



DrumBeat: April 10, 2008

Posted by [Leanan](#) on April 10, 2008 - 9:23am

Topic: [Miscellaneous](#)

[Delta, Northwest could announce merger next week](#)

Pressured by extraordinary jet fuel prices, Delta and Northwest airlines want to announce a merger deal as soon as next week, according to two sources briefed on the airlines' plans.

The companies, which were ready to announce a merger in February, have held off for two months in hopes the unions representing their pilots would agree quickly on how to merge their memberships. Merging the pilots into one union with one labor contract would allow the airlines to use each others' planes, airport gates and pilots most efficiently as soon as the merger closed.

Although the pilots have not come to agreement, the companies feel pressured to move forward now with a merger — with or without an agreement between the pilot groups — because of the crisis in jet fuel prices, the sources say.

[Phil Flynn: Lost in a Fog](#)

There are those that will claim we are in a new era of peak oil and that oil supplies are being controlled by unfriendly countries and that oil has only one way to go but up. That oil is a finite resource and that we will never see prices be cheap for a sustained period again. Of course this argument is not one I am taking from today but back in the 1970's.

[Lukoil tries to pacify indigenous people](#)

One of the newest oil-producing regions in Russia, the Nenets autonomous district is home to lucrative projects for Lukoil and Rosneft. It is also home to a population of 7,000 indigenous Nenets whose livelihood and semi-nomadic way of life are being increasingly threatened by the growing oil industry.

[Shell signs accord for China to buy liquid natural gas from Qatar](#)

China signed a 25-year agreement Thursday with Royal Dutch Shell PLC and Qatargas

to buy three million tons of liquid natural gas a year from Qatar.

[Strategic move: Hugo Chávez seeks to nationalise the cement and steel industries](#)

IN A surprise decision, the government of President Hugo Chávez announced in the early hours of April 9th that it would renationalise the huge steel complex belonging to Sidor, which has been embroiled in a bitter labour dispute for over a year. Just days earlier the president had taken a similar decision in relation to the cement industry: three foreign transnationals—Mexico's Cemex, France's Lafarge, and Holcim of Switzerland—which supply most of the local market, are being offered a joint-venture scheme like the one applied last year to the oil companies in the Orinoco heavy-oil belt.

Oil, steel and cement have all been declared “strategic” industries, and must therefore, according to the government's economic and political programme, be placed under state control.

[U.S. navy secures oil, fights drugs off Africa](#)

DAKAR (Reuters) - The United States is stepping up its naval presence in the lawless waters off West Africa to secure vital oil supplies and curb drug smuggling being used to finance terrorism, an admiral said.

[If Peak Oil comes, my family is screwed](#)

At Williams-Sonoma I bought a yogurt maker. This was sort of beside the point, Peak Oil-wise, and had more to do with trying to reduce the volume of food packaging coming into our home, although part of my justification for the splurge could be summarized as: "What if we can't find yogurt after Peak Oil? We need to keep our acidophilus counts high in our stomachs in case we have to, you know, digest rats or whatever." In any case, the yogurt maker runs on electricity, so after the oil crisis, there won't be any home made yogurt. We'll have to rely on the enzymic assistance of pineapple, vis a vis the rats.

[Next-generation nuclear fuel may be too hot to handle: report](#)

PARIS (AFP) - New high-efficiency nuclear fuel meant to burn longer and stronger may prove unstable in an emergency and hard to dispose of, according experts cited in a report published Wednesday.

[Shell wants developing nations in carbon market](#)

Royal Dutch Shell wants a global carbon market to be introduced as "quickly as possible"

to ensure nations like India and China participate.

"We need this as soon as possible to ensure that CO2 reduction dollars focus on the most cost-effective and implementable solutions globally," Malcolm Brinded, Shell's head of exploration and production, said at an energy conference in Paris today.

[Russia to Cut Oil Taxes as Production 'Stagnates'](#)

(Bloomberg) -- Russia will cut taxes on oil companies to overcome production "stagnation" after a decade of growth, Energy and Industry Minister Viktor Khristenko said.

"The output level we have today is a plateau, stagnation," Khristenko said in an interview with Bloomberg Television in Moscow. "We hope the debate on tax changes will be complete within two or three months."

[Greer: Master Conservers](#)

For those of us who have been watching the energy scene for the last few decades, there's a certain wry amusement to be gained from the daily fare on the peak oil newsblogs. Once the conservation and appropriate tech movements of the 1970s collapsed beneath the weight of the falling oil prices of the 1980s, it became highly unfashionable to question the theory that the market economy could extract infinite resources from a finite planet.

