



DrumBeat: November 10, 2008

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Topic: [Miscellaneous](#)

[Total sees nuclear energy for growth after peak oil](#)

DOHA (Reuters) - French oil and gas giant Total is targeting nuclear energy to drive growth long after oil and gas output peak, a top executive said on Monday.

"In the future, energy demand will be constrained by tight supply," Arnaud Chaperon, Total's senior vice president for electricity and new energies, said in a presentation to a nuclear energy conference in Qatar.

"Oil and gas will still play a big role in the energy balance. But in the electrification of the world economy, nuclear will play a major role, together with the development of solar and other renewables ... That is why Total is very interested in developing nuclear and renewables."

[Russia to influence oil prices?](#)

MOSCOW - RUSSIA'S Prime Minister Vladimir Putin said the country must act to influence oil prices hit by the global economic crisis, in what could signal a significant change of approach by the major crude exporter.

'We need to work out a whole range of measures that will allow us to actively influence the market,' he said in comments broadcast on television after a government meeting on oil production.

[Oil price should stay above \\$70 a barrel: Qatar oil minister](#)

DOHA: Oil should be above \$70 a barrel to encourage investment in increased production capacity and avoid creating future supply crises, Qatar's oil minister said on Monday.

[Moves to bolster security of B.C. pipelines](#)

VANCOUVER -- The recent attacks on EnCana Corp. natural gas infrastructure in northeastern B.C. have created skittishness across the industry, as other companies scramble helicopters to respond to perceived threats and consider design changes to bolster the security of future pipelines in the area.

"We're going to be looking for ways in our design to limit sabotage or anybody gaining access to [a proposed new pipeline]," said Darren Marine, president of SemCAMS, a Calgary-based sour gas processor that is seeking National Energy Board approval to build a 150-kilometre pipeline near the area where the attacks have occurred.

[Energy Efficiency: Potential Fuel Savings Generated by a National Speed Limit Would Be Influenced by Many Other Factors](#)

Reducing the speed limit does not necessarily mean that drivers will comply. In fact, in 1975, under the previous national speed limit, about half of the states reported more drivers exceeding the national speed limit of 55 mph than complying with it.

Moreover, a national speed limit would not affect many of the miles driven in the United States, such as those in urban areas, where most vehicles are already traveling at lower speeds due to lower speed limits or congestion. According to FHWA, fewer than one quarter of the vehicle miles traveled (VMT) in the United States would likely be directly affected by a changed speed limit.

[Tsunami Hazard Assessment at Nuclear Power Plant Sites in the United States of America - Draft Report for Comment](#)

The Indian Ocean tsunami of December 2004 led the NRC to take the initiative to examine its criteria for nuclear plant siting evaluation against tsunami hazards.

[The Most Important Number on Earth](#)

Now that we know how far we are past the carbon tipping point, it's time to freak out —and get to work.

[Canada's dirty oil offers climate-change test for Obama](#)

President-elect Barack Obama has inherited the inbox from hell, but you could practically smell the fear in some quarters as he listed his top priorities in his victory speech in Chicago: "Two wars, a planet in peril, the worst financial crisis in a century."

There will be general rejoicing if he can end the wars and solve the financial crisis, but "a planet in peril" is shorthand for climate change, and some people's oxen will be severely gored if he acts decisively on the global warming agenda.

[Think-tank values oilsands at \\$1.5 trillion](#)

OTTAWA - The wealth in Canada's oilsands, even taking into account the recent plunge in world oil prices, is nearly \$1.5 trillion, more than four times the \$342 billion officially estimated by Statistics Canada, argues a Canadian think-tank in a report released Monday.

That works out to an \$34,591 increase in the wealth of Canadians to \$243,950 for every man, woman and child, according to the analysis by the Canadian Centre for the Study of Living Standards.

