



DrumBeat: November 1, 2008

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Topic: [Miscellaneous](#)

[Where Have All the Peak Oil Believers Gone?](#)

Physical peak oil, which I have no reason to accept as a valid statement either on theoretical, scientific or ideological grounds, would be insensitive to prices. ...In fact the whole hypothesis of peak oil – which is that there is a certain amount of oil in the ground, consumed at a certain rate, and then it's finished – does not react to anything.... (Climate change) is likely to be more of a natural limit than all these peak oil theories combined. ... Peak oil has been predicted for 150 years. It has never happened, and it will stay this way. - Dr. Rühl, chief economist of BP

Crude oil is down more than 50% from its high of \$147 a barrel. Where are the peak oil believers? the breathless analysts and cheerleaders of the commodity that warned of a *Mad Max* armageddon?

[Gulf petrodollars help UK go green](#)

The fight against climate change will get an unexpected boost today from oil-rich Gulf states which will pledge to invest some of their petrodollar profits in British green energy projects.

The surging oil price over the past year has left parts of the Middle East awash with cash as the rest of the world is squeezed by the credit crunch, making Arab royals some of the few active investors worldwide. The Gulf states have enjoyed a \$1.4 trillion windfall from higher oil prices since 2003.

[What's the future hold for Canadian oil sands?](#) - interview with Alberta Minister of Finance and Enterprise Iris Evans

Three major concerns that Alberta has relative to the development of the oil sands includes the perception by some that we should be doing more environmentally, the cost and availability of labor, and the cost overall for major projects. Because we are the only ones that appear to be developing major projects of this kind, comparables are not easily discernable so you have to make sure the estimates are appropriate identifying costs correctly and making sure that we can live within those costs, especially with markets

the way they are right now.

[Oil reserve expert claims world faces 'oversupply of energy' problem](#)

ABU DHABI // The world now faces an oversupply, not a shortage of energy, and a peak in oil production is out of sight, according to Nansen Saleri, an oil reserve expert who will bring the contentious peak oil debate to Abu Dhabi this week.

"There's plenty of energy sources," he said. "We don't have an energy shortage problem, we have an energy allocation problem."

[B.C. pipeline still leaking after latest attack](#)

The natural gas wellhead in northern British Columbia damaged in an apparent attack early Friday morning as yet to be repaired, an EnCana official said Saturday.

Alan Boras, a spokesman for the Calgary-based oil and gas company, said crews were looking for the best ways to seal the leak, caused by a small explosion outside Dawson Creek, B.C.

[Russia cuts oil duty but exporters disappointed](#)

MOSCOW, Nov 1 (Reuters) - The Russian government cut oil export duties on Saturday, responding to the concerns of top producers who feared making losses on overseas shipments.

However, the cut was far less than oil companies had wanted and it remained unclear whether they would proceed with November export plans or redirect their oil to the domestic market to avoid the duty.

"It was the minimum reduction and it does not significantly raise the appeal of exports," a source at one of Russia's oil companies said.

[Drilling caused Indonesian mudslide, petroleum geologists say](#)

LOS ANGELES - Petroleum geologists, polled on the cause of the mudslides from Indonesia's Lusi volcano, say they were caused by oil and gas company Lapindo Brantas, which drilled the Banjar-Panji-1 exploration well.

[ASPO November 2008 Newsletter \(PDF\)](#)

1093. Hubbert's Line

1094. Is it deliberate ?

1095. Some encouragement

1096. USA Re-evaluated

1097. A King's Response

1098. ASPO-7 Conference in Barcelona

1099. Oil Depletion Database

[Can the U.S. military move to renewable fuels?](#)

In a 1906 planning document, the U.S. War Department imagined, "In 1950, the U.S. military [will be] a highly effective, mobile, and mutually supporting force, protecting all required American interests through dominant air, land, and sea operations powered by a petroleum energy standard that is reliably and economically produced from domestic sources."

That vision came true except regarding the last two words. Oil production in the United States, the largest producer in the world at the beginning of the 20th century, reached its peak in 1970. Today, the United States is the world's largest oil *importer*, and the U.S. military is the single largest consumer of oil in the world. (For more detail see *War Without Oil: A Catalyst For True Transformation.*)

[Robert Bryce: Paying the price for cheap oil](#)

Falling oil prices may seem good to anyone suffering from the economic crisis. But it will actually hurt our long-term interests.

