



DrumBeat: May 25, 2008

Posted by [Gail the Actuary](#) on May 25, 2008 - 9:06am

Topic: [Miscellaneous](#)

[Credit crisis was crude compared with this oil price surge](#)

Where the banking meltdown has largely been confined to the paper-based hinterlands of structured debt products and banking writedowns, the ongoing surge in the oil price is very much a real-economy issue.

Whether you subscribe to the view that the world has sufficient oil for another 50 or 200 years is immaterial. Amid surging demand from emerging economies - and undoubtedly an element of the froth that speculation has brought to the party - there is little reason to suspect that crude prices are going to experience a serious correction anytime soon.

[Pemex Says April Oil Output Drop Biggest in 12 Years](#)

May 23 (Bloomberg) -- Petroleos Mexicanos, the state-owned oil company, said April crude production fell the most in more than 12 years as output at its largest field declined faster than the company forecast. Output at Cantarell, Pemex's biggest field, fell 33 percent to 1.07 million barrels a day, according to the Energy Ministry. That was the lowest output since March 1996 at the field, which peaked at 2.192 million barrels a day in December 2003 and once accounted for about 60 percent of the company's output.

[Australia: Labor to review GST on petrol](#)

FURTHER ways to cut the price of petrol at the bowser are under scrutiny after the Federal Government said it would look at revenues from petrol in its planned tax review.

The tax review was announced in this month's Federal Budget, but ministers Jenny Macklin and Chris Bowen confirmed today the review also would investigate whether GST charged on top of the petrol excise should be scrapped.

[Cheap oil is history. But why?](#)

Shortly before dawn on the morning of May 26 1908, it came gushing out of the sands of Persia in quantities that would transform not just the region's fortunes but the entire world.

A century on, the global gushing noise is being replaced with something else. There's plenty of the black stuff still down there, but it sounds more like someone slurping at a straw, poking around the bottom of a glass in among the ice cubes.

[Ben Stein: Running Out of Fuel, but Not Out of Ideas](#)

Gasoline is unimaginably important in our lives in the United States. Without gas in virtually limitless supply, and at prices we could afford, American life would change. We could no longer afford to live so far from one another and from our jobs. We could no longer afford to cruise in cars incomparably larger than those of our counterparts in Europe and Asia. In a way, we would stop being America as we know it.

Maybe this would be a good thing. After all, do we really need to have a 6,000-pound S.U.V. take a 100-pound high school student across town to buy a Diet Coke? Do we really need cars so big that they have flat-screen televisions for the children in the back? Do we really need to pour so much carbon dioxide into the atmosphere? And it's certainly not great to belch out immense quanta of carbon monoxide, a deadly poison. . . . So, what to do? First, we do not kill the geese — the big oil companies — that lay the golden eggs. We encourage them and cheer them on to get more oil. They need incentives, not hammer blows.

[London's new mayor says oil deal struck with Venezuela will be scrapped](#)

LONDON: The British capital's new mayor, Boris Johnson, said Sunday he was ending a controversial deal that has provided cheap Venezuelan fuel for London's transport network.

The agreement, signed last year by the Conservative Johnson's predecessor and Labour Party rival, Ken Livingstone, provided discounted oil for London's iconic red buses in exchange for advice on urban planning in Caracas, the Venezuelan capital.

[Iran to boost oil production](#)

Tehran, May 25 (Xinhua) -- Iran's deputy oil minister said that Iran will boost its oil output to 4.3 million barrels per day by the end of March 2009, local daily Kayhan International reported on Sunday.

Such a rise of oil production owes to some major projects implemented by the oil ministry this year, said Seifollah Jashnsaz at a press conference.

[Mexico's big oil source](#)

Oil has long been crucial to Mexico's economy. While it is less important today than in the past, oil still accounts for about 40 percent of government revenues. However, Cantarell, the world's third-largest oil field, is facing an uncertain future.

[The well hasn't run dry: deal makers set sail for North Sea](#)

It was dubbed the "Hallowe'en massacre". But Canada's decision to impose swingeing new taxes on its oil and gas trusts could see millions of dollars heading towards the North Sea.

[T. Boone Pickens' prediction: Oil production is reaching its peak](#)

Mr. Pickens is one of several Texans who are pushing the Peak Oil theory of oil scarcity into the mainstream. He believes humans will soon use up half the oil they can extract, and oil production rates will drop, never to recover.

The controversial theory gives oil investors reason to bid prices to record levels and has prompted some local officials to create contingency plans.

[Ceilings Come Down to Earth](#)

The cathedral-ceilinged "great room" -- a defining feature of big suburban houses for the past 15 years -- is losing favor. Owners say these double-height rooms are expensive to heat and cool. They can be drafty and reverberate noise. Cobwebs are hard to reach, painting requires long ladders and washing the second-story windows can be a nightmare. Moreover, growing numbers of home buyers think these soaring rooms waste space.

[OPEC chief promises to help Ecuador increase oil production](#)

Visiting OPEC Secretary-General Abdalla El-Badri Friday promised to help Ecuador solve "technical problems" in improving its oil production capacity.

Ecuador's national oil company has witnessed a drop in output in recent years due to aging equipment and a lack of investment. Its current production remains at 170,000 barrels per day, one third of the country's total output.

[Iran to boost oil production](#)

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Iran's current oil output is 4.207 million barrels per day, and the increased output will be supplied from Darkhovin, Shademargan and Hengam oil fields in southwestern Khuzestan province, Jashnsaz said.

[Rebuilding America Special Report: How to Fix U.S. Infrastructure](#)

American infrastructure is in trouble, from collapsed bridges to leaking dams. In a yearlong investigation, Popular Mechanics uncovered the fresh ideas, smart engineering and new technology we need to fix it. Here's the plan.

[Caution Urged in Signing Leases for Tapping Natural Gas](#)

With more than 900 oil and gas well permits expected in New York State this year and booming interest in the Marcellus shale deposit extending across West Virginia, Ohio, Pennsylvania and New York's Southern Tier, local landowners could soon be talking like Texas oil men. But minerals experts signal caution and urge landowners to get educated, learn how to negotiate and think about forming a cooperative of landowners before signing the first lease offered by a natural gas company.



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