[Obama Faces Hard Political Decisions on Oil Depletion](#)

It will not be easy. Acknowledging oil depletion means finding more oil resources to keep our economy going. Shortages must be avoided. Put a lid on prices. Drill everywhere. No sacred environmental cows such as ANWR or the Santa Barbra channel. Make deals for oil with whomever is in charge of the big oil nations. Control the political outcome in the Middle East. Stay in Iraq to protect America's interests. Tough choices. High political risk.

But if Barack ignores oil depletion, then what? He runs the risk of cataclysmic failure . Because it is highly likely that sometime – during his administration - shortages and high prices will decimate America's economy. That means high unemployment. Out of control inflation. Voters will be mad as hell. Why – they will ask – did you let this happen to us?

Would Barack be less popular than George Bush? Doing nothing also means political risk.

[Ecuador to ask OPEC for exception to cutbacks](#)

QUITO, Ecuador — Ecuador's oil minister says his government will ask OPEC for an exception if the oil cartel moves to slash production for the second time in a month.

The president of the Organization of Petroleum Exporting Countries has said the 13-member cartel could further reduce output if plummeting oil prices aren't bolstered by last month's production cut of 1.5 million barrels a day.

Oil Minister Derlis Palacios says Ecuador deserves to avoid further cuts because its production is marginal and oil exports pay for about 40 percent of its national budget.

[Nigerian Militant Attack On Oil, Gas Operations Repelled - Military](#)

LAGOS (AFP)--Armed militants in Nigeria's southern oil hub Monday attacked a key offshore oil and gas producing facility but were repelled and lost eight of their men in the raid, the military said.

[GM shares hit 60-year low on downgrade](#)

NEW YORK (AP) -- Shares of General Motors Corp. plummeted to their lowest price in more than 60 years Monday on increasing worries about accelerating cash burn and mounting losses at the automaker.

[First-Ever Layoffs Loom at Postal Service](#)

The U.S. Postal Service faces a serious financial shortfall that is accelerating reductions in its workforce and raising the possibility of the first-ever layoffs of career employees.

...Increasing fuel prices have been a big factor in worsening postal finances, compounded by a legal restriction enacted two years ago against raising the price of most services beyond the rate of inflation. The cap on rate increases was a major victory for the big mailing industry, but combined with rising costs, it has seriously squeezed the postal budget.

[Should Big Oil give up tax breaks — or get cuts?](#)

We kept hearing from the presidential candidates about the taxes that the big oil companies pay. One side will give them more tax breaks and the other will increase their taxes one way or another. With another round of record profits by Exxon and extremely high prices at the pump, why would the oil companies be getting a break on their taxes in the first place?

[Ethanol will curb farm income until economy rebounds, economist says](#)

CHAMPAIGN, Ill. — Ethanol helped drive two years of record profits for grain farmers, but also will hold income down during a looming recession that has already sliced crop prices in half, a University of Illinois economist says.

Scott Irwin says agriculture's fortunes are now tethered more to ethanol than food, making crop growers vulnerable to sharp price swings at filling stations rather than the typically slower cost shifts at grocery stores.

[Greenpeace stops palm oil shipments from leaving Indonesia](#)

JAKARTA (AFP) – Environmental group Greenpeace said Monday it had stopped several palm oil shipments from leaving Indonesia and called for an end to forests and peatlands being destroyed to make way for plantations.

[Paradise almost lost: Maldives seek to buy a new homeland](#)

The Maldives will begin to divert a portion of the country's billion-dollar annual tourist revenue into buying a new homeland - as an insurance policy against climate change that threatens to turn the 300,000 islanders into environmental refugees, the country's first democratically elected president has told the Guardian.

[Tight credit slows food and energy shipments](#)

The growing financial crisis is constraining world trade with a jumbled mess of frozen credit that could mean shortages of food and energy supplies for some countries.

Shippers of dry-bulk goods such as grain and coal worry that importers won't be able to pay for the goods they receive. And while some anxious exporters hold on to their goods, rates to ship those goods have plummeted to 10-year lows. Some ship owners are laying up their ships rather than operate at such low rates.