[US refineries still hurting Mexico oil output-Pemex](#)

MEXICO CITY (Reuters) - Ongoing problems at U.S. refineries continue to force Mexico's state oil monopoly Pemex to periodically cut small amounts of production, the company's chief executive said on Friday. "We have been fluctuating between 2.8 million and 2.7 million barrels per day, depending on the capacity of the ports to load ships mainly because of the refinery problems in the United States," Pemex chief Jesus Reyes Heróles told reporters.

[Pemex Training Faulted in Accident That Killed 22](#)

(Bloomberg) -- Petroleos Mexicanos, the state-owned oil company, needs better training for offshore workers and improved weather forecasts to prevent accidents such as the one that killed 22 production platform workers last year, according to an independent report.

Panic and disorder led to the death of the workers as they evacuated the Usumacinta platform in the Gulf of Mexico, Mario Molina said today at a press conference in Mexico City. Molina, a Nobel Prize-winning chemist, was hired by the company, known as Pemex, to study the Gulf's deadliest offshore oil accident.

[China's Coal Crunch](#)

China's coal industry operates in a different world. One day the government says there will be a major coal surplus. Another day it warns of a serious deficit, with stocks at many thermal power plants sufficient to manage only seven days of operation. For years, the government has bragged about its efforts to close small coalmines due to inefficiency and unsafe operations. However, this year the government has been asking owners to reopen those same mines.

What went wrong? Some blame the poor forecasting of supply and demand by government-owned thinktanks, which the government relies on to make industry policy decisions. The government has already expressed dissatisfaction with some research institutes that always take a conservative approach when forecasting energy prices and supplies.

[Ahmadinejad Renews Offer for Regional N. Fuel Bank](#)

TEHRAN (FNA)- Iranian President Mahmoud Ahmadinejad again put forth its proposal for the establishment of a regional nuclear fuel bank when he met with Persian Gulf Cooperation Council Secretary General Abdulrahman Attiyah on Wednesday.

Ahmadinejad who received Attiyah in the western city of Khorramabad, Lorestan Province, said, "We can join hands to create a nuclear fuel common market so that the region's nation can benefit from it."

[Local diesel shortages likely until mid-November](#)

EDMONTON - The shortage of diesel fuel, which has forced some truckers to make several stops at various stations to fill their tanks, could last into mid-November.

Petro-Canada said Friday it will restart operations at its 125,000 barrel-a-day Edmonton refinery on Sunday, but it could take a month before the facility is fully operational.

[Uganda runs out of fuel: Oil tanks stranded](#)

MORE than 100 oil-transporting trucks remained stuck at Malaba border yesterday while Kampala suffered a major fuel shortage.

City motorists were forced into panic buying as some filling stations ran out of fuel for the last two days, causing queues. In some stations, attendants waved 'move on' to motorists as they ran out of fuel. Petrol prices shot up from sh2,500 to sh2,800 per litre in a little more than a week.

[Set up regional fuel reserves](#)

THE current fuel shortage has again exposed Uganda's vulnerability in terms of oil supply. For the last two days, vehicles have been lining up for petrol. Some oil companies ran out of fuel altogether! This is not the first time.

[VeraSun Preps for Bankruptcy](#)

VeraSun Energy Corp. (NYSE: VSE), a cash-strapped ethanol company that lost big in hedging corn prices, is preparing to file for bankruptcy, The Wall Street Journal reported Friday afternoon.

[Gas falls to \\$2.46 a gallon](#)

NEW YORK (CNNMoney.com) -- Gas prices lost more than 4 cents to sell near \$2.46 a gallon on average, according to a nationwide survey of filling station credit card swipes.

[Food pantry in great need](#)

Brazil said a combination of factors has led to the bare shelves — cost of food, higher fuel prices and an increased need.

"Demand has gone up," Brazil said. "We used to do 80 families a month, and now we are doing 200 or more."

That increased demand, along with increased food prices and uncertain economic times, has led to the current shortage.