[Saudi oil minister predicts fossil fuels to serve global energy needs for at least 50 years](#)

PARIS (AP) - Fossil fuels will supply the bulk of global energy needs for at least the next 50 years, the oil minister of OPEC's biggest oil producer said Thursday.

Saudi Arabia's Oil Minister Ali Naimi said told the International Oil Summit in Paris that his country is boosting production and refining capacity to meet future demand.

[IEA Chief Nobu Tanaka Urges Oil Producers To Maintain Output](#)

International Energy Agency executive director Nobu Tanaka repeated a call to oil-producing countries to maintain their output levels, speaking on the sidelines of an international energy conference.

[New York to Reject Proposal for Gas-Import Terminal](#)

(Bloomberg) -- New York officials will reject a plan by TransCanada Corp. and Royal Dutch Shell Plc to build a liquefied-natural-gas terminal in Long Island Sound, Connecticut Attorney General Richard Blumenthal said.

[Iraqi Oil Ministry: Deals are imminent with major companies to boost production](#)

BAGHDAD: Iraq is in the final stages of discussions with major oil companies to help the country boost its production, an Oil Ministry official said Thursday.

The official told The Associated Press that only "one or two" issues remain under discussion, including "mechanism of payment."

[Venezuela assures assistance to India in attaining energy security](#)

(KUNA) -- South American Oil-rich nation of Venezuela Thursday assured India of full cooperation in attaining energy security.

[Mexico's PRI wary of private companies refining oil](#)

MEXICO CITY (Reuters) - A key Mexican opposition party said on Thursday it was wary of parts of a government energy reform proposal that would allow private companies to invest in refining.

[The New Boom Echoes Deep In Oil And Gas Fields](#)

The answer to why oil and gas production declined in the 1930's and yo-yoed until the present will require looking back a few years. In 1912 West Virginia ranked number two in the nation in oil production and number one in gas. At the turn of the century most oil and gas was piped or sent out of state, because no refineries existed in West Virginia and the buyers were in the major industrial areas of the east. By 1907 West Virginia sent 77 percent of its gas to the Pittsburgh area, to Ohio, and to some extent Maryland. Current data indicate 70 percent is still exported out of state, connecting to pipelines all over the U.S., more is under construction and old lines are being refurbished. Charlie Burd, executive director of the Independent Oil and Gas Association of West Virginia, states "West Virginia only has 1.8 million people. We don't have the local market."

[Total CEO welcomes Chinese state fund investment in the oil company](#)

PARIS (AP) - The head of French oil company Total SA welcomed a Chinese investment fund as a new shareholder, saying Thursday it will help strengthen Total's presence in China.

[United raising ticket prices](#)

NEW YORK (AP) -- UAL Corp.'s United Airlines, the second-largest U.S. carrier, said Thursday it is raising domestic ticket prices by as much as \$30 round-trip.

"The fare increase will help us to offset record-breaking fuel costs," spokesman Jeff Kovick said.

[Trying to Keep on Truckin'](#)

Fuel costs are even starting to affect long-haul drivers who work for major nationwide carriers.

Michael Conaway (and his beagle-Jack Russell terrier mix, Cody) drives for Crete and earned \$69,000 last year as one of the carrier's top drivers. But he's getting less from the company's profit-sharing plan because of higher fuel prices.

"The company don't make as much money with the price of diesel," he said last week, parked at Johnson's Corner while he waited for his shipment to be ready.

[The price of cement](#)

The instructions on the bag say 'add sand and water and mix thoroughly'. Or at least that's what they would say if you could find a bag of cement in the UAE these days.

With the highest per capita expenditure on construction in the world, many building sites in and around Dubai have stopped work while contractors desperately try to source the grey stuff from the black market.

[Pakistan: Fear reigns supreme as city hit with more mayhem](#)

KARACHI - Violence paralysed civic life in the city on Wednesday. All activities were suspended, and traffic on major arteries came to a standstill for hours. Hundreds of thousands of private as well as public transport vehicles that could not make it off the roads in time remained stranded in massive traffic jams after riots erupted Wednesday afternoon in Saddar Town, the city's main business district, and then extended to other parts of Karachi.

The public transport that was not stranded in the gridlocks disappeared from the roads minutes after some buses, cars and trucks were torched.

