



DrumBeat: January 4, 2009

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Topic: [Miscellaneous](#)

[Canadian oil-sand mines stuck as crude price plummets](#)

Canada's once booming oil sands industry is cooling fast as the plunging oil price undermines investment. More than US\$60 billion (£41 billion) worth of projects to extract oil from the bitumen-rich sands of northern Alberta have been delayed in the past three months, according to a study of industry figures by *The Times*.

A string of companies, including Royal Dutch Shell, Petro-Canada and SunCor, have been among those that have frozen multibillion dollar projects - in some cases indefinitely.

[Fall in oil price may trigger UK deflation](#)

The recent slump in the price of oil could help boost the UK economy, but too much of a further fall could reverse the good done, said a study backed by accountancy firm Ernst & Young.

[Russia kindles flame of hope in Bosnia refinery](#)

BOSANSKI BROD, Bosnia (Reuters) - A flare at the top of a 50-meter high tower in the Balkans shows Russia building political capital in a notoriously fractured part of Europe.

The flame in late November marked the restart of operations in Brod, Bosnia's sole oil refinery which had been out of action since 2005 after being seriously damaged during the 1992-95 war.

[Blue laws and fuel conservation](#)

During World War I, auto dealers supported closing gas stations on Sunday to forestall government rationing of fuel. The most restrictive blue laws in North America in Bergen County, New Jersey came about to limit traffic congestion caused by massive retail development. Can Blue Laws be used today to manage traffic, conserve fuel, moderate fuel price increases, and help air quality?

[Kurt Cobb: No second chance](#)

It is the mission of nearly every mainstream economist to overcome the pessimism of those who study the natural world and who don't see how the human endeavor can continue on its current course of endless exponential economic growth. "Now, now," these economists will say to the natural scientists, "you are being alarmist just like many before you. Let the marketplace work its wonders and let economic prosperity come to all parts of the world and this will enable us with our newfound wealth to address the many environmental problems we need to face."

Such arguments seem like mere nonsense to any scientist who believes that endless economic growth is the cause of those problems. But the difference between these two camps may be less than it appears. Enlightened economists do acknowledge the need to treat the environment which sustains us with more care. The main issue appears to be timetables.

[Czechs are latest casualty in gas dispute](#)

Russian natural gas supplies dropped by 5% to the Czech Republic. Turkey also seeing reduced flow. Emergency meeting called for Monday.

[Tar sands refinery projects face sticky future](#)

US refineries are expanding operations to process oil from Canada's tar sands just as efforts are building to limit the use of the more polluting fuels.

[Saudi Arabia hikes February light prices](#)

Dubai: Saudi Arabia raised its official selling prices for February for light crude oil to customers in the United States and Asia, state oil firm Aramco said on Sunday.

Buyers of Saudi oil had expected the price to rise as the kingdom cuts supply under an agreement with the Organisation of the Petroleum Exporting Countries (Opec).

[Low crude prices stifle growth of Saudi Arabia's foreign assets](#)

A steep decline in oil prices sharply depressed growth of Saudi Arabia's foreign assets in November after recording their highest increase in the previous months of 2008 because of a surge in its petrodollar income.

[Iraq Production, Conservation Could Keep Oil Price in Check for Years](#)

I've always said that the apparent peaking of the global oil supply at about 86 mb/d that was seen during 2006 - 2008 in the face of rising demand was only partly due to the Peak Oil concept of rapid decline rates in old fields and the eventual inability of new fields coming on stream to overcome that. The other important constraint to growing the oil supply was above-ground issues of war and violence, primarily in Iraq and Nigeria. I've always maintained that if either or both of these countries manages to turn on their oil spigots as rapidly as nature would allow, the global oil supply could grow substantially from here and Peak Oil would be pushed off for some years.

...All of this suggests to me that when global growth resumes the price of oil will have some immediate rise but it is not likely to be a robust and rapid increase to and beyond \$100 for some time. The exact time will depend on when global growth resumes. If we are lucky and that happens in 2010, then perhaps we will see the oil price reach and exceed 2008 heights around 2014 - 2016.

[Gunmen seize oil services vessel off Nigeria: sources](#)

LAGOS (Reuters) – Gunmen hijacked a vessel belonging to French oil services group Bourbon off Nigeria's Niger Delta on Sunday as it traveled toward a Royal Dutch Shell offshore oilfield, security sources said.

