



## DrumBeat: February 16, 2009

Posted by [Leanan](#) on February 16, 2009 - 9:32am

Topic: [Miscellaneous](#)

### [Exxon boosted reserves by 1.5B barrels in 2008](#)

Exxon Mobil Corp. said Monday it boosted its proven reserves last year by 1.5 billion oil-equivalent barrels, more than replacing the amount of oil and natural gas the company produced.

The Irving oil giant said the additional reserves, underground oil and natural gas that can one day be produced, amount to 103 percent of the resources Exxon produced last year. Basically, Exxon is finding more oil and gas than it produces.

### [Canada's Imperial proved reserves jump 50% on oil sands booking](#)

London (Platts) - Canada's Imperial Oil saw its proved oil and gas reserve base grow by almost 50% last year as it booked reserves from a new oil sands project, the company said Monday.

Calgary-based Imperial said its proved reserves stood at more than 2.3 billion barrels of oil equivalent at the end of 2008, up nearly 50% from a year earlier.

### [Cheap gas is history, again](#)

NEW YORK (CNNMoney.com) -- The days of cheap gas are retreating into the rearview mirror, as prices continue to flirt with the \$2-per-gallon mark.

The national average price for a gallon of unleaded gasoline edged down 0.1 cent to \$1.965 Monday, according to the motorist group AAA. This is bad news for the growing ranks of jobless Americans, who are pinching pennies and looking for ways to cut costs.

### [Ireland probes reports of Russian ships oil spil](#)

The Irish coast guard is investigating reports of an oil spill from Russian ships off the south coast of Ireland, a naval spokesman said Monday. Skip related content

Public broadcaster RTE quoted the Coast Guard as saying two Russian warships spilled up to 12 tons of oil into the sea 250 miles off the coast of Kerry on Ireland's southwestern coast.

### [Russia studying large oil inventory - Sechin](#)

TYUMEN, Russia (Reuters) - Russia is working towards creating a state reserve to buy crude from producers when prices are low, potentially removing up to 16 million tonnes of Russian oil from export markets, a top energy official said on Monday.

Deputy Prime Minister Igor Sechin, who oversees the oil and gas sector, said the move could help the Organisation of Petroleum Producing Countries (OPEC) stabilise oil prices.

Sechin travelled to Algeria in December and told OPEC delegates that Russia, the world's second-largest oil exporter and the biggest outside OPEC, could cut exports by 16 million tonnes, or 320,000 barrels per day, if oil prices fell further.

### [Goldman Says Low Point to Oil Price Getting Closer](#)

(Bloomberg) -- OPEC production cuts and cold weather are helping rebalance the oil market, bringing the low point for prices closer than previously expected, Goldman Sachs Group Inc. analysts said.

“The faster-than-expected pace of OPEC cuts and continued low temperatures are likely accelerating rebalancing in the global oil market,” Goldman analysts including Giovanni Serio and Jeffrey Currie said in a report today. “As a result, the bottoming in prices and time spreads could be closer than we originally expected.”

### [Canadian arm insolvent, says Enegi](#)

Enegi Oil Plc today admitted that its Canadian subsidiary is insolvent and is in talks to reschedule repayment of its debts.

The news follows last week's admission that its most advanced oil well in western Newfoundland was not economic to exploit.

### [Devon Energy Reports Impact of Third-Party Pipeline Damage in East Texas](#)

Oklahoma City - Devon Energy Corporation reported the impact to its oil and gas production due to an outage of third-party owned natural gas processing facilities in east

Texas. A third-party natural gas pipeline near the Carthage Hub was damaged by an explosion and fire that occurred on February 11, 2009.

### [Propane deliveries backed up](#)

NEW PALTZ — Kira Kinney was stunned when her propane supplier told her he might have to cut off delivery of the fuel that's the wintertime lifeblood of her organic farm's greenhouses.

The January cold snap was at its peak and Kinney's business hung in the balance. She called Mark Kimlin, owner of Kimlin Propane, who assured her he would make sure she got deliveries.

But the conditions that frightened Kinney are still at play, not only locally but throughout the Northeast. Dealers say that while there's no propane shortage, there's been a delivery bottleneck and a local shortage of stored propane that has forced them to pass along increased trucking prices for some customers. Increased prices of as much as 40 or 50 cents a gallon were the result of the bottleneck, not propane prices, which have been declining, according to Taylor.

The culprit, according to Kimlin and others in the industry, is a supply infrastructure that was built after World War II and hasn't been updated since.

### [Panel to advise Obama on carmakers](#)

WASHINGTON (CNN) -- President Obama is creating a task force to oversee the restructuring of the auto industry, a senior administration official said Monday.

### [Chavez wins vote to scrap term limits](#)

CARACAS, Venezuela - President Hugo Chavez won a referendum to eliminate term limits Sunday, enabling him to run again in 2012 and beyond in what critics fear is an attempt to become president-for-life.