[Food Shortages An Emergency - FAO Chief](#)

NEW DELHI (IPS) - Jacques Diouf, director general of the United Nations Food and Agriculture Organisation (FAO), on Wednesday described spiralling food prices as an "emergency" that demanded concerted global attention.

"In the face of food riots around the world like in Africa and Haiti, we really have an emergency," Diouf said at a news conference in New Delhi that was also addressed by Lennart Bage, president of the International Fund for Agricultural Development (IFAD) and Kandeh K. Yumkella, director general of the U.N. Industrial Development Organisation (UNIDO).

[Bangladesh: Running on empty?](#)

WHILE there are many reasons to believe that Bangladesh can emulate the FDI success story of India or Vietnam, one factor that could de-rail even a perennial Bangladesh optimist like me is the escalating power crisis gripping the country. I have read all sorts of statistics, such as the current power generation capacity of 4000 MW versus a required 5000 MW (excluding captive power plants). I have read that for every percentage point increase in growth above 7%, we need to add 2000MW of power.

[International aviation officials approve Sasol's coal-based jet fuel](#)

South Africa-based Sasol Ltd. announced April 9 it has become the first company worldwide to receive international approval for its 100% synthetic jet fuel produced by its proprietary coal-to-liquids process.

Sasol's CTL product will be the first fully synthetic fuel to be approved for use in commercial airliners, said the company. "This marks a significant development in the adoption of clean burning alternative fuels for the aviation industry; engine-out emissions of Sasol's jet fuel are lower than those from jet fuel derived from crude oil due to its limited sulphur content," said the company.

[The Peak Oil Crisis: The First Shortages](#)

Fuel prices alone are unlikely to bring America to its senses.

It clearly will take outright shortages with lines at the pumps, curtailed deliveries and many other misfortunes before serious measures to deal with declining oil supplies -- speed limits, rationing, mandatory car pools, improved mass transit -- are taken. Thus the question becomes: how soon?

[Al-Naimi slams biofuels, favours solar energy](#)

Saudi Arabia's oil minister on Thursday slammed biofuels, saying they did not protect the environment or help supply security, but added solar power had to be considered one of the best clean energy sources.

'Let's be realistic, ethanol and biofuels will not contribute to the protection of the global environment by reducing (carbon dioxide) emissions, they will not increase energy security, nor will they reduce dependency on fossil fuels to any appreciable degree,' Ali Al-Naimi told an oil conference.

'Biofuels are not the solution,' he added.

[Stop using food for biofuel, West told](#)

NEW DELHI - India and African nations are calling on the Western world to rethink the diversion of huge amounts of food for biofuel, which has created shortages and driven up prices in poorer countries.

Faced with record-high oil prices, governments in Europe, the United States and Canada are subsidizing the production of ethanol, a gasoline substitute, from corn and other grains.

[Brent Crude Oil Hits New All-Time High Of \\$109.98/bbl](#)

Brent crude oil rallied to a new all-time high in midmorning trade after a surprise drop in US crude stockpiles yesterday fueled fears supply will remain tight going forward.

[Parker Drilling Exits Saudi Venture](#)

"We concluded that this joint venture was not the best organizational structure for applying our project management expertise and disciplined processes," Robert L. Parker Jr., chief executive, said in a statement.

"As noted in our public filings, we anticipated that completion of construction and commissioning of the rigs would require significant additional capital due primarily to cost overruns, delays and remedial work."

[Price controls on gas?](#)

With gas 55 cents per gallon higher than last year — the national average is now \$3.34

per gallon — a group of small business owners testifying before Congress Wednesday called for government price controls.

[Oh, the Pain at the Pumps](#)

How accurate are these predictions? Like weathermen, governmental and private oil watchers often get it wrong.

Daniel Yergin, a Pulitzer Prize winning author of several books on the oil industry, heads a group called the Cambridge Energy Research Association.

Although Yergin is often quoted as an expert in the field of predicting global trends and price structures for crude oil, he assured CNBC viewers in August 2007 that, “Early next year we expect to see prices drop into the mid \$60s for a barrel of crude oil.”