[Economics in crisis: a scientific solution](#)

With stock markets at decadal lows, money markets frozen and recession looming, economics is in the dock. In an Essay this week, Jean-Philippe Bouchaud argues that the economic sciences that failed to predict these events need to up their game. The critical approach to axioms and models that is characteristic of the natural sciences has been suspended, with notions such as the primacy of the marketplace untested, raised to the status of dogma. A revolution in economics is overdue, based on new economic models that give a more realistic representation of the financial markets.

[A Last Push To Deregulate](#)

The White House is working to enact a wide array of federal regulations, many of which would weaken government rules aimed at protecting consumers and the environment, before President Bush leaves office in January.

The new rules would be among the most controversial deregulatory steps of the Bush era and could be difficult for his successor to undo. Some would ease or lift constraints on private industry, including power plants, mines and farms.

[Saturn moon oil can solve fuel crisis](#)

MOSCOW: Scientists from the Royal Observatory in Edinburgh have said that judging by the chemical composition of stars in the Milky Way, our galaxy could contain anywhere between 300 and 38,000 highly developed extraterrestrial civilizations potentially capable of contacting planet earth. And that future fuel could come from some distant star.

[African experts seek measures to bolster geothermal exploration](#)

Naivasha, Kenya - African energy experts gathered here Friday to discuss the exploration of geothermal gas as a source of clean renewable energy, have decried the slow rate at which most African countries have moved to utilise the resource despite its abundant availability around the continent.

[Why Transportation Matters](#)

Facing \$10 trillion in public debt and mounting fears of a long-term recession, the next administration's overriding goal will be to figure out what its priorities are—and which of them it is willing to sacrifice—before laying out a domestic and international agenda.

But for whoever takes office in January, one thing should be abundantly obvious: Our aging infrastructure and outdated transportation policies are desperately in need of repair and reform. If we seriously hope to create more jobs, lower costs for families and workers, and push our economy toward a greener future, we're going to need some big

ideas and bigger action.

[The Green Supply Chain Needs an Apollo Program](#)

Dr. John Ehrenfeld, the Executive Director of the International Society for Industrial Ecology, offers a more holistic definition of sustainability. "Real sustainability is a vision both more positive and less simplistic: Not merely the opposite of unsustainability, it embraces the possibility that humans and other life will flourish on the planet forever." At its core, I believe the adoption of true sustainable practices by business and society requires new, progressive leadership.

Dr. H. Thomas Johnson, a professor of Business Administration at Portland State University agrees with Dr. Ehrenfeld that current efforts at "greening" the supply chain are often efforts to become less unsustainable rather than setting a course toward true sustainability. Business is just attempting to tweak the current economic model instead of looking to create a new sustainable paradigm. Dr. Johnson would like to see the promotion of local economic development coupled with holistic management philosophies that apply natural systems to sustainable business practices.

[Oil Sands on Front Line in Energy Sector's Battle with Costs](#)

Across the energy spectrum, company executives are pointing the finger at costs, hinting that they will need to fall significantly as oil prices have more than halved from July's all-time highs above \$145 a barrel. Natural gas and crude oil producers are targeting their contractors, who didn't hesitate to raise prices when labor markets were tight and costs of materials were skyrocketing.

And costs may already be easing. Last week, ConocoPhillips Chief Executive Jim Mulva noted that costs for the industry were already starting to moderate on the slide in oil prices, including "softness" in rig utilization costs. The company, along with ExxonMobil Corp. and Chevron Corp., has indicated it is sticking to existing spending plans.

[Global hegemony and the victims](#)

Washington foreign policy strategists also believe that, if you were to spin the globe and look for real estate for building an American empire, your first stop should have to be the Persian Gulf. Because the desert sands of this region hold two of every three barrels of oil in the world (Iraq's reserves alone are equal, by some estimates, to those of Russia, the United States, China and Mexico combined!). Apparently, the United States is driven by this theory. Though risk remains high, the main answer is there: to establish unparalleled global dominance, seize control of the Persian Gulf first.

[Switch off, save electricity](#)

THE Fiji Electricity Authority (FEA) has again reiterated that Viti Levu faces a critical energy crisis with the falling water level of the Monsavu Dam, lack of adequate rainfall to feed the dam and the high cost of back-up diesel generation. The low to average intermittent rainfall over the past three months has made the situation worse.