[Governing the ungovernable](#)

The reason I call this piece "Governing the ungovernable" is that I believe the problems we now face will not be solved at the central government level. They might be mitigated or exacerbated, but not truly solved. In essence, the world as currently constructed has become ungovernable. So, along with new ways of living, we must find new ways of governing, and I believe those new ways will emphasize the local and the regional over the national or the international.

This tempers my enthusiasm for the new administration about to take power in Washington, one with whom I already have many disagreements especially in the area of energy policy. To the extent that Barack Obama and the team he assembles inspire and empower people to act in their own communities to address energy stringency, climate change, food self-sufficiency and the repercussions of the financial meltdown, the next administration will succeed. But the real successes will have to be imagined and implemented closer to home.

[Taxing our gas guzzling relapse](#)

As gas prices fall, Americans seem to be using relief at the pump as an excuse to drive more. Could a gas tax bring unexpected benefits?

[Well prepared](#)

WITH the price of crude mired at half the peak of \$147 it reached in July, this may seem like an odd time to invest in oil wells. Despite trimming its output along with other members of the Organisation of the Petroleum Exporting Countries (OPEC) in an effort to prop up prices, that is just what the United Arab Emirates plans to do. Short-term price movements, its oil minister insists, should not distract from the world's enduring thirst for oil. Indeed the collapse of oil prices, one of the few reasons around for economic cheer, may be setting the stage for another spike.

[Funding for Pickens Plan appears to be slim pickings](#)

Although T. Boone Pickens has become somewhat of a celebrity as of late – giving speeches and appearing on national television in interviews and commercials – the Oklahoma native is finding falling energy prices are making it difficult for his eponymous Pickens Plan to gain traction.

[Peak Oil vs. Falling Demand](#)

When oil hit \$105 I thought that was it. I called for oil to pull back to \$70. Fundamentally there was no reason for oil to be over \$100, peak oil or not. The world economy was rapidly slowing and along with it real demand.

What I should have accounted for but didn't was one last wave of complete silliness by hedge funds, speculators, and everyone else wanting to get in on the commodity boom and the China story before it was "too late".

People were predicting "Next stop \$200" or even "Next Stop \$300". All I could say and did say was "wait". And so here we are.

[Canadian Diesel Shortage and Stalled Oilsands Renew Canola Biofuel Interest](#)

As the price of oil drops to around \$60 per barrel and the pain subsides at the gas pump, drivers of the trucks and long haul carriers that carry 90 percent of the consumer goods across Canada are feeling just the opposite.

In a country of enormous petroleum resources, refinery shut-downs have caused diesel shortages that have put a vice-grip on the Canadian trucking industry. This supply constraint has threatened to create shortages of everything from holiday consumer goods to food on the grocery store shelves. This diesel shortage combined with the slowing pace of development in Canada's oilsands development remind us that alternatives to petroleum diesel should be pursued with vigor.

[Offshore Rig Workers Call The Shots on Jobs](#)

Industries world-wide are slashing costs and laying off workers. But one sector continues to recruit employees aggressively, dangling before them six-figure salaries, signing bonuses and job-training programs.

[Energy crisis still exists](#)

The energy crisis may seem far less urgent these days than it did this summer, when oil prices were nearly twice what they are now.

But, the time to fix the hole in the roof is not when it's raining, say energy officials. And the push to find alternatives to fossil fuels that reached a fever pitch this summer needs to continue, they say.

[Boost economy with clean energy industry](#)

Clean energy isn't a mirage. It's the fastest growing industrial sector in the United States. It is already generating \$25 billion a year in sales and revenue, is growing at 30% a year, and has produced more than 500,000 new American jobs over the last three years. And that's happened with almost no support from the federal government.

Imagine the growth in jobs, technology, equipment, suppliers and productivity if the United States actually treated the development of clean energy as a national economic priority. And consider just as seriously the remarkable benefits to America's security, environment, economic stability and communities that would be realized by keeping at home the nearly \$400 billion that we spend each year on oil from other nations, many hostile to our interests.