[India's Gas Shortage Gets Relief From Reliance Output](#)

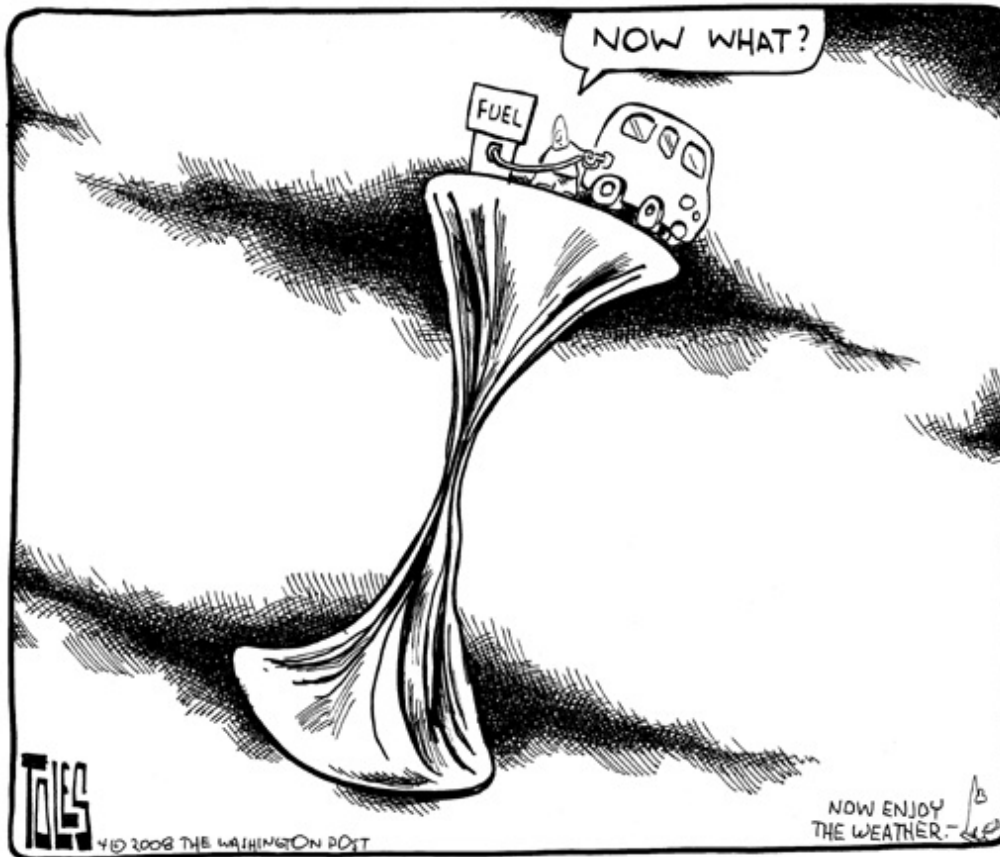
(Bloomberg) -- Reliance Industries Ltd. may produce 50 percent more natural gas from India's biggest field than the company estimated, easing shortages that idled utilities in the world's second fastest-growing economy.

[Norwegian Oil Production Down Over Last Year](#)

Norwegian oil production was somewhat lower in February than last year, while natural gas production increased, the Norwegian Petroleum Directorate (NPD) said Wednesday.

A total of 20.6 million standard cubic meters of oil equivalents (Sm³ o.e.) were produced, one million higher than February 2007, NPD said in a press release.

[Tom Toles:](#)



[Oil price could hit \\$150 within five years, says Guinness](#)

Experienced commodity investor Tim Guinness expects the oil price will hit \$150 a barrel in the next five to 10 years before a demand shock reverses the current trend of increasing prices.

[Scientist Seeks Ways To Squeeze More Oil Out Of Existing Wells](#)

ScienceDaily (Apr. 9, 2008) — Lewis Brown continues to devote much of his more than 40 years in petroleum microbiology figuring out how to squeeze more petroleum out of abandoned or soon-to-be-abandoned oil fields.

The Mississippi State researcher already has extended the life of one field by 17 years. That may sound far-fetched for those unfamiliar with his ongoing research that involves the forced growth of oil-chasing microbes used to redirect injected water that, in turn, sweeps once-inaccessible oil from old wells into production.

[UK: PM writes to G8 urging action on food scarcity](#)

Gordon Brown raised fresh concerns about the impact of biofuels yesterday, as he put rising food prices on the world agenda by writing to fellow G8 leaders to prepare an

[international package on food scarcity.](#)

[Lukoil's profit rose 27 percent in 2007 on higher oil prices, increased refinery production](#)

MOSCOW (AP) - OAO Lukoil, Russia's second largest oil producer, said Thursday its profit rose by 27 percent in 2007, fueled by high world oil prices and an increase in refinery output.