The vessel was carrying four expatriates from Cameroon, Ghana and Lebanon when it was attacked near the Bonny Fairway buoy, a major shipping route for the Nigerian oil services industry, one of the sources said.

[Russia toughens stance in gas dispute with Ukraine](#)

MOSCOW: Gazprom, Russia's gas monopoly, said Sunday that it was raising the price it wants Ukraine to pay for natural gas, hardening its position in a dispute that has decreased supplies to Europe.

[Oiling the wheels](#)

India's oil companies have had a record of failing to pull off big acquisitions overseas and have often lost out to the Chinese in the race for oil. A week ago, the man at the helm of India's "global" oil company — ONGC Videsh — pulled off the country's largest acquisition in the oil sector, bang in the middle of a financial slowdown.

[Israel: Oil Refineries beats import threat](#)

In recent months, the fuel companies had been in talks to import fuel products, especially from Indian refineries.

[Cut oil sales to Israel backers - Iranian commander](#)

TEHRAN (Reuters) - An Iranian military commander called on Islamic countries to cut oil exports to Israel's supporters in response to the Jewish state's offensive in Gaza, the official IRNA news agency reported on Sunday.

IRNA, giving only his last name, quoted commander Bagherzadeh as saying oil was "one of the powerful elements of pressure" on the Jewish state's Western backers in the "unequal war" faced by Palestinians in Gaza.

"Pointing at Westerners' dependence on the Islamic countries' oil and energy resources, he (Bagherzadeh) called for cutting the export of crude oil to the Zionist regime's supporters the world over," IRNA said.

[OPEC's Loss Is Grocers' Gain](#)

Groceries are the top item on which US consumers are spending their savings from lower gas prices, ahead of putting the money in savings, holiday gift-buying, and paying off credit cards, according to research from retail analytics firm Precima, Retailer Daily reports.

Of the 3,013 consumers who were asked to choose from a list of ways they use money saved on gas, 48% said they're spending it on groceries, followed by saving (42%), holiday gift-buying (37%), paying off credit cards (30%), entertainment (10%), and other (14%).

[Russia-Ukraine: A Market Dispute](#)

Are the Russians and Ukrainians simply fated to go to the mat every year about this time, causing grief to their neighbors? Or is something else at work in their antagonism?

The philosophical answer is that, while it's hard to imagine these two former Soviet states living as friendly neighbors any time soon, the current dispute is a separate matter.

[Aide says EU faces tougher Russia if does not help Ukraine](#)

The European Union must help Ukraine solve its gas row with Russia, which has led to a supply cut, or face a tougher stance from Moscow on energy security and other issues, a

Ukrainian presidential aide said on Sunday. Skip related content

Oleksander Shlapak, First Deputy Chief of Staff of President Viktor Yushchenko, also said Gazprom's proposal that Ukraine pay \$418 per 1,000 cubic metres is "utter nonsense."

[Growth of China's energy imports slows in Jan.-Nov. 2008 but value soars](#)

BEIJING (Xinhua) -- China imported 240 million tonnes of major energy commodities (oil, refined products, natural gas and coal) in the first 11 months of 2008, up 3.7 percent year-on-year, according to a report released on Sunday by the General Administration of Customs.

[Move to Increase Logging on Oregon Land](#)

The Interior Department announced a controversial decision late Wednesday to double the rate of logging on 2.6 million acres of federally owned forests in southwestern Oregon. In doing so, it brushed aside the objections of the governor and two federal agencies charged with guarding the quality of the area's water and the health of the fish that depend on it.

[Error Seen in E.P.A. Report on Contaminant](#)

The Environmental Protection Agency failed to follow its own guidelines and made a basic error in evaluating how a toxic contaminant in rocket fuel harms human health, according to a report by the agency's inspector general.

The contaminant, perchlorate, has been found in significant levels in drinking water in at least 400 locations; scientific studies indicate that perchlorate blocks the necessary accumulation of iodide in human thyroid glands. Iodide insufficiencies in pregnant women are "associated with permanent mental deficits in the children," the E.P.A. said.

[Walking While Intoxicated](#)

Every year, New Year's revelers are warned about the risks of drunk driving. But what about drunk walking?

[Looking Forward: Anticipated Production Start-Ups for 2009](#)

Looking beyond oil and gas prices for the coming year, there is a number of anticipated production start-ups planned for 2009. Spanning the globe -- from the deep waters of

the Gulf of Mexico to the harsh conditions of the North Sea -- the following projects are scheduled to commence production this year.