[Beyond oil: Wind at our backs](#)

Ronald Reagan let promising developments in alternative energy collapse in the 1980s, leading to the country's remaining in thrall to oil, its Middle East producers and the political instability of that region. With Barack Obama as president and Democrats in charge of Congress, can this country avoid another national disaster on energy policy?

The answer must be yes, no matter how hard that may be to achieve. A big factor for the positive should be Republican help.

[Remember the oil embargo?](#)

We've all become accustomed to having anything we want when we want it, but that's over for the time being. We will have to adjust to the new limitations but adjust we will. Those new, rather spoiled generations will have plenty to remember when they look back on these days, but they too will realize that it wasn't as bad as it seemed at the time.

[Widespread job cuts expected in NASCAR](#)

Automakers' struggles are likely to spell trouble for many stock-car teams.

[Financing Crisis Could Saddle Airbus, Boeing with 'White Tails'](#)

A severe shortage in aircraft delivery financing is threatening to leave Airbus and Boeing stranded with perhaps 200 "white-tail" aircraft they can't place with customers.

[Libya to Start Building \\$5B Energy Hub in January](#)

Libya will begin building in January a \$5 billion economic zone for energy firms operating in the North African country, officials said on Monday.

The planned "Smart Energy City" is joint project between Libya's state Fund for Economic and Social Development and Bahraini Islamic investment bank Gulf Finance House.

[Anti-U.S. sentiment grows in Syria after raid](#)

Abu Kamal, Syria -- The U.S. incursion into Syria late last month put this eastern border town near Iraq on the world stage and many of its residents on edge.

"At the beginning of the war, we were scared. Then we got used to it. Now we're scared again - and angry," said Yusef Tara, who spoke to a reporter near the site of the Oct. 26 U.S. commando raid against an alleged al Qaeda in Iraq hideout that Damascus says killed eight civilians.

[The price of our oil addiction](#)

The true costs of cheap oil -- a vast military presence in the Middle East; environmental damage, including global climate change; the need to support corrupt "oilygarchs" -- have never been paid by consumers at the fuel pump. And a half century of "special relationships" -- or, more precisely, addictive codependencies -- have only produced Venezuela's Hugo Chavez, Libya's Muammar al-Gaddafi, Iran's Mahmoud Ahmadinejad

and, in the end, September 11, Osama bin Laden's murderous response to the permanent deployment of American troops in the oil-rich Saudi holy land.

[Peak Oil could trigger meltdown of society: "World oil production peaked in 2006"](#)

According to a newly published global oil supply report to be presented by the Energy Watch Group at the Foreign Press Association in London, world oil production peaked in 2006. Production will start to decline at a rate of several percent per year. By 2020, and even more by 2030, global oil supply will be dramatically lower. This will create a supply gap which can hardly be closed by growing contributions from other fossil, nuclear or alternative energy sources in this time frame.

"The most alarming finding is the steep decline of the oil supply after peak", warns Jörg Schindler from the Energy Watch Group. This result, together with the timing of the peak, is obviously in sharp contrast to the projections by the International Energy Agency (IEA). "Since crude oil is the most important energy carrier at a global scale and since all kinds of transport rely heavily on oil, the future oil availability is of paramount importance as it entails completely different actions by politics, business and individuals.", says Schindler.

[Environmental report predicts global 'energy crunch': Oil supply could peak as early as 2013, ushering in an age of global energy poverty](#)

Will Whitehorn, chairman of the Peak Oil and Virgin Group representative said: "The first report of the taskforce is a balanced look at the energy risks and opportunities we face but it is also a wake-up call to the urgent actions required in the UK and other major global economies to overcome the consequences of the end of the era of cheap oil."

Mr Whitehorn suggests that this crisis presents an opportunity for Britain to set a worldwide example by investing in renewable energy sources. However, Peak Oil argues that immediate action is crucial as after oil production has peaked, the necessary resources needed to instigate these developments will be unavailable.

