



## DrumBeat: June 27, 2008

Posted by [Leanan](#) on June 27, 2008 - 9:08am

Topic: [Miscellaneous](#)

### [Govts urged to get ready for 'peak oil' \(transcript and audio\)](#)

Theories abound about why the price of oil has been skyrocketing. The head of OPEC says the weak US dollar and continuing tensions about Iran's nuclear program are to blame. Economists say speculators are playing a role, as is soaring demand from India and China.

But those who subscribe to the theory of peak oil say the price is high because the resource is running out. The convenor of the Australian Society for the Study of Peak Oil and Gas, Bruce Robinson, has told Ashley Hall that it's time for governments to stop denying the inevitable.

---

### [The age of oil is over](#)

“If you are listening to me now, then you were born in the “age of oil”. A wondrous time when abundant energy has enabled humanity to work technological miracles. With enough energy we can solve any problem. Need to get to the other side of the world by tomorrow? Just fly! Need to sow and harvest millions of hectares of grain, or move a mountain, or build an island? Our mighty machines will do it for us. Need to drive five kilometres to the shop, or 50km to work? Now where did I put those car keys?”

### [Russian gas price for Ukraine may double from 2009](#)

MOSCOW (Reuters) - Russia's gas export monopoly Gazprom will most likely more than double gas prices for Ukraine from 2009 as it pays more for gas imports from Central Asia, chief executive Alexei Miller said on Friday.

Miller told a news conference prices would most likely rise above \$400 per 1,000 cubic metres (tcm) from \$179.5 this year.

### [Nigeria wants talks with Venezuela on oil price](#)

ABUJA (Reuters) - Nigerian President Umaru Yar'Adua wants to meet with his Venezuelan counterpart Hugo Chavez to discuss world oil prices, his office said on Friday.

"Fingers are being pointed at our two countries as a result of the energy situation in the world," Yar'Adua was quoted as saying in a statement from the presidency.

### [Fewer flights, higher fares](#)

NEW YORK (CNNMoney.com) -- As oil prices continue to break records, the nation's six leading airlines have announced capacity cuts for 2008, trimming flights in major hubs and cutting off service to dozens of discount destinations.

### [6 Myths About Oil Speculators](#)

So now we know who's really responsible for \$4 gas. Finger-pointers from Washington, the International Monetary Fund, and even Saudi Arabia no longer seem to buy the idea that the demand for oil around the world is simply growing faster than the supply, driving prices to record highs close to \$140 per barrel. There must be a more nefarious reason, it seems. So now entering this drama is a villain everybody can hate: The Evil Speculator.

### [Man torches BMW to protest gas prices, police say](#)

BERLIN, Germany (AP) -- A German man doused his BMW with gasoline and torched it Friday in protest at skyrocketing fuel costs, police said.

### [Fuel prices squeeze local road, landfill budgets](#)

Liby said the fuel prices have caused freight to "skyrocket" along with the price of steel. "It has affected everything," he said.

...During the last huge oil price surge 35 years ago, the county put off work on the roads.

"The asphalt roads fell apart in the 70's," Liby said. "It's not cheap to play catch-up."

### [Australia: High petrol prices hitting outer suburbs](#)

The price of an affordable house in the outer suburbs for some is having to spend more than they can afford on the soaring cost of fuel, experts say.

As petrol prices close in on \$2 a litre, the mounting fuel bill has made the decision to live further from the central business district (CBD) a financially painful one for those that commute by car.

For those who made the switch from the inner city, revisiting that choice is now very difficult, given high interest rates, in some cases stagnant house prices and fierce competition for property close to the CBD.

### [Living on the Ice Shelf: Humanity's Melt Down](#)

The current ruthless competition between energy and food markets, amplified by international speculation in commodities and agricultural land, is only a modest portent of the chaos that could soon grow exponentially from the convergence of resource depletion, intractable inequality, and climate change.

### [As Oil Hits Another Record High, A Look at the New Geopolitics of Energy](#) (audio and video)

Oil prices have jumped to yet another record high, nearing \$142 a barrel in Asian trading today. The latest price surge comes a day after OPEC's president said crude prices could reach \$170 this summer. Meanwhile, Libya has threatened to cut oil production in response to US threats against oil producers. We speak with Michael Klare, author of "Rising Powers, Shrinking Planet" and Arun Gupta of The Independent.

### [Out of gas](#)

As the "peak" of global petroleum production rapidly approaches, EcoDensity may not be enough to save our oil-dependent society.

