



DrumBeat: November 6, 2008

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Topic: [Miscellaneous](#)

[The Peak Oil Crisis: Memorandum for the President-Elect](#)

Right at the top of the truly important list, and more urgent than you probably realize, is to start the transition of the U.S. economy from fossil fuels - oil, coal, and natural gas - to renewable forms of energy as quickly as possible. If this does not start happening soon, then much of the U.S. and world economy is likely to start grinding to a halt well within the eight years you would like to remain in office. Moreover, if we rush to burn off all the remaining fossil fuel, primarily coal, in the name of economic recovery and growth, the world is likely to end up in a couple of centuries - and here opinions differ - anywhere from an unpleasant place to live to being nearly devoid of the higher forms of life.

We have heard all sorts of talk about energy independence in recent months usually coupled with calls for more domestic drilling, "clean-coal" or more ethanol. Such talk is meaningless since we are almost certain to become energy independent in the next decade or so simply because we won't be receiving most of the 12 million barrels of crude and oil products a day we are currently importing. They just won't be for sale, at least not to us.

[Peak Oil: You Can Run, But You Can't Hide From Higher Oil Prices](#)

What does it say when the normally conservative International Energy Agency is even gloomier than already depressed markets? That this autumn's relatively cheap oil is likely a flash in the pan—and that triple-digit oil will soon be a permanent fixture again.

[Canadian Natural sees vicious oil sands cost cycle](#)

CALGARY, Alberta (Reuters) - Canadian Natural Resources Ltd is concerned that oil sands producers will rush again to develop their deferred projects once oil prices rebound and costs ease, extending a vicious cycle, the company's president said on Thursday.

Stung by high costs, Canadian Natural is slowing down spending on the next phase of its Horizon oil sands project in northern Alberta as it ramps up output on the initial phase in 2009.

[Oil and gas drilling to drop 10% in Alberta, industry forecasts](#)

EDMONTON -- Oil and gas drilling will take a big hit in Alberta next year, with 1,350 fewer wells forecast by the Petroleum Services Association of Canada.

PSAC said Thursday that numbers are expected to decline across Canada by 10% to 16,750 wells, down from an expected 2008 tally of 17,400.

[Gazprom to revise South Europe gas pipeline plan due to financial crisis](#)

(PORTOROZ) - The current financial crisis could force Russia's Gazprom energy giant to revise its South Stream pipeline project, which is to link Russia to southern Europe, a Gazprom's official said here Thursday.

"The present financial crisis could influence to some extent the performance of any international company, and Gazprom is no exception," Stanislav Tzyganov, head of Gazprom's International business department, said while presenting the project at a conference on energy investment in southern Europe.

[GM dealers feel squeeze from GMAC](#)

NEW YORK (CNMoney.com) -- General Motors dealers are complaining that GM's "captive financing" arm isn't doing what it was set up to do - help them move cars. And if it continues, they say, they could lose their lots.

[Oil thieves clash with military in Nigeria, one dead](#)

PORT HARCOURT, Nov 6 (Reuters) - Gunmen in speedboats trying to secure safe passage for crude oil thieves killed a civilian during a gunbattle with the Nigerian security forces in the western Niger Delta, the military said on Thursday.

Around 20 speedboats launched a coordinated attack on a military position at Clough Creek in Bayelsa state on Wednesday before being repelled, military spokesman Rabe Abubakar said. He said the civilian was shot by the attackers as they retreated.

[Ancient cave yields clues to Chinese history](#)

WASHINGTON - A stalagmite rising from the floor of a cave in China is providing clues to the end of several dynasties in Chinese history.

Slowly built from the minerals in dripping water over 1,810 years, chemicals in the stone tell a tale of strong and weak cycles of the monsoon, the life-giving rains that water crops to feed millions of people.

Dry periods coincided with the demise of the Tang, Yuan and Ming dynasties, researchers report in Friday's edition of the journal Science.

In addition, the team led by Pingzhong Zhang of Lanzhou University in China noted a change in the cycles around 1960 which they said may indicate that greenhouse gases released by human activities have become the dominant influence on the monsoon.