### [Please state the nature of your emergency](#)

I was speaking to a friend by phone recently who is very active in sustainability efforts where he lives. He's noticed that many of those who were showing interest in cooperating with his efforts last year have now withdrawn into concerns about their own immediate future. The growing economic crisis is concentrating their minds on such questions as: Will I keep my job? Will I be able to afford my house or apartment? What should I do with my savings, especially if they have declined significantly? For those running organizations the most basic question is one of survival. Can my business survive lower sales? Can my nonprofit survive declining donations and grants?

The emergency has been defined primarily as a financial emergency, and so all these people are reacting quite rationally under that definition, my friend conceded.

### [Mexico Industrial Output May Drop Most Since 2002: Week Ahead](#)

(Bloomberg) -- Mexico's industrial output probably fell the most in almost seven years in December as a U.S. recession curbed demand for exports, slowing sales at auto-parts maker Sanluis Corp. and plastic tube manufacturer Mexichem SAB.

...An accelerating decline in crude oil production, which is measured under the mining industry, continues to drag on industrial output. Petroleos Mexicanos, the Mexico City-based state-run oil monopoly, produced 2.72 million barrels a day in December, an 8 percent drop from a year ago, as it struggles to offset declines at its giant offshore field, Cantarell.

### [Insiders Expect Stable Prices and Supply in Northwest](#)

The economic downturn and a drop in the price of asphalt binder should combine to make the upcoming construction season somewhat different from 2008 for Northwest paving contractors and asphalt producers.

Though the price and availability of asphalt shouldn't be the problems they were last year, 2009 won't be without its challenges, however. Federally backed state highway programs should continue to produce substantial numbers of paving projects, but with cities and counties facing severe budget shortfalls and the private market for paving all but dried up, competition for work figures to be intense.

### [Immigration and Energy: Some Inconvenient Truths](#)

"If per capita gasoline consumption remains constant," Anthrop said, "this population growth will increase gasoline consumption by 695 million barrels per year. If corn ethanol were to supply the 62 million people added to the U.S., corn acreage would have to be increased by 117 million acres - which equals 25 percent of all U.S. cropland. Growing a crop that results in soil erosion nine-fold just to support immigration of more people into the U.S. hardly qualifies for a sustainable policy."

### [In the face of economic crisis, would aid save Africa?](#)

The global food and energy crisis, and now the financial crisis are making the future of life in Africa more uncertain, especially for the poor, and Africa has been relying on aid for over 60 years now to solve its economic and development challenges. To what extent

has aid worked?

The developed world has spent around 600 billion dollars on aid since 1958, and yet the number of sub-Saharan Africans living in poverty keep increasing.

### [How African Farmers are Dealing with Climate Change](#)

As climate change intensifies through increased temperatures and precipitation, most smallholder farmers in Africa, with the majority living in rural areas, are not adapting to global warming.

Low levels of technology and the scarcity of information on climate change are some of the major obstacles for the vast majority of African farmers in adapting to global warming.

### [Oil supply crunch in 2010?](#)

LONDON (Reuters) -- The International Energy Agency said on Monday there could be an oil supply crunch from 2010 once global demand recovers and the impact of delayed investment crimps future supplies.

The agency, which advises 28 industrialized countries, is concerned that some oil producers are deferring projects to expand supply. It expects oil demand growth to resume next year after its first drop in a generation.

"Currently the demand is very low due to the very bad economic situation," the IEA's executive director, Nobuo Tanaka, told reporters on the sidelines of a conference in London.

"But when the economy starts growing, recovery comes again in 2010 and then onward, we may have another serious supply crunch if capital investment is not coming," Tanaka said.

### [North Sea oil minnows at risk of being swallowed](#)

LONDON (Reuters) - Tighter global credit has forced independent oil companies to sell their North Sea assets cheaply and the trend is set to last until oil prices rally.

Even oil companies with valuable assets have been hit hard by a plunge in oil prices from a record high of more than \$147 (103 pounds) in July 2008 to around \$40 a barrel.

The effects have been made worse by tight credit and falling energy demand.

### [MPs want cash for North Sea oil and gas projects](#)

Two north-east MPs are seeking an urgent meeting with the energy and climate change secretary over the desperate shortage of capital affecting offshore developers.

### [Russian oil output down 0.8%, gas down 10.5% in Jan. year-on-year](#)

MOSCOW (RIA Novosti) - Russia's crude production in January declined 0.8% year-on-year to 41 million metric tons (300.5 million barrels), while natural gas output fell 10.5% to 55.2 billion cubic meters, the Federal Statistics Service said on Monday.

### [Iranians Feel Pinch of Falling Oil Prices](#)

Many fear living conditions will deteriorate further if parliament approves president's plan to cut energy subsidies. Last October, Iran's central bank head Mahmoud Bahmani warned of hardships ahead as falling oil prices resulted in a 54 billion US dollar reduction in the country's foreign exchange earnings.