### [Khurais joins Saudi giants](#)

If you want proof that the planet's oil reserves are nowhere near exhaustion, there are few better places to look than Khurais, a stretch of Arabian wilderness somewhere between Riyadh and Dammam.

### [Oil and the Writing on the Wall](#)

The global energy crisis is complicated. There is no single magic bullet or cure-all to solve it. Investing scores of billions of dollars in wind, solar, hydro and biomass energy isn't going to do it either.

Some patented solutions, like corn ethanol, are little more than a scam. Every oil engineer or chemist worth their salt has been warning for years that the energy yield to

be extracted from corn ethanol was vastly less than the energy and financial subsidies that went into making it. But no politician in either major American political party wanted to hear.

### [Blame Rising Oil Prices on Bush, Not Consumers](#)

Wow, a lot of people must have bought Hummers last week. How else to explain the spike in oil prices? No, I'm not being silly: They are, and by *they* I mean the gaggle of media pundits and other administration apologists -- abetted by some green zealots -- who want to explain our energy crisis by reference to profligate consumers.

### [Should trading in crude be tempered?](#)

The hoax of peak oil, that the era of cheap oil has peaked and is on a downward slide, has also helped perpetuate these uncontrolled price manipulations. However, the US government's latest Energy Information Administration (EIA) report shows a drop in US demand along with a very modest increase in that of China.

This would hardly dent the current oil production of the world of some 86 mbpd. Prices have thus become detached from market fundamentals. By no account is there a shortage of oil and every demand is being met. In other words, there are low buyers for the physical barrel at today's prices, but there are plenty of buyers for pieces of papers (futures) linked to the price of oil next month or next year.

### [Speculating about speculators: Cornucopian thinking about oil](#)

There seems to be a disturbing tendency in the progressive community to blame speculators for most, if not all, of the increase in oil prices. In its most extreme form, the implication seems to be that the supply of oil is virtually limitless, and that only financial manipulation is to blame. Ironically, this mirrors the views of many mainstream economists, who have what is sometimes called a *cornucopian* view of the world. Julian Simon was the ultimate spokesperson for the idea that technological innovation and unlimited resources would allow for virtually any level of population and consumption.

### [Iranian Oil Production Verging on Disaster](#)

It is clear that Iran, Venezuela, Mexico, Nigeria, and Iraq together represent an enormous percentage of the world's oil deposits and production that is being mismanaged. The political and management dysfunctions in all of these countries simultaneously is a major reason for the world's current energy crisis. If these countries all operated in a standard capitalist mode, I suspect oil would be below \$50 a barrel and the ultimate supply crisis might be five or ten or even fifteen years beyond when we will see it fairly soon.

### [China's top oil producer to increase supply after fuel price rise](#)

BEIJING (Xinhua) -- China's top oil producer said Friday it planned to further increase supply of refined oil after an earlier fuel price rise by the government.

The China National Petroleum Corporation said it would process 880,000 tonnes, or about 3 percent, more crude oil in the third quarter than the same period last year.

### [Food price spike: Is ethanol to blame?](#)

A devastated corn crop is likely to exacerbate costs at the grocer. Some people are pointing a finger at the ethanol production laws.

### [High court deflects reopening of power contracts](#)

Efforts by utility regulators to reopen costly long-term electricity supply contracts struck at the height of the California energy crisis were deflected by the U.S. Supreme Court in a ruling yesterday.

### [South Africa: Fishing Companies Reeling Under Fuel Price Hikes](#)

News agency AFP reported last month that one-third of ocean-going longline tuna fishing boats across the world could be forced to stop fishing due to rising fuel costs.

### [Peak oil profits ARM](#)

LONDON — It's a straightforward argument. The higher the oil price goes the better things are for processor IP licensor ARM Holdings plc (Cambridge, England) and the worse they get for the world's largest chip company Intel Corp. (Santa Clara, Calif.).

That is until the price of oil hits \$200 a barrel at which point the global economy is likely to implode like a black hole, according to some experts.

### [Back to buildings made by hand](#)

HOW WILL WE LIVE without cars, television, oil and electricity? I'm not so sure it will come to that, but James Howard Kunstler is. He has written a fascinating novel imagining a world without cars, television, oil and electricity.

### [Michael Klare: End of the Petroleum Age?](#)

At the hastily convened global oil summit in Jeddah, Saudi Arabia on June 28, top officials of producing and consuming nations from around the world attempted to find a combination of solutions that would somehow extricate us from the current crisis over sky-high energy prices. These proposals ranged from increased output by major producers like Saudi Arabia and Kuwait to restrictions on the activities of international oil speculators.