[OPEC exports to drop 310,000 bpd to Nov 22 - analyst](#)

LONDON (Reuters) - OPEC seaborne oil exports, excluding Angola and Ecuador, will drop 310,000 barrels per day (bpd) in the four weeks to Nov. 22 and will have fallen 700,000 bpd from an August supply peak, an oil analyst who tracks future flows said on Thursday.

Seaborne crude exports from 11 OPEC members, including Iraq, will fall to 24.23 million bpd, British consultancy Oil Movements reported.

That is just 30,000 bpd short of this year's low in mid-September when many refineries were in seasonal maintenance, it said, signalling that group output cuts were eating into supply.

[Oil Falls to 19-Month Low on Concern Slump Is Hurting Demand](#)

(Bloomberg) -- Crude oil fell to a 19-month low on signs that fuel demand will contract as the global economy slows.

Oil declined as much as 3.3 percent in New York as the MSCI World Index dropped 2.4 percent. European Central Bank President Jean-Claude Trichet said the global financial crisis may lead to an extended economic slump in the 15 euro nations. More Americans than anticipated filed first-time claims for unemployment benefits last week, a government report today showed.

``There's no good news on the demand front," said Chip Hodge, a managing director at MFC Global Investment Management in Boston, who oversees a \$4.5 billion energy-company bond portfolio. ``We overshot moving higher and are doing the same moving lower. Prices could easily move into the \$50s for a good while."

Crude oil for December delivery fell \$4.87, or 7.5 percent, to \$60.43 a barrel at 11:24 a.m. on the New York Mercantile Exchange. Futures touched \$60.16, the lowest since March 22, 2007. Prices, which have tumbled 59 percent since reaching a record \$147.27 on July 11, are down 37 percent from a year ago.

[Conoco, Aramco delay Yanbu refinery construction](#)

HOUSTON (Reuters) - ConocoPhillips (COP.N: Quote, Profile, Research, Stock Buzz) and Saudi Aramco said on Thursday they halted bidding on the construction of the 400,000 barrel per day joint-venture Yanbu refinery in Saudi Arabia, citing uncertainties in the financial and contracting markets.

[The New Cold Front](#)

Countries such as Estonia, Latvia, Lithuania, Ukraine, Poland and the Czech Republic are now, their officials say, living in fear of the Russian bear once again. Nato's failure to come to Georgia's rescue and the weak response by the EU, which could not agree on imposing sanctions on Russia in the wake of its incursion, has added to that fear.

Energy security is the other elephant in the room. The ruling regimes in Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan – all oil- and gas-rich former Soviet republics, along with countries such as Ukraine, which is a major transit route for Russian energy exports to Europe – are all nervous.

[China and Sudan: There be dragons](#)

FIVE boxes draped in blue cloth arrived in China from Sudan on November 5th. The ashes they bore were of dead oil workers, victims of what China's foreign minister, Yang Jiechi, called one of the most serious cases in recent years of Chinese citizens being killed abroad. As China's overseas investments grow, its companies are learning the hard way what is meant by "country risk".

It is only this decade, when Chinese leaders have encouraged companies to "go out", that China's outward investment has taken off. Much of it has entailed a scramble for resources, often in conflict-torn areas. Chinese companies, which used to think of kidnappings and terrorist attacks as problems mainly for their Western rivals, are finding that they are targets too. Their risk-assessment and security-management skills are failing to keep up.

[Russia clears 20 pct domestic gas price rise in '09](#)

MOSCOW (Reuters) - Russia's tariff agency has cleared an almost 20 percent rise in domestic gas prices next year as another step to bring the currently state-capped prices up to market levels in a few years, the agency said on Thursday.

Wholesale gas prices for industrial consumers will rise by 19.6 percent in 2009, Denis Volkov, the head of the agency's oil and gas department, told Reuters.

[Australia - Power, water, roads at risk: climate report](#)

THE country's electricity and water supplies are at high risk from climate change, and immediate action is needed to prepare for the threat, a report presented to the Federal Government has warned.

Dams, roads, power stations and even paved footpaths are all at risk of damage from the increasing number of droughts and bushfires and rising sea levels during the next 30 to 50 years, said the report by the Australian Academy of Technological Sciences and Engineering.

