



DrumBeat: August 21, 2008

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Topic: [Miscellaneous](#)

[All the Oil We Need](#)

The world actually has enormous spare oil capacity. It has simply moved. In the past, major oil producers like Saudi Arabia controlled it. But for years the world's major consumers have bought extra oil to fill their emergency petroleum reserves.

Moreover, whereas the world's reserve supply once sat in relatively inaccessible pools, much of it now sits in easily accessible salt caverns and storage tanks. And consumers control the spigots. During a supply disruption, Americans would no longer have to rely on the good will of foreign governments.

[Oil Rises More Than \\$5 on Dollar Weakness, U.S.-Russia Tensions](#)

(Bloomberg) -- Crude oil jumped more than \$5 as the dollar slumped and the signing yesterday of a missile-shield agreement between the U.S. and Poland bolstered concern that Russia may disrupt the flow of oil.

Energy and metals futures also climbed as the U.S. currency fell the most against the euro in more than a month. The missile shield has ``a real anti-Russian potential," Russia's Foreign Ministry said. Russia is the world's second-biggest oil producer.

[Mexico oil output, exports fall in Jan-July period](#)

MEXICO CITY (Reuters) - Mexico's crude oil production dropped 10 percent in the first seven months of 2008 to an average of 2.845 million barrels per day (bpd), state-owned energy monopoly Pemex said on Thursday.

Pemex said in a release that crude oil exports in the January-July period dropped 16.3 percent to an av

(Also: [Mexico oil output, exports decline in July](#))

[Satellite Images Show Continued Breakup Of Two Of Greenland's Largest Glaciers](#)

What worries Jason Box, an associate professor of geography at Ohio State, and his colleagues, graduate students Russell Benson and David Decker, all with the Byrd Polar Research Center, even more about the latest images is what appears to be a massive crack further back from the margin of the Petermann Glacier.

That crack may signal an imminent and much larger breakup.

"If the Petermann glacier breaks up back to the upstream rift, the loss would be as much as 60 square miles (160 square kilometers)," Box said, representing a loss of one-third of the massive ice field.

[Climate change could be impetus for wars, other conflicts, expert says](#)

"Environmental changes caused by global warming will not only affect human living conditions but may also generate larger societal effects, by threatening the infrastructures of society or by inducing social responses that aggravate the problem," he wrote. "The associated socio-economic and political stress can undermine the functioning of communities, the effectiveness of institutions, and the stability of societal structures. These degraded conditions could contribute to civil strife, and, worse, armed conflict."

[Peru's army on standby as jungle unrest grows](#)

Peru is considering sending in the army to break up protests by Amazonian Indians who claim the government is preparing a massive land grab in the country's remote jungles.

Indigenous groups have blockaded roads and a river and set up pickets at energy installations to protest changes in the law which would make it easier for commercial interests to buy up collectively owned tribal lands in the northern regions of Peru.

[Indian tiger changes stripes to chase Dragon](#)

Economists have long argued that for India to mimic China's "long boom", the country would have to see industry fuel growth. In China, this led to millions of people leaving the land to work in factories. But this process has not happened in India, where growth has been driven by capital-intensive sectors such as information technology. Although hugely successful, Indian software companies employ only 1.5 million people - a mere drop in the labour pool of 470 million.

However, the planning commission says that in the next five years the bulk of new jobs will be created in factories, construction sites, restaurants, retail stores and warehouses.

[World Geothermal Power Generation Nearing Eruption](#)

With fossil fuel prices escalating and countries searching for ways to reduce oil dependence and greenhouse gas emissions, capturing the earth's heat for power generation is garnering new attention. First begun in Larderello, Italy, in 1904, electricity generation using geothermal energy is now taking place in 24 countries, 5 of which use it to produce 15 percent or more of their total electricity. In the first half of 2008, total world installed geothermal power capacity passed 10,000 megawatts and now produces enough electricity to meet the needs of 60 million people, roughly the population of the United Kingdom. In 2010, capacity could increase to 13,500 megawatts across 46 countries—equivalent to 27 coal-fired power plants.

[Russia halts military cooperation with NATO](#)

BRUSSELS, Belgium - NATO has received a note from Moscow saying Russia is halting military cooperation, in the latest sign of tension over the violence in Georgia, an official said Thursday.

NATO spokeswoman Carmen Romero said the alliance had received notification through military channels that Russia's Defense Ministry had taken a decision "to halt international military cooperation events between Russia and NATO countries."