But all were based on the premise that the crisis can be resolved through the right mix of actions, thus restoring an environment of cheap and abundant oil – a premise that is fundamentally flawed. More and more, the evidence suggests that this is not just a temporary crisis. It is the beginning of the end of the Petroleum Age.

How do we know that the Petroleum Age is drawing to a close? Two key indicators tell us that this is so. First, many of the giant fields that have satisfied our massive thirst over so many years are experiencing diminished output. Second, although the major oil producers are spending more money each year to discover new reserves, they are finding less and less oil. Either of these factors by itself is cause for significant worry; the combination is deadly.

### [U.S. Says 400-Billion Barrel Bakken Oil Field a 'Myth'](#)

(CNSNews.com) - Reports circulating on the Internet tell of an oil field spanning parts of western North Dakota and eastern Montana where 400 billion barrels of oil supposedly are just waiting to be tapped. However, the U.S. Geological Survey (USGS) tells Cybercast News Service that those huge estimates are "a myth."

### [Fewer expected to drive, fly for 4th of July](#)

The number of people driving 50 or more miles from home will drop 1.2% to about 34.2 million, reflecting the continued impact of high gasoline prices, auto club AAA says.

The drop follows a similar decline over the Memorial Day holiday and is the first time this decade that AAA has forecast smaller numbers of people taking driving vacations on consecutive holidays.

### [Natural Gas 75% Gain Speeds Horizontal Drilling at Devon, Range](#)

(Bloomberg) -- U.S. natural-gas producers are drilling wells previously deemed too costly and resurrecting abandoned fields from Appalachia to the Rockies, spurred by the biggest rally in fuel prices in eight years.



## [Where next for the oil price?](#)

Saudi Arabia, the only oil producer capable of expanding output rapidly, confirmed that it would boost production by 200,000 barrels per day (bpd) – a well-trailed figure that fell short of the 500,000 some observers had been hoping for. That takes overall production to 9.7 million bpd, the highest in almost 30 years, and leaves its spare capacity at 1.5 million bpd, the lowest in a generation.

## [Saudi's Oil Promises](#)

What sort of commitment did Saudi Arabia really make to ultimately expand oil output to 15 million barrels a day – and is that even possible?

## [Oil speculators leave giveaway print](#)

Unfortunately, proving that speculation is responsible for rising prices is difficult because speculation tends to occur during booms, so that price increases easily masquerade as a reflection of economic fundamentals. But, contrary to economists' claims, oil inventories do reveal a footprint of speculation.

## [N.Y. to use efficiency to cut power use by 15%](#)

NEW YORK (Reuters) - New York kicked off an energy efficiency program that seeks to reverse electricity use increases by reducing power usage by 15 percent of projected levels in 2015.

If left unchecked, the state expects demand for power to rise by about 11 percent from current levels by 2015.

## [SC passes ethanol law challenged by oil companies](#)

COLUMBIA, S.C. (AP) — South Carolina fuel distributors must have access to pure gasoline needed to make their own ethanol blends under a law that supporters say is first in the nation and will save customers at the pump.

...But oil companies moved quickly to stop it here and vow to do so elsewhere: They filed a lawsuit in the state's Supreme Court on Thursday — one day after the measure became law — claiming it violates the state constitution.

Supporters say oil companies want to sell the gas pre-blended so they can keep federal ethanol credits, which can top 8 cents a gallon, and prevent competition from distributors who would pass some of those savings onto customers.

### [Feeling oil's trickle-down effect](#)

Have skyrocketing gas prices got you down? The same crude oil that is refined into fuel is also used to make plastics, fertilizers, roofing material and asphalt for roads. You might be surprised to see some of the many ways rising oil prices are affecting you.

### [Rising seas threaten west Antarctic](#)

There's a 'big gorilla hiding the closet' whose collapse could have a dramatic effect on sea levels, according to Australian researchers.

Dr Bradley Opdyke, a paleoceanographer from the Australia National University (ANU) believes the West Antarctic Ice Sheet (WAIS) could partially collapse within 20 years, resulting in a dramatic jump in sea levels.

### [No ice at the North Pole](#)

It seems unthinkable, but for the first time in human history, ice is on course to disappear entirely from the North Pole this year.

The disappearance of the Arctic sea ice, making it possible to reach the Pole sailing in a boat through open water, would be one of the most dramatic – and worrying – examples of the impact of global warming on the planet. Scientists say the ice at 90 degrees north may well have melted away by the summer.

