



## DrumBeat: August 23, 2008

Posted by [Leanan](#) on August 23, 2008 - 10:30am

Topic: [Miscellaneous](#)

### [Peak Oil And Future History](#)

The transition to global collapse should not be seen in terms of middle-class Country Elegance. There are no "transition towns" that acquire food, clothing, or shelter without large quantities of fossil fuels somewhere in the background.

Although we should all be preparing for the worst, it seems that some of us are heading into Eco-Silliness. For the most part, "transition towns" (a.k.a. "eco-villages" etc.) are just make-believe. Without fossil fuels, any country can support only about 4 people per hectare of arable land, as David Pimentel has explained in great detail. That puts many countries at well beyond the maximum sustainable size. What is going to happen to the excess population between now and the year 2030 (when oil production will be down to half of its present level)? Answer: either emigration or starvation.

The post-oil world will be much grimmer than these people imagine, and that is partly because they are not looking at the big picture. Hydrocarbons are the entire substructure of modern society. Electricity comes largely from coal or natural gas. The energy for mining comes mainly from diesel fuel, or it is transmitted through electricity. So without fossil fuels there will be no electricity, and without those same fossil fuels there will be no metals. We're looking at something less than the above-mentioned Country Elegance.

### [The Veep's Pipeline Push](#)

A two-year-old letter by Vice President Dick Cheney that push-ed a controversial Alaska natural-gas pipeline bill is getting renewed scrutiny because of recently disclosed evidence in the Justice Department's corruption case against Sen. Ted Stevens. In a conversation secretly tape-recorded by the FBI on June 25, 2006, Stevens discussed ways to get a pipeline bill through the Alaska Legislature with Bill Allen, an oil-services executive accused of providing the senator with about \$250,000 in undisclosed financial benefits. According to a Justice motion, Stevens told Allen, "I'm gonna try to see if I can get some bigwigs from back here and say, 'Look ... you gotta get this done!'" Two days later, Cheney wrote a letter to the Alaska Legislature urging members to "promptly enact" a bill to build the pipeline. The letter was considered unusual because the White House rarely contacts state lawmakers about pending legislative matters. It also angered state Democrats, who accused Cheney of pushing oil company interests. The

executive director of Cheney's energy task force later worked as a lobbyist for British Petroleum, one of three firms slated to build the pipeline.

### [As Canada exploits Alberta's oil sands, critics fear energy boom means an environmental bust](#)

FORT MCMURRAY, Alberta (AP) — The largest dump truck in the world is parked under a massive mechanical shovel waiting to transport 400 tons of oily sand at an open pit mine in the northern reaches of Alberta.

Each Caterpillar 797B heavy hauler — three-stories high, with tires twice as tall as the average man — carries the equivalent of 200 barrels of heavy oil worth \$23,000 per haul at today's prices.

### [New peak oil film on CBCNewsWorld](#)

Shot in 13 countries over a four-year period, *Oil Apocalypse Now?* reveals the myths and conspiracy theories surrounding the future of our world's oil supplies. It includes interviews with over 30 of the most influential people on both sides of the argument to examine if the oil age is coming to an end.

Is there a conspiracy of silence to keep the truth from us? In the last four years world oil prices have tripled. Why? One school of thought blames the weak U.S. dollar. Others say commodity speculators are behind the rocketing oil prices. There is a third voice growing in strength that points to another reason - supply and demand are driving prices up. As supplies diminish and production becomes more expensive, the world faces even higher prices and perhaps the collapse of global production. Then there's talk of missing OPEC barrels. *Oil Apocalypse Now?* tries to separate the facts from fiction.

Everyone agrees that if oil production is going to increase it will have to come from the group of 13 oil producing countries known as OPEC. But can OPEC really do it? We meet the men in power and find out that all may not be as it seems. Travelling to Kuwait the documentary team uncovers exclusive evidence that world oil reserves may be exaggerated by up to 50%.

But fears about our oil supplies aren't limited to missing OPEC barrels. Travelling to the U.S. *Oil Apocalypse Now?* examines arguments from The Association for the Study of Peak Oil, a group of industry insiders who've been warning of a coming Oil apocalypse for over 30 years.

### [Backstory: From gas-powered to electric auto in 36 hours flat](#)

We ride along as entrepreneur Greg Abbott turns a 1978 Triumph Spitfire into a completely clean, zero-emissions electric vehicle.

## [Will the fall in oil prices last?](#)

Countries have to start replenishing inventories soon, supply remains tight, and the fall in demand isn't large enough — all of which suggests higher prices.