[U.S. carmakers may not be able to wait for Obama](#)

WASHINGTON (Reuters) - President-elect Barack Obama courted distressed U.S. automakers during his campaign and pledged to help them, but the industry's health is so bad it may not be able to wait for him to take office.

"He's not here until January (20th) and that's a long time in the life of these companies at the moment," John Engler, a former Michigan governor and president and chief executive of the National Association of Manufacturers, said on Wednesday.

[US automakers can now apply for Energy Dept. loans](#)

WASHINGTON (Reuters) - The White House said Thursday that automakers are now able to apply for government loans from the Energy Department to help them retool older plants and equipment to produce energy-efficient vehicles.

The Energy Department on Wednesday night published rules for participation in the loan program, which now allows automakers to apply for financing, the White House said.

[Enel, Russian railways extend power supply deal](#)

MOSCOW (Reuters) - Italian power company Enel has renewed a contract to supply Russian Railways (RZhD) with electricity, it said on Thursday.

Enel said in a statement it had also signed a memorandum of understanding with Russian electricity importer/exporter Inter RAO for cooperation in the energy sector in Russia and other countries.

[BP turning focusing on U.S. for its wind projects](#)

BP will end its planned wind power projects in India, China and Turkey to focus on the onshore generation in the U.S.

BP has ended its partnership with China's Goldwind Science & Technology Co, which aimed to build a wind power project in the northern province of Inner Mongolia, Goldwind said today.

[Julian Darley: Putting On The Brakes](#)

We are starting to grow used to reading about news of contraction, but the contraction is happening by accident instead of by design. For example, this week has brought more news of dramatic falls in the sales of new cars in the USA and globally. No matter what your opinion of cars and the wider car industry, this contraction undoubtedly means many people will lose their jobs. This will cause worry, sadness, and hardship on top of all the other news of an economic system in deep trouble. Yet knowledge of the future of global oil supply points to an industry which is about to undergo massive transformation and most likely painful shrinkage.

[Oil prices would soar to \\$200 by 2030: IEA](#)

"The world's energy system is at a crossroads. Current global trends in energy supply and consumption are patently unsustainable -- environmentally, economically, socially," it warned in a summary of its annual World Energy Outlook report.

"But that can -- and must -- be altered: there's still time to change the road we're on."

"The future of human prosperity depends on how successfully we tackle the two central energy challenges facing us today: securing the supply of reliable and affordable energy; and effecting a rapid transformation to a low-carbon, efficient and environmentally benign system of energy supply."

It declared: "Preventing catastrophic and irreversible damage to the global climate ultimately requires a major decarbonisation of the world energy sources."

[Don't Want to Spoil the Party over Low Gas Prices, But Robert Rapier has a Warning You Should Hear](#)

While Robert Rapier is well known to readers of "peak oil" web sites such as The Oil Drum, his name isn't nearly as well known as it should be among investors in general. As a former oil industry insider with many years of experience in the notoriously murky world of oil refining and marketing, Rapier is a pragmatist, not an ideologue, in his oil market analyses.

Thus is it worth noting that Rapier, on his web site, is warning that the current plunge in pump prices poses “a big risk for inventories. Keep a close eye on demand at these prices,” Rapier advises after noting that gasoline has been selling for less than \$2 a gallon in parts of Texas. “If,” he writes, “demand picks up and inventories can’t recover, we will go into spring in position for gas prices to reverse in a hurry.”

[Canada: Thieves cut brakes to school bus to steal fuel](#)

Thieves have stolen thousands of litres of fuel from companies in southern Ontario, and the latest target is a bus company whose vehicles transport children to school.

Police say it's unclear if the cases are related.

In the latest heist, suspects cut the brakes of a school bus that was parked on top of a massive underground storage tank. They then pushed the bus out of the way, possibly using a truck, to access the tank's fuel.

[India: You may have to pay more for uninterrupted power supply](#)

MUMBAI: Despite the growing power shortage, which is almost 700 MW now, Mumbai has managed to get uninterrupted electricity supply through purchases from sources outside the state. However, costly power from outside has forced Mumbai's utilities to seek a revision in tariff by way of higher Fuel Adjustment Charges (FAC).