Lukoil, which also operates service stations in the northeastern United States, earned \$9.51 billion as revenues climbed 21 percent to \$81.9 billion last year.

[Two Russian regions suing oil giant Total for billions](#)

Paris - Two Russian regions have taken French oil giant Total to court to recover up to 170 billion dollars they claim the company owes them for breaking a contract, the daily Le Figaro reported Thursday. According to the report, in 1990 - when the company was known as Elf - its chief Loik Le Floch-Prigent wanted to take advantage of the break-up of the Soviet Union to exploit oil in some of its regions.

[Energy-hungry Vietnam awaits first refinery](#)

Vietnam, desperate to meet energy needs expanding at about twice the rate of its booming economy, is putting the final touches on its first oil refinery, with a second soon to follow.

[Australia: Wither peak oil at Rudd's 2020 Summit?](#)

Australia's current pattern of settlement is impossible to maintain without cheap oil - it is essential for providing barely affordable food to remote aboriginal communities and for the operation of our car-dependent outer suburbs where young families on lower incomes try to afford record-high mortgages while trying to avoid "travel poverty".

[Conservationist Erickson states population is 'hanging on a thread' with current oil consumption](#)

"Here comes the sun, little darlin', here comes the sun, it's all right now...here comes the sun..."

According to Rochester resident Norm Erickson, the sun might be one of our energy saviors. It's free, doesn't come in a tanker from the Middle East, shines nearly every day, and its solar energy can be stored underground during the spring and summer for winter heating use.

[New Zealand: Climate change forecasts 'invalid' - researcher](#)

Karori researcher Kesten Green has told MPs there was no need to pass the Government's Climate Change (Emissions Trade and Renewable Preference) Bill - because global warming forecasts are unscientific.

[Warming Trends Rise In Large Ocean Areas – Study](#)

HANOI - Warming trends in a third of the world's large ocean regions are two to four times greater than previously reported averages, increasing the risk to marine life and fisheries, a UN-backed environmental study said.

[Environment can find unusual friends in unusual places](#)

Perhaps the most surprising thing to me is the reaction from people and organizations that I normally wouldn't expect to be interested in environmental conservation.

In one example, a young professional hockey player named Andrew Ference from the Boston Bruins approached the global-warming experts at the David Suzuki Foundation to see how he could reduce his own carbon footprint.

[Saudi Says Won't Dump Oil On Market; OPEC Sees Weak Demand](#)

PARIS -(Dow Jones)- Oil Minister Ali Naimi said Thursday Saudi Arabia won't put extra crude onto the market to take advantage of high prices as the Organization of Petroleum Exporting Countries' data head warned its monthly oil market report due Tuesday would show weaker-than-expected demand.

"I'm not going to dump oil into the market," Naimi told reporters at a Petrostrategies oil summit in Paris.

"If there are buyers, then we will sell him more oil," Naimi said. "From my perspective, I believe the market is well supplied. Inventories are building...the world is producing more oil than is being consumed."

[High-rise towers joined by wind turbines](#)



Taking architecture, and wind power, to new heights, developers of the Bahrain World Trade Center in Manama, Bahrain, flipped the switch to start three huge turbines set between two towers — a first glimpse of technology that they hope will power up to 15 percent of the center.

[The UK needs to rethink its 'romantic' energy policy or face disaster](#)

Puffing on a Sumatran Nobel cigar, Germany's energy baron Wulf Bernotat has a few words of friendly warning for Britain: face up to the harsh realities of the global power crunch, or face strategic disaster.

[Analysis: Companies race for nuclear plant](#)

The United States may soon see a resurgence in nuclear power--if the government approves any of the applications for new power plants currently piling up in record numbers.

As of this month, nine different businesses have requested permission to build a total of 15 nuclear reactors from the Nuclear Regulatory Commission, which oversees U.S. nuclear power plant operation and licensing. The agency expects to receive applications for another 18 power plants, totaling 33 altogether, in the next year or so.

[Westinghouse wins first US nuclear deal in 30 years](#)

Westinghouse Electric, the nuclear design and build firm sold by the British government two years ago, has won its first contracts in America for 30 years.

The move underlines the worldwide renaissance of atomic power generation as a source of low-carbon energy. The Pittsburgh-based group, which has sought approval for its reactor design to be accepted in Britain, has won a deal from Georgia Power to build two AP1000 nuclear reactors at the Alvin W. Vogtle site near Waynesboro, Georgia, for an estimated \$13bn (£7bn).