## [New Zealand: Residents May Be Hoarding Petrol](#)

MILFORD SOUND residents could be hoarding petrol as the shortage in the remote community bites.

Allied Petroleum ceased selling petrol from its self-service pumps at Milford on August 1 after its eftpos card readers were superseded by a new, more expensive unit. The company said the outlet's low sales did not justify the upgrade.

## [Diesel Smuggling Network Alleged](#)

In a series of articles this month, Ciudad Juarez's Norte daily contended a large-scale, diesel smuggling network was thriving in the border region.

According to reporter Antonio Rebolledo, at least five Mexican and three US companies are involved in the lucrative enterprise. Driving the business is global energy economics: diesel fuel costs about half the price in Mexico than in the US and could be sold for a respectable profit on this side of the border.

## [Food costs warning as soggy August takes toll](#)

HARD-PRESSED consumers face further food price rises as one of the wettest Augusts on record threatens to destroy Britain's 2008 harvest.

...The problem is intensified by the effects of rising fuel prices. Ordinarily in the event of a wet August, farmers would harvest the moist wheat and dry it indoors.

Spiralling fuel bills, however, mean that drying is no longer cost effective.

## [India: Jain admits shortage of coal for power generation in AP](#)

VIJAYAWADA: Andhra Pradesh Power Generation Corporation Limited (APGENCO) Managing Director, Mr Ajay Jain has admitted to serious shortage of coal for power generation in the state.

He said coal stocks were running perilously low and there was a need to build up stocks

of the fuel.

### [Loadshedding: no let-up in Ramazan](#)

ISLAMABAD: The unprecedented power loadshedding in the country is primarily because of financial crisis and fuel shortage, and not because of capacity constraints as being stated by the government.

### [India: Diesel usage up by 35%](#)

CHENNAI: The repeated scarcity of diesel in the city and suburban areas is now becoming a cause of concern for all. With the shortage being felt in many of the 330 fuel outlets in the Chennai Metropolitan Area, fuel dealers are now blaming the oil companies for reduction in the supply.

Oil companies counter their charges, saying the scarcity was due to power shortage in the state and the steep increase in the number of industries and IT companies, particularly in the neighbouring Kancheepuram and Tiruvallur districts.

### [Russian steelmaker Severstal buys American coal miner for \\$1.3 billion](#)

Severstal is expanding in the US to take advantage of a weaker dollar, which has made the nation's steel exports more competitive. Company owner Alexei Mordashov said in June he's seeking iron-ore and coal assets in the US to protect the company from surging prices for its main raw materials. Metallurgical coal is used as both a fuel and reducing agent in steelmaking.

### [Oil Will Not Disappear](#)

The notion that alternative energy sources will make oil an obsolete energy source ignores economic reality. Even if T. Boone Pickens succeeds in his move to make a major component of our fuel source consist of natural gas, what do you think will be the response by oil suppliers? First of all if they see a major change coming they will lower prices. This is already evident with the recognition that high prices have lowered demand.

### [Their Solution: A 4 Day Work Week](#)

As if Nancy Pelosi and her leadership team didn't get enough time off with their August recess, House Majority Leader Steny Hoyer (D-MD) is advocating a four-day work week to help federal employees who are struggling with high gasoline costs.

### [Forecasting oil price has little investment value](#)

I too have had an eerie sense of déjà vu when reading recent dissertations on the oil price, and how it in future will change our mode of behaviour. For instance, due to the high price of gasoline, the concept of suburban living is so yesterday. And of course, long distance travel by car or plane is a thing of the past.

My sense of having seen this movie before emanates from the feeling that today's forecasts of the future effects of record oil prices might easily have been reprints of articles written in 1973 during the so-called "energy crisis."

### [The age of the train returns to French provinces](#)

All over France authorities are showing signs of waking up to the needs of the provinces after years in which high-speed, inter-city links have been the unquestioned priority.

From Provence to the outskirts of Paris, disused lines are being reactivated, small town stations reopened and new networks built.

At the same time, in a summer of soaring petrol prices and plummeting spending power, many French people are starting to make changes to the way they move around. Fuel consumption is down. For the first time in 30 years, car use is down as well.

### [Where are the multifuel cars?](#)

Where are these multifuel, or flex-fuel cars? Guizzo speculates that Detroit thinks of these as being too "niche" and that Americans won't go for them. I say screw that. Why is Brazil and/or Fiat just selling them directly? Toyota has shown pretty well that Americans with the buying power will respond to hybrid cars like the Prius in order to lower the amount they throw down on gas.