[Rice: U.S., Iraq coming together on timetables: Draft envisions withdrawal of U.S. troops from Iraq cities by June 30](#)

BAGHDAD - Secretary of State Condoleezza Rice and Iraqi Foreign Minister Hoshyar Zebari said Thursday the two countries have agreed that timetables should be set for the withdrawal of U.S. troops from the battle-scarred country.

[High energy costs cut two ways in Colorado](#)

While many Americans worry about high energy prices and the economic woes that go with them, Gary Terrell has the luxury of being able to take the long view.

Terrell has felt the pain at the pump, but the 55-year-old also has seen the upside of rising energy costs: The economy on the western slope of Colorado, where he lives, is benefiting from the rising prices because of its rich natural gas reserves. While much of the rest of the country suffers through a housing crisis, the local boom enabled him to profit handsomely on the recent sale of his home and position himself well for retirement.

[The Long Descent \(excerpts from new book\)](#) (Greer)*A User's Guide to the End of the Industrial Age*

Americans are expressing deep concern about US dependence on petroleum, rising energy prices and the threat of climate change. Unlike the energy crisis of the 1970s, however, there is a lurking fear that, now, the times are different and the crisis may not easily be resolved.

The Long Descent examines the basis of such fear through three core themes:

- Industrial society is following the same well-worn path that has led other civilizations into decline, a path involving a much slower and more complex transformation than the sudden catastrophes imagined by so many social critics today.
- The roots of the crisis lie in the cultural stories that shape the way we understand the world. Since problems cannot be solved with the same thinking that created them, these ways of thinking need to be replaced with others better suited to the needs of our time.
- It is too late for massive programs for top-down change; the change must come from individuals.

Hope exists in actions that range from taking up a handicraft or adopting an "obsolete" technology, through planting an organic vegetable garden, taking charge of your own health care or spirituality, and building community.

[Oil's Washington juggernaut](#)

NEW YORK (CNNMoney.com) -- As angry voters spark a barrage of energy bills in Congress, the oil industry is spending record amounts of money protecting its interests.

[Iran oil official to head to energy-hungry China](#)

TEHRAN (Reuters) - The head of the National Iranian Oil Company (NIOC) travels to energy-hungry China next week to broaden cooperation, the Oil Ministry said on Thursday, a move that reflects Iran's increasing efforts to draw Asian investors.

[China to help oil-rich Angola produce rice](#)

LUANDA (Reuters) - China is mulling ways to help oil-rich Angola produce rice and kick-start its once prosperous agricultural sector, state-owned Angop news agency on Thursday cited China's ambassador to Angola as saying.

[Olympics add to China's power crisis](#)

China's industrial heartland is facing crippling power shortages, with more than a dozen provinces already rationing electricity.

The country is suffering from its biggest power crisis since 2004, when a 40-gigawatt shortfall left three quarters of China in the dark.

Since then, demand for electricity has doubled, but the government has fixed the prices of both coal and electricity below the market rate to try to keep a lid on inflation. China relies on coal-fired power stations for more than 80pc of its electricity generation.

[UK: Energy prices set for another 'enormous' hike](#)

CONSUMERS are facing another hike in gas and electricity prices, it was announced today.

Energy giant E.ON, which has 5.5 million UK customers, said it will increase the price it charges for gas by 26 per cent, while electricity customers will see a 16 per cent increase.

[Vulnerability of E.ON and gas companies](#)

The vulnerability of the UK gas market to price shocks was highlighted again yesterday after a leak on a pipeline in Norway triggered a 14 per cent rise in wholesale prices amid concerns that it could lead to reduced imports and a supply squeeze this winter.

[TNB brushes off claims of RM1bil-a-month power thefts](#)

PETALING JAYA: Tenaga Nasional Berhad (TNB) has dismissed claims that it is losing up to RM1bil a month to power thieves.

...The company said various measures, including surprise checks on premises, had been implemented to weed out power thieves over the years and since 2004, some two million premises had been checked.

[Fuel Shortage Causes Power Blackouts In Lae](#)

A shortage of diesel fuel caused PNG Power Ltd. to implement blackouts in the Papua New Guinea city of Lae, the Post-Courier reports.

The utility said it didn't have enough diesel fuel to run its generators in Lae after two

generators at the Ramu Hydro power plant failed last week.

[Bridgestone Firestone to raise prices](#)

One of the world's largest tire manufactures has announced forthcoming price increases, citing a shortage of raw materials.

Bridgestone Firestone North America has just announced that customers can expect to pay up to 10 percent more for replacement tires when they next visit their service centre. The increases will affect passenger and light truck, truck and bus, motorcycle, agricultural and off road tires.

