



DrumBeat: May 17, 2008

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Topic: [Miscellaneous](#)

[\\$4 Gas: The End of an Era?](#)

Someday, family road trips may become completely unaffordable. People who study the oil industry say that classic summer road trips could be going the way of the extinct Ford Edsel.

That's because the demand for oil is increasing all over the world. In India and China, the number of new cars on the road has been rapidly increasing. In China, there are thousands of new automobiles hitting the streets every day.

In addition, some experts say the production of oil worldwide may have peaked.

[Peak Oil and Politicians](#)

In 1956, M. King Hubbert, a petroleum geologist with Shell Oil, presented a paper to the American Petroleum Institute that predicted US oil production would peak in the early 1970s and then follow a declining curve, now known as Hubbert's curve. But Hubbert almost didn't get to give his paper. He got a call from his bosses at Shell, who asked him to "tone it down." His reply was that there was nothing to tone down. It was just straightforward analysis. He presented the paper, unedited...

Since that time, the oil industry and its political supporters have done everything they can to tone down the message that oil is a finite resource and that we will run out of it some day. Why would they do that? To further the short-sighted, short-term pursuit of profit. In 2004, Shell finally got caught in a lie about the size of its oil reserves. The company had inflated the stated size of its oil reserves to keep stock share prices high because who wants to invest in a company - or an industry - that is going the way of the dinosaurs?

[Russia accused of annexing the Arctic for oil reserves by Canada](#)

The battle for "ownership" of the polar oil reserves has accelerated with the disclosure that Russia has sent a fleet of nuclear-powered ice breakers into the Arctic.

[The Unexpected Winners In The Oil And Food Crunch](#)

High oil and food prices are a double blow no nation can dodge entirely. Even oil states like Iran are seeing food-price protests. But there's a small class of farm-and-gas exporters for whom the dual spike is more opportunity than threat. Canada, Brazil, Vietnam and Thailand are all enjoying the windfalls, and even war-tattered Cambodia is now reimagining its future. It's "the only country in the world that has oil and gas reserves that are still untapped, as well as land available for agriculture," says Marvin Yeo, who left the Asian Development Bank to start one of Cambodia's first venture-capital firms.

[Analysis: Saudis protect own interests in oil production](#)

WASHINGTON — When President Bush, once a Texas oilman, asked Saudi Arabia to pump more crude, he may have forgotten that the Saudis have a long memory. And that made it a good bet his mission this past week would produce a dry hole.

[Ecuador offers to buy out oil companies unwilling to negotiate new contracts](#)

QUITO, Ecuador (AP) - President Rafael Correa says Ecuador wants to buy out private oil companies unwilling to negotiate new deals with his government.

Correa has asked companies now suing over an October decree that slashed their share of windfall oil profits to 1 percent to drop their lawsuits.

[Lack of refinery flexibility impacts global crude market: report](#)

DOHA: Lack of refinery flexibility is impacting the global crude oil market, Opec's latest market report said.

Between 2000 and 2007, the growth in distillate demand outpaced the increase in gasoline consumption, mainly because of the resilient economic situation in developing countries, and more recently, the increased use of diesel generators. While distillate demand rose by 5.2mn bpd, the Opec report said gasoline consumption increased by only 2mn bpd during the period.

[Algeria to double oil refining capacity-Khelil](#)

ALGIERS (Reuters) - OPEC-member Algeria will increase its oil refining capacity to 50 million tonnes per year by 2014 from 22 million tonnes currently, Energy and Mines Minister Chakib Khelil said on Saturday.

[The King Versus The Radicals](#)

Saudi Arabia's monarch is using Aramco — the crack state oil company — to build a Western-style university in a bid to outflank the repressive clergy.

[Indonesia limits fuel purchases ahead of price rise: report](#)

JAKARTA (AFP) - Indonesia's oil and gas company Pertamina has set limits on subsidised fuel purchases ahead of the government's plans to hike fuel prices, reports said Saturday.

[Virgin Boss Warns Of Airline Casualties](#)

There could be more casualties in the airline industry because of spiralling costs, Sir Richard Branson has warned.

[Australia: Drivers face fuel ration shock](#)

FUEL rationing may be one in a series of shocks facing drivers and commuters in Queensland.

Looming oil shortages would produce the biggest change in society since the industrial revolution, Sustainability Minister Andrew McNamara warned yesterday.

...Mr McNamara says he will recommend the State Government focuses urgently on ways to cut private-car use.

"I cannot overstate this – we need to adopt a wartime mentality," he said. "We're going to face a level of urgency that will require dramatic change."

[New Zealand: Saving for survival](#)

As the cost of living stretches household budgets to breaking point and beyond, many people are reassessing their spending habits and lifestyles in order to make ends meet.