### [Escape from suburbia](#)

Citizen columnist Randall Denley has invoked the apt metaphor of a horror film -- it could be called *Escape From Bridlewood* -- to describe life in this neighbourhood. Like other subdivisions, the only way to and from Bridlewood is by car, but due to the particular layout of Bridlewood, residents can be stuck in traffic for 45 minutes during rush hour and still be barely out of their driveways.

And why are Bridlewood residents hostage to their cars? One reason is that there is no place that they can walk or cycle to, or that they'd want to walk or cycle to. As Mr. Denley points out, the community is the size of a small city -- 20,000 people -- but there's no library, hockey arena, swimming pool or even a high school. There are few

businesses.

### [An Environmental Brief About Vice-President Joe Biden](#)

“If I could wave a wand, and the Lord said I could solve one problem, I would solve the energy crisis. That’s the single most consequential problem we can solve. It’s what you have to do to get greenhouse gases under control.”

### [McCain’s Drill Appeal](#)

Mr. Obama, I’m stunned.

You’ve allowed John McCain to use the energy issue to steal your momentum and erase your lead in the polls. McCain told America that we needed to explore all our options to solve the energy crisis, including drilling offshore. He said that you disagreed. He summed up his argument in a powerful little phrase: “Drill here and drill now.” Brilliant!

### [WWRPD - What Would Ron Paul Do?](#)

Our fiscal crisis is complex, multi-faceted and dangerous to our long-term future. The major issues that we need to confront include the current fiscal situation, the colossal amount of unfunded liabilities that our politicians have obligated us to pay, our dependence on foreign oil, our education system, and a dearth of leadership and political courage. These issues are intertwined and cannot be addressed individually. To successfully solve these issues we need to ignore political affiliations and choose the best solutions. It seems strange to me that the best ideas for dealing with our crisis come mostly from billionaires. The people that we should believe in my opinion are: David Walker, Pete Peterson, Warren Buffett, Ross Perot, T. Boone Pickens, Matt Simmons, Bill Gates, and Ron Paul.

### [Mark Udall Runs Another Ad Saying He Supports "Responsible Drilling"](#)

Denver, CO (AHN) - Despite criticisms that he had made a "u-turn" on his stance on expanding coastal oil exploration, Rep. Mark Udall (D-CO) launched another TV ad on Thursday saying all of the nation's resources, including offshore oil, should be used to solve the energy crisis.

### [Energy crisis: Pakistan to reverse clocks by an hour](#)

The government had earlier decided to move the clocks forward by an hour to conserve electricity, but did not achieve the objective.

### [Liquefied-coal industry gains energy](#)

WASHINGTON — High oil prices are energizing a nascent liquefied-coal industry that hopes to power trains, planes and automobiles from the nation's coal reserves, using modern-day offshoots of technology that powered Adolf Hitler's war machine.

### [Unexpected natural gas boom may ease U.S. energy crunch](#)

HOUSTON: American natural gas production is rising at a clip not seen in half a century, pushing down prices of the fuel and reversing conventional wisdom that U.S. gas fields were in irreversible decline.

The new drilling boom uses advanced technology to release gas trapped in huge shale beds found throughout North America - gas believed just a decade ago to be out of reach.

Shale gas could ultimately be important beyond North America. The rest of the world has shale formations on an immense scale. Many of them, including beds in Europe, Russia and China, are known to contain gas, but exploration and assessment of those fields with the new production techniques is just beginning.

### [Oil: Biggest drop in 17 years](#)

NEW YORK (CNNMoney.com) -- Oil prices plummeted Friday, erasing the previous session's spike, as the dollar strengthened and investors worried that a decline in demand will spread outside the United States.

U.S. crude for October delivery dropped \$6.59 to settle at \$114.59 a barrel on the New York Mercantile Exchange.

The drop in oil was the largest single-day slide in dollar terms since Jan. 17, 1991, when oil fell by \$10.56. On that day, President George H.W. Bush withdrew oil from the Strategic Petroleum Reserve ahead of the first Gulf War.

But in 1991, oil was trading at just \$32 a barrel, so the more than \$10 slide in dollar terms represented a record 33% drop. Oil fell 5.4% Tuesday, which does not even crack the top 50 price declines in percentage terms.

### [Russia shuts out West's supermajors](#)

In the 1970s, the supermajors based in the West controlled more than half of the world's production. Today that number has dwindled to about 13 per cent.