### [Report – adapting farming to climate change](#)

“Adapting to climate change will involve everything from changes in crop varieties, through to improved seasonal forecasting, up to revised national policies and programs,” he said.

“For many agricultural businesses incremental changes may be enough, but some regions and industries will need to be open to more transformative changes.”

### [Dentist's staff saddle up to beat gas costs](#)

ARLINGTON, Wash. - When gas prices hit \$4 a gallon, the staff at Dr. Keith Leonard's dental office figured it was time to pony up.

Since more than half of the dental assistants and office staff own horses, on Wednesday



the crew saddled up and rode in to work.

### [Oil jumps to new high above \\$142 as equities wilt](#)

LONDON (Reuters) - Oil leapt to a new record high above \$142 a barrel on Friday, extending gains after surging nearly 4 percent in the previous session, as tumbling global stock markets helped to trigger a wider commodities rally.

U.S. light crude for August delivery was \$1.70 up at \$141.34 a barrel by 8:12 a.m. EDT, off a record high of \$142.26.

London Brent crude was \$1.39 up at \$141.22, off a record high of \$142.13.

### [Road Warning: \\$7 Gas May Be Ahead: Economist Predicts Increase By 2010, Which Would Take 10 Million Cars Off The Road](#)

□

(CBS) A new energy report predicts \$200-a-barrel oil in as short a time as two years. If that happens, gas would likely go up to \$7 a gallon - and that would have an enormous impact on the way Americans live.

### [Oil's momentum play - or panic?](#)

SAN FRANCISCO (MarketWatch) -- After languishing for weeks around \$135 a barrel, crude-oil prices lurched past \$140 a barrel Thursday.

Some analysts call this a momentum move. To others it looked like a spasm -- a mindless flinching of the market's nervous system in reaction to pain felt elsewhere.

### [To lower oil price, boost the buck?](#)

For six years, the world has witnessed an intriguing phenomenon: Oil prices have soared as the US dollar has declined in value.

Now some economists say the simplest way to ease oil prices in the short term is to boost the value of the greenback.

### [Soaring gas prices forcing lifestyle changes across US](#)

LOS ANGELES (AFP) - Trains are bustling, scooter sales are booming and manual

lawn-mowers are back in vogue. But charities are grimly facing up to a drop in volunteer workers while some cash-strapped families are cutting expenditure on fresh meat and vegetables.

In a myriad of ways, the effects of soaring gasoline prices are being felt directly and indirectly across America, forcing many into lifestyle changes as they rethink monthly budgets.

### [Oilfield thefts soar in Texas as prices boom](#)

MIDLAND, Texas (AFP) - The wide open oilfields of West Texas are ripe pickings for thieves these days.

Some drive up to one of the thousands of pump jacks that dot the countryside and siphon crude out of the storage tanks.

Some pull up to a drill site after the crews have gone for the night and haul away tools, pipes and equipment.

Others take kickbacks, file false invoices or just plain steal knowing their bosses are too busy riding the oil boom to keep a close eye on accounting.

### [Haiti halts gasoline subsidy; prices soar](#)

PORT-AU-PRINCE, Haiti - Cuts in Haitian gasoline subsidies pushed the price of fuel to \$6.14 a gallon on Thursday, further burdening an impoverished people as the government redirected money to other programs.

The 80-cents-per-gallon increase was felt immediately in the struggling country where 80 percent of people live on less than \$2 a day.

### [Global Oil-Supply Worries Fuel Debate in Saudi Arabia](#)

Sadad al-Husseini and Nansen Salari raced up the ranks at Saudi Aramco, the world's most powerful oil company, working together for years to squeeze more crude from Saudi Arabia's massive fields. Today, the two men have staked out opposite sides of a momentous industry debate.

Mr. Husseini, Aramco's second-in-command until 2004, says the world faces a brute reality of depleting resources and ever rising prices. Mr. Salari, until recently the company's oil-reservoir manager, insists that with enough ingenuity and investment, plenty more oil can be found.

### [Chinese Airlines Seek Fuel Surcharge Rise](#)

Chinese airlines have asked the industry regulator to allow them to increase fuel surcharges as they confront surging oil prices, Shanghai Airlines Chairman Zhou Chi said on Friday.

The airlines are seeking up to a doubling of the surcharge and the regulator is expected to give a response around July 1, Zhou said.

### [Big Oil's Alternative Energy Ads Scrutinized](#) (audio)

As oil and gas prices surge, oil companies are highlighting their investments in alternative energy sources with new ad campaigns. Exxon-Mobil, Chevron and BP are among the companies promoting their million-dollar investments. But one journalist says that's not much compared with the billions of dollars that the oil companies make.