[BP Starts Oil and Gas Output at U.K.'s Bruce Field](#)

(Bloomberg) -- BP Plc resumed natural-gas and oil production at its Bruce field in the U.K. North Sea following a two-month shutdown, sending gas prices lower.

[US Oil Companies Finding More Oil in Old Fields](#)

The price of oil has dropped around 20 percent in recent weeks, but remains more than double what it was just a couple of years ago. The high price has given oil companies the incentive to revisit old fields long ago abandoned as unprofitable. As VOA's Greg Flakus reports from Austin, Texas, new technology has made it possible to extract more oil from these old fields.

[Turning to bikes for gas relief brings rise in accidents](#)

Motorcycles and motorized scooters have enjoyed a recent surge in popularity thanks to the energy crisis.

But the gas saving comes at a high price, safety experts said, because scooters and small motorcycles have drawn in many new riders that don't have the safety consciousness of veteran cyclists.

[Is T. Boone Pickens right?](#)

V. John White says the oil giant has done us a service by sparking a conversation on renewable energy. Jerry Taylor says Pickens is only trying to rig the energy market in his favor.

[Suburbia will evolve as economy sees change](#)

What the documentary didn't note was that some suburbs, including some neighborhoods in Madison County, are becoming part of the solution. Our multiuse neighborhoods like The Township at Colony Park in Ridgeland and The Town of Lost Rabbit in Madison feature nearby offices as well as shops, limiting the amount of gas needed to get from home to office and back again.

There is also the aspect of telecommuting, which could allow some to work from their homes.

I don't believe suburbia will end, but the documentary and current events are convincing me that eventually suburbia will change from what we know it as today.

[Hawaii Energy Challenge 2008](#)

Matthew Simmons, founder and Chairman of Simmons & Company International, an independent investment bank specializing in the entire spectrum of the energy industry, will deliver the opening day keynote address on Thursday, November 20th. Author of *Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy*, Simmons is world-renowned for his insights in the arenas of energy and Peak Oil.

[Australia: Clean, green – and stymied by Big Power](#)

Walcha grazier, Andrew Burgess, wants to do the clean, green thing and install a big wind generator on his farm, but all he has done so far is to bounce off a thick bureaucratic wall.

The only way he can justify the expense of a 10-kilowatt wind turbine, which would have the capacity to supply electricity to three houses, workshop and woolshed, and two large water pumps on his property, “Ruby Hills”, is to be paid for feeding surplus energy to the power grid.

And here's the rub: while Mr Burgess pays Country Energy about 15 cents a kilowatt hour for mains power, Country Energy will only pay him three to five cents/kW hour for the energy he would feed back to the grid from the wind turbine.

[Thinking, living locally should help green Nevada](#)

The greening of Nevada is under way, but the ultimate goal of true sustainability is no easy task. Even so, there is a simple and very powerful concept that can guide us much of the way: localization. By its very nature, it applies to everyone and could have a profound impact on our homes, making them more affordable, independent and self-

sufficient.

[Importing food means exporting drought](#)

It will be our plates, not our rates, that bear the brunt of water shortage. As today's report from WWF spells out, the amount we spew out of taps is piddling compared with what it takes to make stuff and, especially, to grow our food.

The volumes involved are staggering: the 200 billion litres a second it takes to grow the world's food is like gulping down the Amazon day in, day out. In the UK, we use about 58 bathtubs full of water every day, both directly and in the food we eat and the clothes we wear, and 62% of that comes from other countries. We're eating dry Lake Naivasha in Kenya and Australia's Murray River, as well as running down our own reserves.

[A few speculators dominate vast oil market](#) - *Regulators: Swiss energy firm holds 11 percent of contracts on NYMEX*

Regulators had long classified a private Swiss energy conglomerate called Vitol as a trader that primarily helped industrial firms that needed oil to run their businesses.

But when the Commodity Futures Trading Commission examined Vitol's books last month, it found that the firm was in fact more of a speculator, holding oil contracts as a profit-making investment rather than a means of lining up the actual delivery of fuel. Even more surprising to the commodities markets was the massive size of Vitol's portfolio -- at one point in July, the firm held 11 percent of all the oil contracts on the regulated New York Mercantile Exchange.

The discovery revealed how an individual financial player had gained enormous sway over the oil market without the knowledge of regulators. Other CFTC data showed that a significant amount of trading activity was concentrated in the hands of just a few speculators.