[Diesel 'mystery' deepens as fuel prices surge ahead unevenly](#)

AA public affairs manager Conor Faughnan said: "We have never seen prices rise so fast or reach so high. It is having a major impact on diesel motorists, the cost of haulage and business costs. It's bad for consumers and the economy as a whole."

...One explanation for the rapidly increasing diesel prices is that US refineries overestimated demand for gasoline last year, creating a petrol glut and a diesel shortage in the markets.

[Goldman sees oil averaging \\$141 in second half](#)

Goldman Sachs once again issued a provocative forecast for the price of crude oil Friday, saying a barrel is likely to average \$141 over the second half of the year -- a further 10% or so above the latest in what's been a string of record highs.

[Mexico's Oiling Days Are Numbered](#)

Even without a terror attack on its oil facilities, Mexico's output is falling sharply and could end as soon as 10 years. Its president is setting an example by fighting a difficult Congress and culture to reverse that.

[Canada - For the birds; Confusing, arbitrary rules prevent local farmers from feeding us](#)

The food we eat must be processed using oil. Oil is running out and its cost is getting higher every day.

[Open season on biofuels](#)

To hear some people talk, you'd think biofuels were the cause of world hunger, global warming, food riots and the growing divide between rich and poor.

Caught between environmentalists' righteous indignation on the one hand and big oil's vested interests on the other, the biofuels industry is becoming the favourite whipping boy for all the world's ills.

[The great green mirage still beyond the horizon](#)

A gleam in the eye of George W. Bush, ethanol turns out to be the villain behind soaring prices for food and gasoline.

[Higher food profits haven't hit the farm](#)

Fertilizer and fuel costs are rising along with grain prices, so diversifying into biofuels can help lower financial risks.

[Saudi oil output boost doesn't solve problem - Bush](#)

SHARM EL-SHEIKH, Egypt (Reuters) - U.S. President George W. Bush said on Saturday he was pleased with a boost in Saudi oil output but it did not solve problems in the U.S.

..."It's something but it doesn't solve our problem," Bush told reporters. "Our problem in America gets solved if we expand our refining capacity, promote nuclear energy and continue our strategy for the advancement of alternative energies."

[The Caribbean will pay a price for flatfootedness, says economist](#)

"In a lecture in 2001, I tried to explain that oil prices would increase to US\$80 per barrel. (This indicates a US\$3 billion dollar increase to the airline industry alone in operational expenses as a consequence for tourism in the Caribbean).

I shall like now to suggest that according to our analysis at the Landfall Centre, we expect oil prices to hit between US\$150-US\$200 per barrel in the next three years."

[Our tails get in the way: The problems and principles of energy descent](#)

Let us imagine ourselves climbing up a rather steep and precarious tree, boosted up by fossil energies into a place we simply could never get to without them. The problems we are facing right now all originate in our fundamental inability to voluntarily set limits -- that is, at no point did most of us even recognize the basic necessity of stopping at a point at which we could get down on our own, without our petrocarbon helpers.

[Digging a Hole](#) (review of *Bad Money*)

Phillips argues that financial recklessness, combined with peak oil and the rise of Asian economic power, will doom — has *already* doomed — American world leadership and our standard of living, which depend on the value of the dollar. The leading edge of collapse, in the form of the subprime mortgage and banking crises, is already on us, and the consequences will make future imperial adventures untenable, in Iraq and elsewhere.

[Phil Flynn: Clowning Around](#)

Clowns to the left of me, jokers to the right, here I am—stuck in the middle with you. Or is it the clowns moving to the left while we are lacking political courage on the right? You may not like to face the fact but the way this nation is playing politics with our nation's

energy security it seems we are moving too far to the almost socialist left at a time when more than ever we have to allow market based solutions address our nations critical energy needs.

[A master short-seller v. the shorts](#)

"Everybody in the world is trying to call the end of resources. They're just wrong every day, and every day they look worse."

"I would say that 80 per cent of our resources [investments] are in what I would call 'survival resources.' Gold and silver are kind of a survival tactic we have and I regard energy as almost a survival thing now."

"If you believe in peak oil, you're not looking at a resource, you're looking at it like, 'Oh my god, here's a big problem the world is going to have' ... So, do I really see energy prices coming down? No, not in your lifetime, or mine for that matter..."

[Programming the 21st Century](#)

On one day in 2005 or 2006, more oil was pumped from the earth's crust than had ever been done before, and has been done since: this is the concept of peak oil, and suggests the literal and figurative "end of the road" for the age of material progress which has been built largely on the extremely profitable "energy return on energy invested" obtainable from crude oil.

[The Ultimate Race: Global Warming vs. Peak Oil](#)

You think managing a fantasy team, or filling out an NCAA bracket, or picking a Derby winner (OK, Big Brown wasn't actually that tough a call) is hard? How about handicapping Armageddon?