As a result, the overall power tariff could go up by 20% in case the Maharashtra Electricity Regulatory Commission (MERC) allows revision in the FAC. Given that no power company would absorb the higher fuel prices on its own, a revision in FAC seems imminent.

[Pakistan: Textile industry warned against excessive power load](#)

LAHORE: Power distribution companies have started serving notices on the textile industry, asking it to maintain current power load in coming months when gas load-shedding will start and in a worst case they may face power outages, The News has learnt.

[Time to go against the grain](#)

Oil-dependent production of cereal crops could be replaced by a traditional method of farming that is cheaper, greener and safer.

[Under Obama, Dark Days Seen Ahead For Fossil Fuels](#)

WASHINGTON -(Dow Jones)- Under President-elect Sen. Barack Obama, D-Ill., the fossil fuels industry may face "dark days ahead," while alternative energy sectors are likely to flourish.

Although it will take years to engineer and implement, an Obama administration energy and environment policy marks a tectonic shift for the nation. He would move the U.S. away from petroleum as its primary energy source and towards renewable energy, advanced biofuels, efficiency and low greenhouse-gas-emitting technologies.

[Market paralysis ignores uranium's compelling projections](#)

The Melbourne-based financial services group BGF Capital Group says that the frozen minds of investors and developers may well see a critical shortage of uranium in two to four years time.

[Toyota halves profit expectations](#)

TOKYO (AP) -- Toyota slashed its annual earnings forecast Thursday to less than a third of what it was the previous fiscal year, the latest stunning sign that the global slowdown and strong yen are taking a toll on Japan's mighty automakers.

Toyota Motor Corp., which has been riding high on the success of its Prius hybrid and Camry sedan, reported that its July-September quarter net profit plunged 69% to \$1.4 billion.

A contraction in the vital U.S. auto market, the credit crunch and recent jump in the yen from about ¥118 to a dollar a year ago to ¥100 levels -- which erodes overseas income - have dealt a serious blow to Japan's biggest automaker.

"The financial crisis is negatively impacting the real economy worldwide, and the automotive markets, especially in developed countries, are contracting rapidly," said Executive Vice President Mitsuo Kinoshita. "This is an unprecedented situation."

The company said it would try to cut costs and adjust production amid "a variety of risks and uncertainties, including higher energy and raw material prices."

[Energy Crisis? What Energy Crisis?](#)

Greetings from New York, where the notion that the new regime is "bullish for alternative energy" is, to be perfectly blunt, the silliest notion I've seen since last summer, when I got angry (really angry) emails for saying the Ag stocks were in a bubble.

Crude is \$65 a barrel. America has a dead consumer, a financial meltdown in progress, a massive deficit and the collective attention span of a goldfish. The only thing we don't have, at least for the moment, is an energy crisis.

You can do what you want, trading-wise, but playing yesterday's bubbles as an "investment" is akin to loading up on Beanie Babies in the hope that they'll start selling for \$20,000 apiece again.

[Total CFO: No Plan To Delay Long-Term Projects For Now](#)

PARIS -(Dow Jones)- French oil major Total SA's (TOT) chief financial officer said Wednesday the company wouldn't hesitate to delay a project if its analysis shows it should, but added that it doesn't see the need to delay any projects at the moment.

"If our analysis indicates that we should delay a project then we will and it is that simple," Chief Financial Officer Patrick de la Chevardiniere said during a conference call with analysts to discuss the company's third-quarter results.

[Load shedding to end by Dec 2009: Pervez Ashraf](#)

ISLAMABAD (APP): Minister for Water and Power Raja Pervez Ashraf on Wednesday said all out efforts were being made to overcome the energy crisis and the load-shedding would end by December 2009. The minister while giving assurance to the Senate Standing Committee on Water and Power said that keeping in view the situation the government is bringing in rental power generation units and maximizing generation from Independent Power Producers (IPPs) to augment the existing supply.

He said that a debt of Rs. 400 billion had created problems for the power generation sector out of which Rs. 260 billion are receivables of the eight power companies while Rs. 140 billion had to be paid to the oil companies.