Back then, oil cost just less than 70 dollars a barrel, and only the most pessimistic of economists could have predicted that the price would plunge by almost 50 per cent.

### [Qatar home rents most likely to fall 10 per cent](#)

Residential rental rates in Qatar are likely to dip by around 10 per cent in 2009 due to sliding oil prices and companies freezing new staff recruitment, according to a recent report.

### [Atlantic walks away from Anglesey](#)

The slump in oil prices and rising exploration costs have forced Faroese player Atlantic Petroleum to relinquish its stake in P1211, which hosts the Anglesey prospect in blocks 14/9a & 14/14b, in the UK sector of the North Sea.

### [Oman eyes oil output boost](#)

Gulf Arab producer Oman aims to boost total oil output for the second consecutive year in 2009 after halting a six-year production decline from ageing fields last year, a top official said.

While neighbouring members of the Organisation of Petroleum Exporting Countries (Opec) cut output as the group races to match supply with falling global demand, Oman

is moving ahead with plans to pump more. As an independent producer, Oman has said it has no plans to cut output in support of Opec.

### [Nigeria: Oil Majors in Distress](#)

Indications emerged, at the weekend, that the big oil companies operating in the country are planning to slash the size of their workforce. They are also placing embargo on employment following financial and operational distress arising from falling oil prices.

### [Foreign firms win work thanks to fewer tea breaks](#)

Italian construction workers at the Lindsey Oil Refinery were more productive than their UK counterparts because they took fewer tea breaks and put on their work gear before clocking-on.

Conciliation body Acas issued its report today into the wildcat strikes over foreign labour which spread from Lindsey last month to other engineering construction sites.

### [Gazprom close to practical projects in Bolivia - Medvedev](#)

MOSCOW (Itar-Tass) -- Russia's gas giant Gazprom is close to concrete projects in Bolivia, Russian President Dmitry Medvedev said after Monday's talks with visiting Bolivian President Evo Morales.

"Energy is the most important line of activity," he said. "The point at issue is Russia's cooperation in the development of hydrocarbons. A memorandum with Gazprom has been signed, and it paves the way for practical action."

### [Petroleum Exec: World is Very Close to Peak Oil Production](#)

Not all energy companies agree with Total's pessimistic outlook for the oil industry's ability to ratchet up demand.

BP Chief Executive Tony Hayward believes that suggestions that the world is already running out of hydrocarbon reserves are premature, considering that the world has produced about 1 trillion barrels of oil to date, but that another 1 trillion barrels of proven reserves are still in the ground, and another trillion barrels exist but are not yet commercially viable.

### [War of words over nuclear power north of the border](#)

Scotland cannot rely on renewable energy alone, and must turn to nuclear power to safeguard future electricity production, Scottish Secretary Jim Murphy claimed yesterday.

Mr Murphy told the BBC's Politics Show it was crucial to invest in renewable energy – such as tidal and wind power – but only as part of a wider mix.

### [Eco-town is where happiness blossoms](#)

The push to make things "bigger, better, faster" is not only driving the planet to ruin - it's making us unhappy, according to a visiting expert on eco-towns.

Naresh Giangrande is on a world tour teaching people how to live slower, less wasteful lives, reducing their carbon footprint in the process.

### [EU Carbon Permits Fall Near Record as UN Expects Supply Jump](#)

(Bloomberg) -- European Union emission permits dropped near a record after the United Nations said it expects a 50 percent jump in registrations for greenhouse gas reduction projects this year, boosting the supply of credits.

### [Carbon Burial Research Grows as Huge Experiment Begins](#)

CHICAGO — A landmark Energy Department project to bury carbon dioxide produced by humans has begun as workers sunk a huge drill bit into Illinois ground this week, signaling continued support for a climate change mitigation strategy that has fallen out of favor in many circles.

### [Hamburgers are the Hummers of food in global warming: scientists](#)

CHICAGO (AFP) – When it comes to global warming, hamburgers are the Hummers of food, scientists say.

Simply switching from steak to salad could cut as much carbon as leaving the car at home a couple days a week.

### [Global warming 'changing balance' of marine life in polar seas](#)

Global warming is changing the distribution, abundance and diversity of marine life in the polar seas with "profound" implications for creatures further up the food chain,

according to scientists involved in the most comprehensive study of life in the oceans ever conducted.

### [Firestorms and Deep Freeze: Climate Change May Bring Both](#)

Global warming deniers keep pointing to snowstorms as proof that climatologists are wrong. But both extreme heat and cold are on tap.

### [A cold winter doesn't mean climate change isn't happening](#)

January and early February may have seemed very cold in the UK, but global land and ocean temperatures were higher than any year in the 20th century.

### [Burp of Arctic laughing gas is no joke](#)

It seems the Arctic is belching out nitrous oxide – commonly known as laughing gas. Unfortunately, the punchline is that it is a powerful greenhouse gas.



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