The reason is largely due to geopolitics and, to a lesser degree, technological limitations. It's certainly not because the world is running out of oil. A more accurate way of defining the current situation is that the world is dealing with geopolitical peak oil, not absolute peak oil.

### [An interview with energy expert Chris Nelder on peak oil and cleantech opportunities](#)

*Your focus is peak oil production. Is that an issue that people are becoming aware of?*

I think traders have started to come around and pay attention, but not the public. Frankly, Wall Street should have been on top of this years ago. The data was out there, plenty of people were talking about it. To this day, I don't think hardly anyone in the public understands what peak oil is about. If they understood, then there wouldn't be this chorus of monkeys out there saying we should open up Alaska.

The politicians don't want to hear it, don't want it to be on their watch, they want to ignore it until they get out of office. Then it's someone else's problem. Their current raft of terrible ideas [ed: Nelder is referring here to proposals to drill in ANWAR, lift the gas tax, and drain the strategic reserve] is proof.

### [UK: Mystery surrounds leading Lib Dem's 'resignation' letter](#)

The *St Austell Guardian* this morning (Friday) received a letter which claimed to come from Bob Egerton, treasurer of Cornwall Liberal Democrats and of Truro and St Austell MP Matthew Taylor's constituency party.

The letter said that Mr Egerton had resigned because of major clashes over the future of Newquay Airport. In particular the forger said that claims about its economic benefits "are a total fantasy" and conflict with national concerns about climate change and peak oil.

### [Pemex annual oil output slides 10%; Cantarell 36%](#)

LOS ANGELES, Aug. 23 -- Production from Mexico's Cantarell oil field fell 36% over the past year, reducing the country's overall oil production and creating a sharp decline in its exports.

"New fields aren't coming on line fast enough to replace Cantarell," said Jesus Reyes Heróles, general director of Petroleos Mexicanos (Pemex).

Reyes' remarks coincided with an announcement by Pemex that in the first 7 months of 2008 the state firm produced an average of 2.84 million b/d of oil, down 10% from the same period in 2007.



Pemex confirmed that the decline in production is due mainly to the fall-off in production from Cantarell. It said the giant field produced 1.12 million b/d, a figure 472,000 b/d less than during the same period a year before.

### [Shell confirms find at Saudi Empty Quarter](#)

Ceri Powell, vice-president of strategy at Shell International, said South Rub al-Khali Co (Srak) had made a hydrocarbon discovery, but declined to give details, the London-based magazine, published on Friday, reported.

...The magazine said there had been rumours that Srak discovered commercial quantities of gas as part of drilling at its fourth exploratory well, named Kidan 6, in contract area 1 near the remote Shaybah oil field.

### [Smoke over Libya](#)



Black smoke billowed over the Libyan landscape on August 20, 2008, likely caused by a fire at an oil refinery.

### [Saudi Arabia shares rally as foreigners gain access](#)

DUBAI (Reuters) - Saudi Arabian blue chips rallied on Saturday as the world's top oil exporter began allowing foreigners to buy shares listed on its stock market through licensed intermediaries.

### [Green Tech Grows Up](#)

If peak-oil theorists are right, the decades ahead will see steadily rising crude oil prices and a mad rush toward alternative sources of energy. And if they're wrong, the decades ahead will probably still see a mad rush toward alternative energy. Call it clean tech, green tech or alt energy; by any name, it's likely to be a fast-maturing investment sector in the years to come.

### [Energy Independence Within Reach](#)

Energy independence is within our grasp, according to Edward Mazria, founder and executive director of Architecture 2030. Speaking at the first annual National Clean Energy Summit hosted by U.S. Senator Harry Reid, the Center for American Progress Action Fund, and the University of Nevada-Las Vegas, Mazria explained that buildings are the key to phasing out conventional coal and reducing oil imports by 86% by the year 2030.

### [Experts warn of local climate change effects](#)

NARRAGANSETT - U.S. Sen. Sheldon Whitehouse and a panel of top scientists warned today that climate change will have a dramatic impact on Rhode Island's ecosystem over the next few decades, with far-reaching implications for the state's habitat and economy.

### [West Africa's coastline redrawn by climate change: experts](#)

ACCRA (AFP) - Rising sea levels caused by climate change will brutally redraw a 4,000-kilometre (2500-mile) stretch of west African coastline from Senegal to Cameroon by century's end, experts were told AFP Friday.

"The cost of Guinea will cease to exist by the end of this century," said Stefan Cramer, a marine geologist and head of German green group Heinrich Boll Stiftung's operations in Nigeria.



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