The power generation companies had no money to pay to the oil companies due to which the situation went from bad to worse, he added.

[UGANDA: Fuel shortage hits aid work in north](#)

GULU (IRIN) - Aid workers in northern Uganda could scale down operations if a fuel shortage persists, officials told IRIN.

"Our operations for the past two weeks have been severely affected, we can't get all our staff to work locations because of the fuel shortage," Alex Otim, Gulu district local government secretary for works and rehabilitation, said.

[Hard times cut demand for big chrome custom car wheels](#)

LAS VEGAS — The bling-bling is going out of the fancy custom wheels business.

After a decade in which shiny chrome rims ruled the streets — the bigger and more outrageous the better — consumers appear to be passing up automotive cosmetics in order to buy gas and groceries.

[Vote for bigger hen cages for could cause big changes](#)

SAN FRANCISCO — Californians' adoption Tuesday of a ban on restrictive cages for egg-laying hens will hasten changes nationwide, supporters say. Opponents say it will put California producers out of business, given consumer demand for cheap eggs.

[Global Oil Demand May Contract In 2009, 1st Time In 26 Years](#)

NEW YORK (Dow Jones)--For years, rising global oil demand was as predictable as the seasons. Not anymore.

A starker economic outlook has some high-profile energy analysts predicting the world will consume less oil next year than this year, notching the first annual contraction since the early 1980s as emerging markets, led by China, cool off.

"We're in a new world now," said Kobi Platt, an economist with the Energy Information Administration, the analytical and statistical wing of the U.S. Department of Energy.

Demand in the most industrialized countries, static for years, tanked as oil soared to new heights this year. Even with U.S. gasoline now 42% cheaper than its July extremes above \$4 a gallon, soft demand is expected to linger.

Against this backdrop, the world's oil-demand engine was supposed to be heavy industrial fuel needs and growing auto ownership in emerging markets, some of them enriched by oil exports. For the next several months, at least, that scenario is falling apart as the financial crisis bleeds across borders and challenges the theory that emerging markets have "decoupled" from highly developed ones. While expected to grow, emerging-economy demand may not offset declines elsewhere.

[Financial Crisis To Affect Oil Cos 2012-2015 Projects - Report](#)

HOUSTON -(Dow Jones)- International and domestic oil companies' projects with financing in place are unlikely to be held back due to the deepening credit crisis, but those programmed for after 2012 would feel the pinch, a report said.

"The vast majority of projects with finance in place due for completion in the 2008-12

time-frame are expected to move forward," said a report from research firm IHS Global Insight published Tuesday. The document analyzes the impact of the financial crisis and the economic meltdown on oil and natural gas exploration and production activity around the world.

However changes recently announced by several oil and gas companies to their mid-term investment programs due to lower commodity prices and the credit crunch would hit projects in the 2012-2015 timeframe, worsening the access to oil reserves, according to the report.

[Threat to North Sea oil from low crude price and access to finance](#)

Billions of pounds of investment in the North Sea is under threat because of plunging crude prices, the impact of the credit crunch and soaring costs, oil industry chiefs said this week.

Of the 170 new oil and gas exploration projects planned for the UK sector of the North Sea, up to 60 could be delayed indefinitely because they are no longer considered economic, Mike Tholen, economics and commercial director of Oil & Gas UK, said. "Around a third of these E&P [Gas Exploration and Production] projects feel very uncomfortable at current oil prices," he said. "Where projects are marginal people will bide their time."

[Finance Hurdles May Stall Some Asian Gas Projects, Analyst Says](#)

(Bloomberg) -- Natural gas production in developing Asian nations will be constrained by an inability for smaller petroleum companies to secure financing for projects, a senior director at Cambridge Energy Research Associates said.

Capital costs for petroleum projects have doubled over the last three to four years, causing some companies ``to think hard about the projects they are doing," Singapore-based Mark Hutchinson said today at a conference in Sydney. Deferrals of gas projects will benefit coal producers because of fuel demand from power producers, he said.

[IEA Sees Oil Rebounding to Average \\$100 Through 2015](#)

(Bloomberg) -- The International Energy Agency, an adviser to 28 nations, said it assumes oil import prices will rebound to average \$100 a barrel between 2008 and 2015 and said the threat of a ``supply crunch" remains.