[Michael T. Klare: The Energy Challenge of Our Lifetime](#)

Of all the challenges facing President Barack Obama next January, none is likely to prove as daunting, or important to the future of this nation, as that of energy. After all, energy policy -- so totally mishandled by the outgoing Bush-Cheney administration -- figures in each of the other major challenges facing the new president, including the economy, the environment, foreign policy, and our Middle Eastern wars. Most of all, it will prove a monumental challenge because the United States faces an energy crisis of unprecedented magnitude that is getting worse by the day.

[Crude Oil, Metals Rise as China Unveils Growth Support Package](#)

(Bloomberg) -- Crude oil and copper rose more than 5 percent after China announced a 4 trillion-yuan (\$586 billion) stimulus package that may spur economic growth and demand for raw materials.

China, the world's second-largest oil consumer, said yesterday it will spend the money through 2010 on housing and infrastructure, boosting demand for iron ore, crude oil and copper. Oil also gained after Saudi Aramco, the world's biggest state oil company, told South Korean and Japanese refiners it would cut December supplies.

[Jim Brown: China Stimulus Spurs Demand](#)

If you follow this thought process to conclusion you will see this is actually accelerating peak oil rather than delaying it. There could be 10 trillion barrels but if the world only has access to 500 billion then 500B is all we are ever going to produce. National oil companies are notoriously badly managed, recover a smaller portion of oil in place and recover it over a longer period than international companies. It all boils down to flows. Peak oil is not about how much oil there is left to recover but how fast it can be recovered.

[Saudi confirms oil supply cuts with Dec curbs to Asia](#)

TOKYO (Reuters) - Top oil exporter Saudi Arabia provided the most visible evidence yet of adhering to OPEC's deal to curb output by telling refiners in Asia that it would cut December supplies by 5 percent, term lifters said on Monday.

State oil firm Saudi Aramco informed at least five customers over the weekend that they would receive about 5 percent less than their contracted allocations next month, the first cut-back in 14 months, industry sources with the refiners told Reuters.

[Platts Survey: October OPEC Oil Output Dropped to 32.26 Mil. Barrels Per Day](#)

LONDON /PRNewswire/ -- Platts -- The 13 members of the Organization of the Petroleum Exporting Countries (OPEC) pumped an average 32.26 million barrels per day (b/d) of crude oil in October, according to a Platts survey of OPEC and oil industry officials just released. This is a 210,000 b/d decline from the September level of 32.47 million b/d.

[North Sea Oseberg Crude Daily Shipments to Rise 12% in December](#)

(Bloomberg) -- Daily shipments of North Sea Oseberg crude, part of the price

benchmark for almost two-thirds of the world's oil, will rise 12 percent in December.

[Kazakhstan set to slash oil export duty](#)

ALMATY, KAZAKHSTAN (AP) - Energy-rich Kazakhstan could cut crude oil export tariffs by one-third in an effort to ease the burden on domestic producers, Energy Minister Sauat Mynbayev said Monday.

The Kazakh government introduced an export tariff in May in a bid to boost state revenues and tamp down soaring prices on the domestic fuel market.

With the sharp drop in world oil prices, however, domestic producers complained that the duty was eating their profit margins.

[Ukraine PM to try to avoid Russian gas price rise](#)

KIEV (Reuters) - Ukrainian Prime Minister Yulia Tymoshenko said on Monday her government was working on a gas supply agreement with Russia that would keep the price at the current level. Russia has raised gas prices steeply since 2005, although at \$179.50 per 1,000 cubic metres, Ukraine still pays less than the European market price. Russia's gas export monopoly Gazprom had suggested it could double that price to around \$400.

[Five Russian oil majors form Venezuelan consortium: reports](#)

Russia's largest oil and gas producers--Rosneft, Gazprom, Lukoil, TNK-BP and Surgutneftegaz - have joined forces in Venezuela, taking 20% stakes each in a consortium that will develop oil projects in the South American country, Rosneft President Sergei Bogdanchikov said over the weekend.