[Saudi May Lead Price Hikes, Volume Cuts](#)

SINGAPORE --Middle East crude oil producers led by Saudi Arabia are expected to raise official selling prices next week as a prelude to volume reductions, potentially keeping Asian refiners on the defensive.

[Pakistan: President's directives about loadshedding fall flat](#)

PESHAWAR: Despite directives by President Asif Ali Zardari to end the prolonged power and natural gas suspension, people faced immense hardships as the problems persisted on Saturday.

The frequent hours-long electricity breakdown and gas supply-drop and low pressure coupled with severe winter due to downpour have made life miserable for the residents of Peshawar and adjoining areas.

[Pakistan: Protest turns violent, leaves dozens injured](#)

FAISALABAD: Thousands of textile workers took out violent rallies in different parts of city on Saturday and police fired in the air to disperse the protestors. Angry mobs burned tyres in the streets and pelted police with stones during a day of protests. More than 30 people were arrested and two dozen policemen were injured. The protestors set on fire many vehicles in various parts of the city. Windowpanes of a branch of UBL bank were smashed by the protestors located in front of Govt. Islamia College, Sargodha Road.

[Xinjiang Becomes China's Second Largest Crude Oil Producer](#)

The western Xinjiang Uygur Autonomous Region became China's second largest oil production base in 2008 with an output of 27.4 million tonnes, up 1 million tonnes from 2007.

According to Thursday's Chinanews.com., Xinjiang overtook Shangdong Province, the previous second largest.

[The Last Day of the Iraq War](#)

It's too late to fix Iraq before the pullout date. All U.S. troops can do now is keep trying

to slow the killing and get out. They call it 'Iraqi good enough.'

[Venezuela's PDVSA Tripled Net Profit to \\$12B](#)

Venezuelan state oil company Petroleos de Venezuela more than tripled its net profit in the first nine months of the year, taking in billions of dollars in additional gains due to record high oil prices.

Petroleos de Venezuela's, or PdVSA, net profit through Sept. 30 stood at \$12.145 billion, a 225% increase from the \$3.734 billion in the same period in 2007, according to the company's latest financial report posted on its Web site.

[Pipeline manager suspended over oil crisis](#)

Kenya Pipeline Company has suspended a senior manager for allegedly stopping pumping of petroleum products inland from Mombasa.

[Aspirational Futurism, Uncertainty and Resilience](#)

One of the secondary effects of the latest set of crises to grip the world is the rise of essays and articles from various insightful folks, laying out scenarios of what the future will look like in an era of limited resources, energy, money, and so forth. Most of these follow a similar pattern: a list of reasonable depictions of a more limited future, and at least one item that seems completely out of the blue.

The best example has to come from James Kunstler's description of the world to come in his "non-fiction" *The Long Emergency* and his explicitly fictional *World Made By Hand*. Along with his schadenfreude-soaked claims about the end of suburbia, automobiles, and all things superficial, he comes in with stark assertions that we'll all be making our own music and acting on stage for each other, instead of listening to that damnable recorded "rock-roll" music and the disco and suchlike.

[Depression: a nation in pain](#)

On Dec 15, 1935 , a High Point woman wrote President Franklin D. Roosevelt about her underwear.

She didn't have any. Neither did anyone in her family.

"Please give my children and myself some underclothes or we will freeze to death (in) this cold weather," the woman pleaded. "We cannot make it."

The family also needed money for rent, food and fuel.

The woman said her husband made only \$6.75 a week, not enough to feed and clothe a family of nine .

[A Cleaner Way to Keep the City Running](#)

A new building with affordable rents in the Bronx will be powered partly by 10 wind turbines, which should cut its utility bills for common areas in half.

[Urban Singapore Prepares to Gobble Up Its Last Village](#)

The country's last rural village has been designated for demolition and redevelopment, a final step in one of the world's most extreme national makeovers.

[Ethanol innovator driven to replace oil](#)

"There is not a shortage on the means to produce food and fuel on the surface of Planet Earth," he says, tapping his fingers for effect on the conference table in his spacious, yet spartan, office. "There are those out there who would have you believe there's a problem out there. There is not a problem out there."

[Energy demand is down sharply – and could stay that way](#)

People worldwide are driving less, flying less and using less electricity – but for how long?

Less gasoline. Less jet fuel. Less crude oil. Less natural gas. Less electricity.