[IEA urges big spending to ensure world energy supply](#)

LONDON (Reuters) - Massive investment of more than \$26 trillion will be needed over the next 20 years to ensure the world has enough energy, the International Energy Agency said in its latest World Energy Outlook (WEO).

Given the context of oil supplies reaching a plateau, the high cost of bringing on new output and rising demand, the Paris-based agency assumes consumers will pay an average of \$100 a barrel over the next seven years and higher beyond that.

"The world is not running short of oil or gas just yet," the IEA said in an executive summary of the WEO that will be released in full next week.

"The immediate risk to supply is not one of a lack of global resources, but rather a lack of investment where it is needed."

[Oil falls below \\$65 on demand concerns](#)

Oil prices slipped below \$65 a barrel Thursday as renewed concerns about the severity of a global economic slowdown triggered an exodus of investor capital from stocks and commodities.

By early afternoon in Europe, light, sweet crude for December delivery was down \$1.20 to \$64.10 a barrel in electronic trading on the New York Mercantile Exchange. Trading was volatile and the contract traded as high as \$65.50 and as low as \$63.70 earlier in the session.

[Venezuela's Chavez hails 'strategic' relations with Russia](#)

MEXICO (RIA Novosti) - Venezuelan President Hugo Chavez has held up Russian economic cooperation as evidence of the two countries' "strategic" relations, the Mexican media reported on Wednesday.

"The establishment of a Russian-Venezuelan development bank, and an energy consortium involving [Russian energy giant] Gazprom and Venezuela's state-run oil and gas company Petroleos de Venezuela is evidence of our strategic relations," Chavez was quoted as saying at a meeting to support gubernatorial candidates in the western Venezuelan state of Tachira on Tuesday.

[Jim Brown: Cutbacks Continue](#)

Election night in the U.S. brought more than a changing of the guard. There were plenty of ballot initiatives brought before the people. Voters in California approved a \$10 billion down payment on a major infrastructure project to develop a high-speed train system. This is not your grandfather's railroad but an 800-mile long, 200 MPH bullet train. Considering our future of peak oil this is a great initiative. Too bad it didn't happen two

or three elections ago. The entire project is expected to cost \$45 billion and could take 20 years to complete with the first trains up and running in about six years.

[Myanmar stops disputed gas exploration - Bangladesh](#)

DHAKA (Reuters) - Myanmar stopped oil and gas exploration in deep-sea blocks in disputed waters in the Bay of Bengal on Thursday, a day after Bangladesh had apprised China over the row, officials said.

"They have stopped exploration, but are yet to remove vessels and equipment from our (sea) territory," a Bangladesh navy official told Reuters.

[Myanmar gas row highlights energy crisis in Bangladesh](#)

DHAKA (AFP) — A simmering dispute between Bangladesh and neighbouring Myanmar in a hydrocarbon-rich stretch of the Bay of Bengal has highlighted Dhaka's desperate plight over dwindling gas supplies, say analysts.

[KPC, Mideast suppliers struggle with naphtha deals](#)

SINGAPORE (Reuters) - Talks between Kuwait and buyers for December 2008-November 2009 naphtha supply are taking longer than usual to conclude, with expectations of deep discounts, as petrochemical demand has slumped, trade sources said.

Other Middle East supplier -- top-ranked Saudi Aramco and Abu Dhabi National Oil Co (ADNOC), the third-largest seller to Asia -- will also be negotiating term supplies this month, but will find it difficult to close the deals at a time of crisis in demand, seen lasting till at least second-half 2009.

[Analysing OPEC's plan to cut oil output](#)

Details have begun to emerge on OPEC countries' plans to cut crude production in line with the cartel's October 24 decision to remove 1.5 million b/d from world oil markets beginning from early November. The reduction will be divided among 11 members and made from a baseline of 28.808 million b/d, which is derived by subtracting Indonesia's allocation from the 29.673 million b/d 12-member ceiling set in September 2007. Iraq does not have an output allocation.