[Alberta oilmen California dreamin'](#)

Sacramento, Calif. -- Canadian oil sands representatives have become regular visitors to this government city in California's Central Valley, where northern Alberta's oil has become a hot topic of discussion.

The reason is not what you may expect. In a state so hungry for energy it's the world's third-largest consumer of gasoline, behind the rest of the United States and China, celebrity governor Arnold Schwarzenegger is waging an aggressive assault on greenhouse gases blamed for global warming.

[Judge gives red light to green cabs in NYC](#)

NEW YORK (AP) — A federal judge blocked the city Friday from requiring all new taxicabs to be fuel-efficient hybrids, hampering Mayor Michael Bloomberg's ambitious goal to make all yellow cabs green by 2012.

The preliminary ruling, released a day before a Saturday deadline, decided the regulations were pre-empted by federal law.

[Stealing Gas](#)

After her tank was mysteriously depleted, the author arrived at the only solution: ditching her car. (Sort of.)

[Iraq earmarks \\$15B for reconstruction](#)

BAGHDAD (AP) — Iraq has earmarked some \$15 billion — nearly 25% of its 2009 draft budget — to help rebuild the country's crumbling infrastructure, energy and oil facilities, the finance minister said Saturday.

But Bayan Jabr stressed those funds fall far short of the hundreds of billions of dollars Iraq needs to put its shattered economy back on its feet and appealed to foreign investors to help bridge the gap.

Speaking at a U.S-Iraqi investment conference in Baghdad, Jabr said a government

study determined Iraq needs some \$400 billion to upgrade its existing infrastructure and build new facilities.

"That is why we have to resort to investment in Iraq ... in many sectors including electricity, oil, oil byproducts, refineries, housing, infrastructure and banks," he said.

[West African rebels say no longer want to kill hostages](#)

The leader of West African rebels holding 10 oil workers, including six French nationals, in the Bakassi region of Cameroon said Saturday his group had "changed its mind" about plans to kill them.

"We are not going to kill them. We have changed our mind after a meeting," Ebi Dari, the chief of the Bakassi Freedom Fighters, told AFP.

[Russia starts drilling for Venezuelan gas](#)

MEXICO (RIA Novosti) - A Russian drilling platform has started extracting natural gas in the Gulf of Venezuela, the Latin American country's communications ministry said on Friday.

The work is being carried out by Russia's state-owned gas giant Gazprom, which won a tender for the development of Urumaco 1 and Urumaco 2 gas fields under the Rafael Urdaneta project.

[The Future of Petroleum: With an unpredictable Middle East, Venezuela becomes a wise alternative](#)

Today there are evidently two major geographical areas with enough reserves to cover the demand of a world increasingly thirsty for energy, as long as proper investments are made to develop their productive potential. These two areas are the Persian Gulf and Venezuela.

[Kuwait cuts Asian oil supply](#)

Opec member Kuwait has notified at least two-term customers in Asia that it would cut their crude oil supplies by 5% from November, Reuters has cited industry sources.

[Iran tells Total about oil cut sales](#)

TEHRAN (Reuters) - Iran's oil minister said on Saturday France's Total, which buys Iranian crude, had been informed it would receive less oil in line with an OPEC decision to cut output starting November 1, a news agency reported.

[Why crude oil prices should not collapse](#)

The recent fall in oil prices have warmed the hearts of many a market watcher. While the immediate sense of relief is undeniable, I foresee a bigger and far-reaching problem in the future as a result of declining crude prices.

[Financial crisis has churches worried](#)

With the economy in crisis, congregations around the country are cutting expenses at the very moment many members need help with food, heating bills and gasoline.

[Oil notches record monthly drop on US downturn](#)

NEW YORK – Oil prices ended the week with a modest rally Friday but couldn't erase one ugly October: Crude capped its biggest monthly drop since futures trading began 25 years ago, weighed down as a deflated U.S. economy crushes demand for fuel.

Oil's huge collapse — prices fell 32 percent for the month — has stunned oil-producing countries while giving cash-strapped U.S. consumers a rare dose of relief. Pump prices have fallen by about 40 percent since their summer peak above \$4 a gallon, a drop that's expected to result in staggering annual savings for American households — well in excess of \$100 billion.