[Mitsui proposes ammonia, methanol production on Sakhalin](#)

YUZHNO-SAKHALINSK, April 9 (RIA Novosti) - Japan's Mitsui & Co., Ltd. put forward a proposal on Wednesday to convert natural gas to ammonia and methanol on Russia's Far East island of Sakhalin.

The Japanese company owns 12.5% in the Sakhalin II oil and gas project, controlled by Russian energy giant Gazprom.

[Silk-clad sheikh protects Iraq's northern pipelines](#)

MULTAKA: Sheikh Abu Saif Al-Jubburi is a man to be reckoned with in Iraq's northern oil hub, where the tribal leader and his 800 men protect strategic pipelines and US troops in the volatile region. Clad in black silk, a shining gold watch clasped to his wrist, Jubburi welcomes visitors at the gates of his kitsch candy-pink mansion, with its swimming pool, fake crystal chandeliers and monumental staircase. Jubburi is the mayor of Multaka, a town between the rebel bastion of Hawija and the northern Iraq oil hub of Kirkuk, a flashpoint city riven by ethnic tension.

After the US-led invasion of Iraq five years ago, Jubburi left a lucrative trade "selling potatoes" which he says earned him "up to 10,000 dollars a day" to devote himself to guarding roads in areas where there are oil pipelines. The pistol-toting father of 18 is now the uncontested master of 885 men and 80 checkpoints on the Hawija-Kirkuk highway that runs alongside pipelines that transport Iraq's black gold north to Turkey.

[Iran To Spend EUR17 Billion-EUR18 Billion On Oil Refineries Until '12](#)

LONDON -(Dow Jones)- Iran plans to invest between EUR17 billion-EUR18 billion in its downstream oil sector until 2012 to upgrade existing refineries and build new ones, an Iranian oil executive said Wednesday.

[Blast rocks Yemen near oil HQ](#)

SANAA - An explosion rocked the Yemeni capital overnight near the offices of Canadian oil company Nexen, without causing any casualties, a security official said on Thursday.

[U.S. trade gap widens unexpectedly in Feb.](#)

The usual culprits of a higher deficit, higher imports of oil and imports of cheap goods from China, were noticeably absent in February. The Chinese New Year caused imports from China to fall to their lowest level since March 2007. And oil imports fell after eleven straight monthly gains. Record imports of food, industrial supplies and consumer goods pushed the deficit higher.

[Refinery reopening uncertain](#)

MARCUS HOOK, Pa. — Sunoco Inc. declined Wednesday to estimate how long its 180,000-barrel-a-day Marcus Hook oil refinery will stay closed while an electrical failure is investigated.

The power outage forced the refinery along the Delaware River southwest of Philadelphia to close. The shutdown involved dramatic flaring at the refinery, and nitrous oxide was emitted from a neighboring chemical unit.

[Shell and Total eye Mexico oil law changes](#)

LONDON (Reuters) - European oil majors Royal Dutch Shell and Total said they were keenly watching proposed legal changes in Mexico that could pave the way for investment by foreign companies in oil production.

[More plastic than ever on Britain's beaches](#)

The latest Marine Conservation Society (MCS) check revealed that plastic litter has increased by 126 per cent since the annual survey began in 1994.

The survey found big rises in the amount of drinks bottles, plastic bags and cigarette butts dumped or washed up by the tide.

Over 170 species of marine wildlife including birds, whales and turtles were recorded fatally mistaking plastic for food.

[Philippines to make climate change part of school curriculum](#)

"Our children will inherit the earth from us," said Education Secretary Jesli Lapus. "We must make sure that this inheritance is in great shape for them to cherish."

[Hunters worry about global warming](#)

WASHINGTON - Global warming could force elk and mule deer from much of the American West. Wild trout could disappear in lower Appalachian streams. Two-thirds of the country's ducks may disappear.

A new assessment of the threat to fish and wildlife habitat has hunters and anglers calling for action.

[TV docs on a roll, with China, climate change topping sales](#)

The growing global taste for programmes that roll out reality is currently so high that factual shows have become the second most purchased TV genre at the twice-yearly television trade shows organised by Reed MIDEM -- MIPTV and MIPCOM.

...TV buyers this week showed particular interest for green docs, such as National Geographic's "Six Degrees Could Change The World" and a France Television docu-drama "Changing Climates", that looks forward to 2075 when global warming has seriously affected the everyday lives of our grandchildren.



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