At the end of 2008, Americans were getting downright stingy with their energy use. Between wildly volatile energy prices and a deepening recession, Americans are curtailing their renowned reputation for energy consumption in what some believe could be a long-term trend.

The economists' term for it is "demand destruction." This year's poster child is driving, as the number of miles driven is showing the biggest drop since the federal government started keeping the statistic.

[Where Will Oil End 2009?](#)

Is 2009 going to be an exciting year for oil? Institutional investors don't think so. Their estimates are very similar - much of Wall Street expects oil prices to average about \$50 a barrel in 2009. Some of the firms and their specific forecasts:

[Project aims to increase oil, gas kept in salt domes](#)

About a half-mile from the marker of the original Spindletop gusher — a flagpole next to a lake and marsh — AGL is drilling into a salt dome that stretches 30,000 feet below the surface to carve out the first of two cylindrical natural gas storage caverns taller than two Williams Towers.

The \$310 million project aims to increase storage capacity for gas used by power generators and marketers so they can park the gas when they don't need it and get at it quickly when they do.

[Canada's Africa Oil stops Somali exploration:staff](#)

DHAROOR, Somalia (Reuters) - Canadian oil and gas exploration company Africa Oil Corp has stopped exploration in Somalia's Puntland region for lack of funds, local staff and contractors said on Sunday.

The company had started seismic mapping in a region it believed had strong prospects of holding rich oil deposits like those in geologically similar Yemen, a neighbour across the Gulf of Aden.

"Africa Oil Corp has failed in its objective ... due to lack of funds," Ahmed Ali, a local staff member, told Reuters. "We have not received salaries for three months. Foreign staff have already flown out and the company has stopped its operation."

[The Peak Oil Scam Controlling Oil Prices](#)

Fifty year ago, experts stated that Peak Oil would be reached by the year 2000. Now, most experts [Oilempire.us] say that this number will probably be in the year 2020. If you knew you were being told that a product would soon be in low supply, and you believed it, you could raise prices on a whim.

US Mineral Management Services (MMS) reveals that natural leakage of oil from the ocean floor is 620,500 barrels per year around North America alone. Considering that the world ocean area is over ten times that area, it can easily be extrapolated that at least 6 million barrels per year leak out into the world oceans.

[Tehran to reform subsidy scheme for oil products](#)

TEHRAN: Iran will begin deregulating the heavily subsidised prices for oil products in three stages in the year starting in March.

Deputy oil minister in charge of planning Akbar Torkan said it was part of President Mahmoud Ahmadinejad's economic reform plan that includes increasing energy prices and paying direct subsidies to the needy people instead.

[Iran Budget to be Based on Oil Price of \\$37.5: Report](#)

TEHRAN (Reuters) - Iran's 2009-10 budget is expected to be based on an oil price of \$37.5 per barrel, a "logical" level in view of last year's price fall, Oil Minister Gholamhossein Nozari was quoted as saying on Sunday.

[Nigeria's foreign exchange reserves fall by \\$6 bln in December](#)

As the global credit crisis takes its toll on the world economy and further depresses oil prices, Nigeria 's foreign exchange reserves fell by 6 billion U.S. dollars or 8.2 percent in December last year to 52.7 billion dollars.

[Agip pipeline sabotaged in southern Nigeria: army](#)

LAGOS (AFP) – A pipeline belonging to Agip, a unit of Italian energy giant ENI, was blown up with dynamite in restive southern Nigeria, a military officer said Sunday.

There were no casualties in the explosion which happened on Friday night, General Wuyep Rintip, the military commander in charge of the southern oil-producing states of Bayelsa and Delta, told AFP.

[Ukraine accuses Russia of sabotaging Europe's gas](#)

KIEV/MOSCOW (Reuters) - Ukraine accused Russia on Sunday of deliberately reducing gas flows to customers in Europe as they face freezing winter temperatures.

Poland, Hungary, Romania, Bulgaria and Turkey have reported drops in supplies after Russian state-controlled gas export monopoly Gazprom cut off Ukraine on New Year's Day in a dispute over prices.

[Ukraine Seeks EU Involvement in Resolving Russian Gas Dispute](#)

(Bloomberg) -- Ukraine sought assistance from the European Union in resolving its dispute with Russia over the pricing of gas supplies as OAO Gazprom increased natural-gas deliveries to Europe via three alternative routes.