[Role of national oil firms crucial](#)

National oil companies' response as well as the handling of current challenges will play an important role in the stability of world energy markets, said senior executives of oil companies.

A study by professional services firm KPMG on the future of oil industry in the coming five years said the changes witnessed by the industry will force big players to adjust to the changed conditions over the next 10 years.

Officials, reacting to the findings of the study, said the concept of conflict between world oil companies and national ones no longer exists today since national firms are moving outside their geographical boundaries and are privatising some of their work and assets.

[Report: Drilling on federal lands could be faster](#)

WASHINGTON (AP) — The government isn't doing enough to expedite drilling in federal waters and on public lands, according to a report issued Tuesday by congressional investigators.

In a review of the 55,000 federal oil and gas leases issued to energy companies by the Interior Department from 1987 to 1996, the General Accountability Office found that the vast majority expired without being drilled, and an even smaller amount actually produced oil and natural gas.

"We do not agree that Interior is pursuing expedited development of oil and gas leases," the report reads.

[Boost seen for natgas under Obama; setback for oil](#)

NEW YORK (Reuters) - The election of Democratic Sen. Barack Obama to the presidency should be a boon to natural gas producers, but the forecast is turning dark for oil and coal industries already coping with falling prices.

The potential regulation of carbon dioxide emissions and the threat of a "windfall profits" tax on oil majors such as Exxon Mobil, Chevron Corp and ConocoPhillips have been two major themes of the Obama campaign. Both moves could erode the massive profits those companies have posted on the back of high crude oil prices, industry experts said.

[Iraq-Turkey Pipeline Blast Halts Oil Supplies, Botas Says](#)

(Bloomberg) -- An explosion late yesterday halted oil supplies through a pipeline connecting Turkey with oil fields in northern Iraq.

The blast, which occurred around 10 p.m. near the Turkish city of Sanliurfa, resulted in

a sudden loss of pressure on the pipeline, according to a spokesman for the state-run pipeline company Botas. He declined to say whether a bomb may have caused the blast.

[Kazakhstan reins in oil majors](#)

MONTREAL - The Kazakhstan government, concerned about runaway costs and repeated delays in the vast Kashagan oilfield, has increased its role in the Italian-led consortium charged with developing the most important oil reserves in the Caspian Sea Basin.

[Venezuela Faces Hard Choices As Oil Price Falls](#)

Although OPEC announced production cuts of 1.5 million barrels per day last month, the oil price has failed to rebound, with the markets anticipating falling oil demand arising from the international financial and economic crises. In Venezuela, this has put pressure on both the government and state oil company PDVSA.

[Russia's natural gas exports to Europe down 8% in Oct. - paper](#)

MOSCOW, November 6 (RIA Novosti) - Russia's natural gas exports to Europe declined 8.3% to 12.6 billion cubic meters in October from a year ago as demand fell in the main consumer countries, a leading business daily reported on Thursday.

According to Kommersant, soaring gas price of \$460-520 per 1,000 cubic meters, introduced from October 1, drove down demand in Europe, including falls in Gazprom's main European customers - Germany, Italy and Turkey.

['We need to catch them'](#)

VANCOUVER — The three recent explosions at sour gas facilities near Dawson Creek in northeastern British Columbia provoked some explosive language from the provincial Energy Minister yesterday.

"Only a crazy person can think that by going out there and blowing something up they are getting their message across," Richard Neufeld told reporters in Victoria.

"Only someone that's deranged does that kind of thing. Because they put everybody's lives at risk ... it's crazy and it's stupid and they shouldn't do it. We need to catch them."

[Worldwide oil reserves drying up, city warned](#)

Edmonton - The city is hearing dire warnings to cut energy use amid fears of skyrocketing oil prices in the coming years – costs which would be passed onto taxpayers.

A committee of council today was cautioned the situation could get even worse once worldwide oil reserves begin to dry up.

[The Great Solar Shakeout](#)

In October it began to seem like there would be no end to the carnage on Wall Street. Unlike the prospective solutions, the cause of the crisis was very simple. Too many investors had begun to believe that some things always go up, like the price of a house or a barrel of oil, and other things will forever stay down, like the cost of capital.