### [Norway cuts seismic study in Arctic seas](#)

OSLO (Reuters) - Norway scaled down on Friday a seismic survey of undeveloped offshore seas near the Lofoten islands in the Arctic, a study needed before a decision on whether to allow oil and gas activities in the pristine region.

Problems with seismic equipment have delayed the start of the project, deemed as fundamental by Norway's oil industry but which also faces serious political and environmental obstacles.

### [SEC proposes new oil and gas reporting rules](#)

WASHINGTON (Reuters) - Changes in the rules on how energy companies report their reserves, proposed by the U.S. Securities and Exchange Commission on Thursday and favored by the industry, would give investors a clearer picture of a company's oil and natural gas reserves, the SEC said.

The proposal reflects improved technologies and alternative extraction methods, the SEC said. If adopted, it would allow previously excluded resources such as oil sands to be classified as reserves -- one of the changes the industry has sought.

### [The Oil Follies? Our Fault](#)

King Abdullah just summoned everybody to Saudi Arabia to sort out the whole oil business, and the first humiliation for the U.S. is that we came running. Then again, this is old news. For 35 years, since the first oil crisis, we've been treating OPEC, and especially the Saudis, like friendly members of the Society of Important Countries rather than the criminal conspiracy they are. The second humiliation is that the meeting didn't work.

### Union of Concerned Scientists: [More Drilling Extends National Addiction to Oil; Will Not Save Americans Money at the Pump](#)

"Americans deserve real solutions that will save them money at the pump, not more political posturing from the oil industry and its allies in Congress. The 'Gas Price Reduction Act' sounds like something out of a George Orwell novel. Despite the name, it will have no effect on today's gas prices and will have virtually no effect on future markets. Making our cars, light trucks and SUVs go farther on a gallon of gas would deliver real savings, not false promises.

### [Hundreds held in Saudi terror swoop](#)

JEDDAH, Saudi Arabia (CNN) -- Saudi authorities announced a massive anti-terrorism sweep Wednesday that netted more than 500 members of a purported al Qaeda-linked terrorist cell said to be planning attacks on Saudi targets, including major oil installations.

### [World Recession 2009 as a Result of Peak Oil](#)

Whilst most people are vaguely aware that oil is important to the world economy, few understand the true impact of the recent rise in the oil price.

In 1998 the heads of state of the USA and Australia failed to ratify the Kyoto protocols. They were trying to protect their country's economies. Ironically, they engineered a situation where not only is the US economy under greater threat than it would have been had our leaders ratified the protocols, the entire world economy is now seriously threatened.

### [Australian PM rejects nuclear power as climate change response](#)

SYDNEY (AFP) - Australian Prime Minister Kevin Rudd said Friday that the country did not need to adopt nuclear energy to address climate change.

The centre-left leader's stance reverses the policy of his conservative predecessor John Howard, who announced plans to embrace the next generation of power plans before he was voted out of office last November.

Rudd said his government would pursue other options to combat climate change.

### [Court says no deadline for EPA on global warming](#)

WASHINGTON - A federal appeals court refused Thursday to make a resistant Bush administration speed up a decision on whether greenhouse gases and global warming threaten public health and welfare.

The U.S. Court of Appeals for the District of Columbia denied a petition by 17 states and several environmental groups asking it to order the Environmental Protection Agency to make that determination within 60 days.

### [Tony Blair urges action on climate change](#)

TOKYO - The world already knows that global warming is a serious problem and the time has come for politicians and experts to come together to map out a practical solution, former British Prime Minister Tony Blair said Friday.

### [Climate change forces plants higher: study](#)

LONDON (Reuters) - Rising temperatures have forced many plants to creep to higher elevations to survive, researchers reported on Thursday.

More than two-thirds of the plants studied along six West European mountain ranges climbed an average of 29 meters in altitude in each decade since 1905 to better conditions on higher ground, the researchers reported in the journal Science.

### [Cost of tackling global climate change has doubled, warns Stern](#)

Lord Stern of Brentford made headlines in 2006 with a report that said countries needed to spend 1% of their GDP to stop greenhouse gases rising to dangerous levels. Failure to do this would lead to damage costing much more, the report warned - at least 5% and perhaps more than 20% of global GDP.

But speaking yesterday in London, Stern said evidence that climate change was happening faster than had been previously thought meant that emissions needed to be reduced even more sharply.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).