[Oil prices reach \\$117](#)

LONDON (AFP) - World oil prices extended gains on Thursday following a bigger-than-expected drop in inventories of US motor fuel.

New York's main contract, light sweet crude for delivery in October, climbed 1.44 dollars to 117 dollars a barrel in electronic deals.

[Will Crude Oil Break \\$100/Barrel?](#)

So far the Chinese economy has withstood the global slow-down, maintaining GDP growth above 10 percent per year. The Shanghai Composite index, however, has fallen more than 60 percent from its 2007 peak — an indication of what China can expect when the euphoria from the Olympics has faded. Falling crude oil demand from China would threaten long-term support at \$100.

[Russia sees oil output stalling](#)

Russian oil output growth is unlikely to exceed 2.2% next year and will slow to under 1% by 2011, the government said today, confirming earlier forecasts of a slowdown in production growth.

Falling oil production in Russia has become a major concern for the government, which relies heavily on export revenues.

The Kremlin quoted the Economy Ministry's updated forecast for Russian economic development to 2011 as saying oil output could this year reach 492 million tonnes, or 9.85 million barrels per day, almost flat from 491.5 million tonnes, or 9.87 million bpd, in 2007. This year, a leap year, has one extra day.

[Russia blocks Georgia's main port city](#)

POTI, Georgia (AP) — Russian forces blocked the only land entrance to Georgia's main oil port city on Thursday, a day before Russia promised to complete a troop pullout from its ex-Soviet neighbor.

Armored personnel carriers and troop trucks blocked the bridge to the Black Sea port city of Poti, and Russian forces excavated trenches and set up mortars facing the city. Another group of APCs and trucks were positioned in a nearby wooded area.

Although Russian President Dmitry Medvedev has promised that his forces would pull back by Friday, Russian troops appear to be digging in, raising concern about whether Moscow is aiming for a lengthy occupation of its small, pro-Western neighbor.

[Former Russian tycoon says he won't return to oil industry](#)

CHITA, Russia: Mikhail Khodorkovsky, a former oil tycoon in Russia who was jailed, told a parole hearing in a Siberian court on Thursday that he does not plan to return to the oil industry where he made his fortune.

Khodorkovsky - who headed the Yukos oil company and was once Russia's richest man - has been in jail for almost five years in the Siberian region of Chita, some 3,600 miles (6,000 kilometers) east of Moscow. He was sentenced in 2005 to an eight-year term for tax evasion and fraud and is eligible for parole under Russian law.

[Airlines emerge from profit-killing oil slick](#)

In early July, U.S. airline stocks were so battered you could buy one share each of five big airlines for less than the cost of checking a single bag.

With oil prices then approaching \$150 a barrel and air travel demand sinking, Wall Street's view was that most of the USA's airlines were destined for bankruptcy reorganization — some for liquidation — when their cash ran out within 18 months. One or two, the thinking went, would be toast by spring.

Now the summer season's end is approaching with an eight-day Labor Day travel period for which the airlines' trade association forecasts a sobering 6% drop in demand from a year ago. Yet conventional wisdom about airlines' survivability is changing rapidly, thanks in large measure to a \$30-plus drop in the price of a barrel of oil.

[Keynes and peak oil](#)

The central problem in repeating Keynes' exercise is that today the resource constraint has started to become compelling. In 1930, Keynes could extrapolate indefinitely the 2-per-cent-a-year growth of productivity and living standards that had been customary in "progressive countries" once modern industrialism had begun. The magic of compound interest is such that, over a century, growth at two per cent a year multiplies seven times. Keynes could assume — very reasonably — that the world's production and consumption of oil, coal, copper, steel and so on would rise several-fold over the next 100 years.

By contrast, we cannot assume anything of the kind. The biggest problem comes with the most important single commodity, oil. Back in 1930, the motorcar and aeroplanes had been invented, but only a small fraction of the world's population had driven a car or flown in a plane. The world's oil consumption was about 5m barrels a day. Nowadays, with tens of millions more Asians becoming motorised and jet-lagged for the first time every year, the world's oil consumption is 85 barrels a day, up 17 times from its 1930 level.

[Putting US Energy in the Wrong Place](#)

The reality is that whether the U.S. drills or not, it really doesn't make a difference — not against the sheer scale of the energy and climate crisis facing America and the rest of the world. (Indeed, the other 6.3 billion people factor into this equation too.) The International Energy Agency (IEA) recently estimated that under a business-as-usual scenario — which the U.S. seems intent on abiding — global oil demand would rise 70% by 2050. That increase represents five times as much oil as Saudi Arabia produces annually. You could drill America with exploratory wells until it looked like Swiss cheese and still not make much of a dent in that figure.