Yet, courageously, we do it every week. Some weeks, of course, are tougher than others.

[Pennsylvanians fight to survive gas crisis](#)

Natural gas prices in the midstate are about to break the record they set after Hurricane Katrina in 2005.

Reading-based UGI said Friday that rates for residential customers will rise by 11.4 percent on June 1. The reason is higher wholesale gas prices, which are driven this time by the soaring price of crude oil, not hurricane damage in the Gulf of Mexico.

[BP ban urged over petrol hikes](#)

Drivers are being urged to boycott BP as anger grows over record petrol prices.

Mass emails have been sent urging motorists not to fill up at its service stations.

Protesters behind the plan hope hitting BP in the pocket will force it to cut prices and panic rivals into following suit.

[Rust In Peace: G.M.'s Dreadful Engines Gave Diesels a Bad Name](#)

The second energy crisis that came with the Iranian revolution put the heat on Detroit to improve its corporate fuel economy numbers. The diesel was seen as a way of having one's cake and eating it, too — good fuel economy without sacrificing the size and cushy ride that American luxury car buyers expected.

[Now is the time to buy uranium](#)

After the decline in prices in 2007, I am almost certain that uranium prices have now formed a bottom. Why do I believe this?

First, the world needs more energy. China and India will continue to need more energy. Both Asian countries are vulnerable to oil and natural gas imports. China now imports 50 per cent of its crude oil and India imports 50 per cent of its natural gas.

Even in Western Canada, peak oil production is pushing the world to look for alternatives to petroleum.

[Peak Oil: Everything is going to change](#)

STATE REP. TERRY BACKER (CONNECTICUT)

There is little government can do about the price of oil. That is not what people want to hear. Yet it is a fact. The U.S. government and all the states have no "Plan B." They continue to rely on a delusional "Plan A" — more oil and cheaper oil all the time. Politicians, generally asleep at the wheel on this issue, have been shocked into trying to do something about the current and future problems arising from oil costs. They are spinning around looking for someone to blame, dazed by the precipitous rise from \$50 per barrel last January to \$126 this past week.

[Iran says mosque bombers planned oil pipeline attack](#)

TEHRAN (Reuters) - Iran's Intelligence Ministry said on Saturday U.S. agents had armed and trained those behind a deadly blast in a mosque last month and that pipelines in the country's oil-rich south were also among the planned targets.

President Mahmoud Ahmadinejad said on Tuesday Iran had evidence the United States, Britain and Israel were involved in the April 12 blast in the southern city of Shiraz that killed 14 people and wounded 200.

[Like father, like son: Bush pleads for Saudi help, but world oil market has changed](#)

So what have the Saudis done since 2005, when oil prices climbed above \$70 a barrel, then \$80, then \$90, and this year broke the once-unthinkable threshold of \$100? They've increased production capacity, meaning that in a pinch they could make up the difference between global demand and available supply. They now can produce 11 million barrels per day (bpd), and expect that number to reach 12.5 million bpd by 2010.

[UK: Soaring bills leave families just £50 a week](#)

“Wage growth is fairly muted, but the essentials — utility bills, petrol prices and council taxes, mortgages — are all rising very fast. I am not surprised that many people on an average income can no longer afford a family-sized car or a decent-sized house.”

[Iran criticizes Saudi for oil production increase](#)

TEHRAN - Iran on Saturday criticized a decision by Saudi Arabia to increase its oil production, Fars news agency reported.

While terming the Saudi decision a "political move," Iranian Oil Minister Gholam-Hossein Nozari told Fars that a production increase would just lead to a further increase in reserves.

[Russian oil giant Rosneft says it has shown state companies can be efficient](#)

Russian top oil producer Rosneft has shown over the past year that state companies can be efficient and is ready to broaden co-operation with Western majors, Rosneft's chairman Igor Sechin, left, said yesterday.

[Oil liquid gold for Canadian economy](#)

The record-breaking run up in oil prices -- which this week pushed the TSX through the

15,000 barrier for the first time and the Canadian dollar back above parity -- has been the saviour of the Canadian economy in a time of global cataclysm.

[Climate change threatens French truffle](#)

Prolonged drought in many of their prime growing regions in Europe and predictions about global warming suggest the future is about as black as the truffles themselves, to the despair of the growers.

"The bad harvest years, which used to be the exception, are becoming the norm," Jean-Charles Savignac, President of the Federation Francaise des Trufficulteurs (FFT), told Reuters.

[UK demands repayment of climate aid to poor nations](#)

Britain's £800m international project to help the poorest countries in the world adapt to climate change was under fire last night after it emerged that almost all the money offered by Gordon Brown will have to be repaid with interest.



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