[Customers told dispute could affect gas supply](#)

KIEV, Ukraine (AP) — A top Ukrainian official warned Saturday that European customers could see serious natural gas disruptions in about two weeks if the energy dispute between Russia and Ukraine is not resolved, and the Russian gas monopoly Gazprom accused Ukraine of boycotting contract negotiations.

[Governors ask Uncle Sam for \\$1 trillion](#)

PHILADELPHIA (Reuters) -- Governors of five states urged the federal government to provide \$1 trillion in aid to the country's 50 states to help pay for education, welfare and infrastructure, as states struggle with steep budget deficits amid a deepening recession.

[China seeks cure for Spring Festival rail travel headache](#)

BEIJING (Xinhua) -- For many Chinese who want to nab railway tickets home for the annual Spring Festival migration, the government's promise of having a better system by 2012 is just a distant hope.

Starting Friday, the first day to book tickets for the travel rush expected to last from Jan. 11 to Feb. 28, long queues appeared at ticket booths in almost every major railway hub.

[Release Stranglehold On Domestic Oil](#)

It's going to be another cold winter in many parts of the country. Staying warm will likely come at a high cost, with heating bills expected to jump by as much as 25 percent. Those bills may become even steeper during the next few years, if Congress pursues any of the counterproductive energy solutions that lawmakers and candidates have recently touted in their campaigns.

[Oil market lessons](#)

The longer I study economic phenomena, the more I learn two truths. The first truth is how little I know. This is very humbling. There is just too much information out there for any one human being to process. The second truth is that this abstract thing we call "the market" can and does do what no human being or computer can - it does process all the pertinent information.

[Hey! Who's stealing my country anyway?](#)

As an award-winning agrolgist, Holm focuses on food and agriculture. She sees the SPP as a direct threat to Canadian farmers (who would lose the protection of supply-management regimes) and Canadian consumers.

"Canadians have not put a priority on farm and food policy because as a nation we have never gone without," Holm writes. "Embarrassingly, Canada remains one of the few nations in the world that does NOT have a national food policy. But things are quickly changing, and community discussions around peak oil, peak food, food security, food safety, food miles, food sovereignty and food democracy are moving that change forward."

Under the SPP, such discussions would be pointless. Canada would lose the right to create or enforce national policies in areas like food, energy and investment. Removing that right is precisely the objective of the SPP.

[Hamas holding Natural gas discoveries off coast of Gaza hostage in 2006?](#)

An unexpected energy windfall on Israel's doorstep promises to resolve Israel's energy security concerns for years to come. Unfortunately for Israel, it is the Palestinian Authority that controls the licensing of these reserves. So, as Operation Summer Rains washes away the administrative and political structures in the occupied territories, has Israel decided to use Hamas as an excuse to dismantle the PA and seize its energy assets.

[China violates accord with Japan over disputed gas field: report](#)

TOKYO (AFP) – China has violated an agreement with Japan and continued developing a gas field in a disputed area in the East China Sea, a press report said Sunday.

[End of the ethanol era](#)

The Iranian hostage crisis prompted Jimmy Carter to look for a home-grown alternative to Mideast oil. Cornell University scientist David Pimental began studying the concept. He added up the energy used in manufacturing ethanol and compared it to the amount of energy the fuel produces. There was a net loss, he decided. But the farm lobby succeeded in winning tax breaks and subsidies for the fuel.

"We're actually importing more oil to produce ethanol," is Pimental's assessment. "It's not making us oil-independent, and it's costing us a lot of money."

[Solar Panel in a Most Unlikely Place](#)



Browsing through this set of photos of one man's trek through the Caucasus mountains in the eastern European country of Georgia, I was awed by the sight of a solar panel on a home that resembled a centuries-old stone barn.

[Soot reduction 'could help to stop global warming'](#)

Governments could slow global warming dramatically, and buy time to avert disastrous climate change, by slashing emissions of one of humanity's most familiar pollutants – soot – according to Nasa scientists. A study by the space agency shows that cutting down on the pollutant, which has so far been largely ignored by climate scientists, can have an immediate cooling effect – and prevent hundreds of thousands of deaths from air pollution at the same time.

[Global Warming May Become the Instigator of World War IV](#)

Global warming is the cause of a number of damaging effects to the earth and its inhabitants, such as climate change, glacier retreat, rising sea levels, and now we may have a new threat on the horizon... world war! According to the 2007 CNA Corporation report, there is clear indication that as the tensions of global warming continue to heat up, so may the possibilities of war.



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