"That's a pretty powerful stimulus to consumers," said Adam Sieminski, chief energy economist at Deutsche Bank Global Markets in Washington.

[Libya's Kadhafi touts energy ties in talks with Russian leader](#)

MOSCOW (AFP) – Libyan leader Moamer Kadhafi focused on oil and gas ties in a meeting with Russian President Dmitry Medvedev on Saturday, starting talks which are also expected to touch on arms purchases and nuclear energy.

"Cooperation in the gas and oil sphere is extremely important now. We have common approaches to gas and oil policies," the leader of energy-rich Libya told Medvedev, speaking through a Russian translator.

[Brown: Gulf states key to tackling credit crisis](#)

LONDON, England (AP) -- British Prime Minister Gordon Brown said Saturday that the oil-rich Middle East has a key role to play in tackling the world economic downturn.

[How U.S. policy made oil go up. Then down](#)

Mr. Pickens and plenty of other like-minded investors became convinced that oil had nowhere to go but up, even after it passed the \$100 threshold. They trotted out all kinds of charts to make their case that demand was so strong, we would never see cheap energy prices again. Peak oil and overwhelming Chinese demand became their twin mantras. Some analysts, ever eager to get in front of a trend, even started talking up \$200 oil.

Too bad they weren't paying attention to a veteran energy economist named Philip Verleger Jr., who insists oil never should have gone much above \$70 a barrel; that it did so only because of "a perfect storm" of U.S. policy mistakes, European economic developments and currency shifts; and that it could well end up back in the low \$20s before the global economy gets back on its feet.

[UAE- ADIPEC to debate Changing Face of Petrodollar among its agenda](#)

The conference is also scheduled to have a session on the "Peak oil debate" with the renowned experts like Christophe Ruehl of BP, Rick Vierbuchen of ExxonMobil, Waleed Al Mulhim of Saudi Aramco and Yoshikazu Kobayashi of the Institute for Energy Economics participating in it.

The session will take up the much-debated questions like whether the world has already reached the peak hydrocarbon production or when will it be reached. The discussions are expected to give an insight into the strategies to be adopted for achieving a correct balance between accelerating production in the short term and supporting production in the long run.

[Peak oil apocalyptoids eating crow yet?](#)

We have always argued that the price of oil is at present determined by geopolitics, not geology. But try explaining that to the apocalyptoids...

[The limits to growth: The real case for a green new deal](#)

The significance of peak oil and climate change is that the economy can no longer grow - or grow non destructively - because the energy system cannot sustain growth any more. One half of the demand for energy in the economy is the result of the growth process - it is used to build infrastructure, buildings and machinery. But it is increasingly costly to get hold of fresh carbon energy. Even with new technologies of extraction the energy

cost for acquiring oil and gas is rising.

[Athabasca's woes](#)

It seems like just yesterday -- well, maybe three or four months ago -- that the Athabasca oil sands were being touted as the engine of the Canadian economy, even as they were being castigated for their alleged impact on climate change (which is approximately zero). Still, you'd expect a fall of US\$80 in the price of oil to make a bit of a difference, particularly when you're talking about some of the most capital intensive and expensive oil on earth.

This week, Canadian Oil Sands Trust cut its quarterly distribution by 40%. Shell announced that it was slowing expansion plans, thus joining major Canadian-owned players such as Suncor, Nexen and Petro-Canada. TransCanada Corp., meanwhile, has announced that it might delay its Keystone pipeline expansion, which was intended to take oil sands oil to the U.S. Gulf coast.

[Oil price fall, crisis may delay US climate, energy policy](#)

The financial crisis and falling oil prices risk setting back attempts by the next US president and Congress to promote renewable energy and the fight against climate change, analysts say.

[Australia: Police arrest 25 protesters](#)

POLICE arrested 25 climate-change protesters at one of Australia's largest coal-fired power stations yesterday.

Another four remained chained to machinery yesterday afternoon at the NSW Government-operated Bayswater power station near Muswellbrook in the Hunter Valley, halting electricity production.

[Global Warming and Predictions of an Impending Ice Age – Part 4](#)

This is the fourth and final post in a series on the connection between the sun, sunspots, and climate.



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