[IFC Provides Financing to Peru's Oil and Gas Industry Amid Global Credit Crisis](#)

IFC, a member of the World Bank Group, has disbursed a \$15 million loan to BPZ Exploración y Producción SRL, supporting a growing Latin American oil and gas company in making use of Peru's natural resources during a time of tight credit markets.

[World largest oil company praises co-op with China](#)

BEIJING (Xinhua) -- Saudi Arabia's leading oil firm is looking to step up supplies to and cooperation with China in anticipation of an emergence from the global economic slowdown, Abdallah S. Jum'ah, president of Saudi Arabian Oil Company, or Saudi

Aramco, said on Monday in Beijing.

He saw the economic slowdown in China as short-term, and was focused continuous cooperation in the long haul.

[Iraq Halts Kirkuk Oil Exports - Shipping Source](#)

DUBAI,(Reuters) - Iraq halted crude oil exports through its northern pipeline to Turkey early Monday morning, a shipping agent said.

"They stopped pumping at around five thirty this morning," a shipping agent said referring to Turkey's local time which corresponds to 0330 GMT.

"We have not been informed of the reason for the stoppage, but it could resume later this evening."

[N.D. town sitting on potential oil jackpot](#)

PARSHALL, N.D. - In this tiny reservation town a hundred miles from the Canadian border where temperatures once hit 60-below zero, a Southern twang is sometimes heard over the din at the local diner and there is talk of Texas tea beneath the streets.

Roughnecks from Texas and Oklahoma have traveled here on hopes that they now share with the town's 1,000 or so inhabitants — that there is oil in Parshall.

[Deutsche Bank views GM shares as worthless](#)

LONDON (MarketWatch) -- Deutsche Bank downgraded General Motors Corp. to sell from hold, with a price target of \$0, saying the car maker may not be able to fund its U.S. operations beyond December without government intervention.

[Emirates First-Half Net Plunges 88% on Fuel Costs](#)

(Bloomberg) -- Emirates Airline, the Dubai government-owned carrier that is the biggest customer for the Airbus SAS A380 airliner, said its six-month profit fell 88 percent on higher fuel costs.

[Turning Oil Into Bullets Part Two](#)

Alongside their military deals, the People's Republic of China and the South American nations of Venezuela and Brazil have been cooperating extensively in the oil industry.

[Secret Order Lets U.S. Raid Al Qaeda in Many Countries](#)

WASHINGTON — The United States military since 2004 has used broad, secret authority to carry out nearly a dozen previously undisclosed attacks against Al Qaeda and other militants in Syria, Pakistan and elsewhere, according to senior American officials.

These military raids, typically carried out by Special Operations forces, were authorized by a classified order that Defense Secretary Donald H. Rumsfeld signed in the spring of 2004 with the approval of President Bush, the officials said. The secret order gave the military new authority to attack the Qaeda terrorist network anywhere in the world, and a more sweeping mandate to conduct operations in countries not at war with the United States.

[Uniting Around Food to Save an Ailing Town](#)

HARDWICK, Vt. - THIS town's granite companies shut down years ago and even the rowdy bars and porno theater that once inspired the nickname "Little Chicago" have gone.

Facing a Main Street dotted with vacant stores, residents of this hardscrabble community of 3,000 are reaching into its past to secure its future, betting on farming to make Hardwick the town that was saved by food.

[Australia: Carbon dioxide to be stored under seabed](#)

Millions of tonnes of carbon dioxide could soon be stored deep underground under new laws designed to help tackle climate change.

The Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 and related bills passed the Senate with several technical opposition amendments.

[Global Warming Predicted To Hasten Carbon Release From Peat Bogs](#)

ScienceDaily — Billions of tons of carbon sequestered in the world's peat bogs could be released into the atmosphere in the coming decades as a result of global warming, according to a new analysis of the interplay between peat bogs, water tables, and climate change.

Such an atmospheric release of even a small percentage of the carbon locked away in the world's peat bogs would dwarf emissions of manmade carbon, scientists at Harvard

University, Worcester State College, and the Japan Agency for Marine-Earth Science and Technology write in the current issue of the journal Nature Geoscience.



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