You would think advocates of solar technology would know better, given the sun's somewhat obvious metaphor for how things move in nature. Despite expectations for rising sales, steadily growing demand over the long term, and another year of exuberant investment from venture capital, the solar bubble has been increasingly overdue for a correction and got a good one over the past month.

[Britain burying huge amounts of potential fuel](#)

Britain's biomass industry will miss targets necessary to meet renewable energy goals by 50% unless "blockages in the system" are removed by the government. In a letter to the new energy and climate change secretary, Ed Miliband, representatives from the wood industry say urgent action is required to put biomass back on track.

"For the government to meet its targets for generating 20% of its energy from renewable sources by 2020, the UK needs to fully harness the potential for generating energy, heat and power through biomass," writes Craig White, chairman of Wood for Gold, a pressure group for the timber sector.

[Lack of political will slowing Europe's renewables revolution, engineers say](#)

The experts tasked with delivering Europe's green energy revolution have said that a lack of political leadership is their biggest single obstacle in meeting the continent's ambitious targets for renewable power.

[Hoping To Change Some Attitudes](#)

More than 250 neighbors of Constellation Energy's Calvert Cliffs Nuclear Power Plant recently toured the Lusby facility as the company opened its doors to the public for the

first time since 2001.

The move could provide a public relations boost to the energy giant, which is seeking approval from federal and state regulatory agencies to build a third reactor.

[End to fossil fuel subsidies urged](#)

An end to the enormous subsidies paid to fossil fuel energy generators will be needed to set the world on a path of low-carbon generation, the International Energy Agency will say next week, writes Fiona Harvey.

The IEA will say that subsidies on energy consumption were \$310bn for the 20 biggest countries outside the Organisation for Economic Co-operation and Development in 2007.

Converting this subsidy to lower carbon energy sources could be the biggest source of support to low-carbon energy, including renewable sources, and carbon capture and storage.

[Obama to Back Ailing Ethanol Makers, Follow Failed Bush Policy](#)

(Bloomberg) -- President-elect Barack Obama plans to support unprofitable U.S. ethanol producers and pursue the same policies that failed George W. Bush.

Obama, the Democratic senator from Illinois, the second-biggest corn-growing state, will maintain Bush's goal requiring fuel producers use at least 36 billion gallons of biofuels in 2022, said Heather Zichal, the campaign's senior energy adviser. The ethanol industry, which loses about 66 cents a gallon at current prices, will receive at least as much support as from the current administration, including tax credits to spur consumption, she said.

[Arnold Schwarzenegger may be Obama's Energy Secretary](#)

ARNOLD Schwarzenegger is being tipped to become Secretary of Energy in Mr Obama's administration.

The Austrian-born movie tough guy has been Governor of California for five years but must stand down in 2010.

[Beekeepers seek cash to take sting out of disease](#)

Three hundred white-suited beekeepers with veiled faces marched to Downing Street

yesterday to demand increased funding for research to halt the extermination of millions of honey bees.

The British Beekeepers' Association says hives are in such poor condition that stocks of English honey will run out by Christmas.

[Canada Proposing Climate-Change Pact With Obama, Globe Says](#)

(Bloomberg) -- Canadian Prime Minister Stephen Harper is proposing a climate-change pact with U.S. President-elect Barack Obama that would protect Alberta's oil sands projects from potential new U.S. rules, the Globe and Mail reported.

[Could Obama appoint a "climate czar"?](#)

WASHINGTON (Reuters) – U.S. environmental groups see Barack Obama's presidential victory as a chance to undo the Bush legacy on global warming, and one idea they are discussing is the possibility of a White House "climate czar".

[Bill McKibben: President Obama's Big Climate Challenge](#)

And so our eight-year interlude from reality draws to a close, and the job of cleaning up begins. The trouble is, we're not just cleaning up after a failed presidency. We're cleaning up after a two-century binge.

Barack Obama won an historic victory yesterday, and with it the right to take office under the most difficult circumstances since Franklin D. Roosevelt. Maybe more difficult, because while both FDR and Obama had financial meltdowns to deal with, Obama also faces the meltdown meltdown -- the rapid disintegration of the planet's climate system that threatens to challenge the very foundations of our civilization.



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