[Peak Oil: What Are We to Do?](#)

The County Board of Supervisors will be holding a hearing next Tuesday morning, August 26, to discuss the ongoing energy crisis in our region, state and country. With "peak oil" perhaps already here, or arriving soon – as more and more respected analysts now agree – this hearing is timely. While the Community Environmental Council is convinced that peak oil is a very serious problem, we are concerned that the growing awareness of this slow-moving crisis will lead to some bad choices regarding solutions.

[A Toxic Spew?: Officials worry about impact of 'fracking' of oil and gas.](#)

Cathy Behr says she won't forget the smell that nearly killed her. An emergency-room nurse in Durango, Colo.'s Mercy Regional Medical Center, Behr was working the April 17 day shift when Clinton Marshall arrived complaining of nausea and headaches. An employee at an energy-services company, Weatherford International, Marshall, according to Behr, said that he was caught in a "fracturing-fluid" spill. [Fracturing chemicals are routinely used on oil and gas wells where they are pumped deep into the ground to crack rock seams and increase production.] The chemical stench coming off Marshall's boots was buckling, says Behr. Mercy officials took no chances. They evacuated and locked down the ER, and its staff was instructed to don protective masks and gowns. But by the time those precautions were enacted, Behr had been nursing Marshall for 10 minutes--unprotected. "I honestly thought the response was a little overkill, but good practice," says Behr, 54, a 20-year veteran at Mercy.

A few days later, Behr's skin turned yellow. She began vomiting and retaining fluid. Her husband rushed her to Mercy where Behr was admitted to the ICU with a swollen liver, erratic blood counts and lungs filling with fluid. "I couldn't breath," she recalls. "I was drowning from the inside out." The diagnosis: chemical poisoning.

[As gas prices go down, so will food, right? No](#)

"Food prices tend to go up pretty quickly and they tend to stick on the way down," said Jim Sartwelle, an economist with the American Farm Bureau, which tracks retail food prices on a quarterly basis.

That's bad news for U.S. consumers still struggling with high costs for fuel and household goods, and worse for people in impoverished countries like Haiti and Senegal, where violent food riots broke out earlier this year as world food prices peaked.

[Garbage + Nanotech + Gasification = Ethanol](#)

AMES, Iowa, August 20, 2008 (ENS) - A method of making potentially cheap ethanol

fuel out of garbage and other waste materials by deploying a combination of modern and old technologies is under development by government and university researchers.

The process involves the use of nanotechnology and gasification to convert carbon-based materials into a product called synthesis gas, or syngas, which in turn can be made into ethanol.

[Buffett, Gates tour Canadian oil sands operation](#)

CALGARY, Alberta (Reuters) - Warren Buffett and Bill Gates, two of the world's richest men, toured Canadian Natural Resources Ltd's Horizon oil sands project near Fort McMurray, Alberta, this week.

[Xcel takes unusual step to shut down coal power plants](#)

State regulators have approved a plan by Xcel Energy Inc. to shut down two coal-fired power plants in Colorado, citing benefits to public health and concerns about carbon-dioxide emissions.

It's the first time in the nation a utility has volunteered, and regulators have approved, a plan to shut down power plants because of CO2 emissions, which are linked to global warming.

[Challenge of climate no longer scientific](#)

Alofi, Niue - Climate change is wreaking havoc in the small island states of the South Pacific and assistance is needed for those already hit by rising seawater and severe storms, an islands leader said on Wednesday.

Pacific Islands' Forum chairperson and Niue Premier Toke Talagi said the frequency of severe cyclones and rising sea levels meant the challenge of climate change is no longer a matter of scientific theory.

[Taiwan invokes greener 'Ghost Month' amid global warming](#)

TAIPEI (AFP) - "Ghost Month" in Taiwan draws out devotees who prepare food offerings, burn incense sticks and ritual paper money, and set off firecrackers to honour their ancestors as well as wandering spirits.

According to folk tales, the gate of hell opens annually during this time -- the seventh month on the lunar calendar which this year falls in August, letting its dwellers come to the human world to feast.

But as concerns about the environment and global warming grow, authorities and religious groups are calling for a change to the old ways of worshipping.

[Scientists urge U.S. to protect economy from climate](#)

NEW YORK (Reuters) - Eight scientific organizations urged the next U.S. president to help protect the country from climate change by pushing for increased funding for research and forecasting, saying about \$2 trillion of U.S. economic output could be hurt by storms, floods and droughts.



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