could spark worldwide unrest and threaten political stability, the UN's top humanitarian official warned yesterday after two days of rioting in Egypt over the doubling of prices of basic foods in a year and protests in other parts of the world.

Sir John Holmes, undersecretary general for humanitarian affairs and the UN's emergency relief coordinator, told a conference in Dubai that escalating prices would trigger protests and riots in vulnerable nations. He said food scarcity and soaring fuel prices would compound the damaging effects of global warming. Prices have risen 40% on average globally since last summer.

### [Spain's worst drought for a generation leaves water and comradeship in short supply](#)

Spain is suffering its worst drought in more than four decades, pitting the country's regions against each other in a fierce battle over water resources.

### [Airbus boss says aviation unfairly targeted over climate change](#)

AUCKLAND (AFP) - The aviation industry is being unfairly targeted over climate change and future reductions in aircraft emissions should be based on technological innovation rather than regulation, Airbus chief Tom Enders said Wednesday.

"We think it's a little bit unfair that the aviation sector is singled out for attack by many environmental groups, maybe because we are more visible than other groups," Enders told a media briefing in Auckland.

### [White House hopefuls woo Gore, focus on climate](#)

WASHINGTON (Reuters) - Democratic White House hopefuls Hillary Clinton and Barack Obama speak often about green jobs, emissions cuts and renewable energy. But they have more than global warming on their minds when they talk of environmental policy.

The long-term goal may be saving the planet, but the short-term one is winning the backing of former Vice President Al Gore.



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