



DrumBeat: March 2, 2009

Posted by [Leanan](#) on March 2, 2009 - 9:49am

Topic: [Miscellaneous](#)

[Position yourself now for \\$300 a barrel oil](#)

Smart traders know oil's retreat is temporary

...While the global recession and credit crunch have severely impacted global demand for energy, it's only temporary. The problems propelling oil prices to \$147 haven't gone away. The patient is, at best, in temporary remission.

[Pemex struggles to remain in the ranks of oil exporters](#)

Mexican oil production is declining 9%/year which, if continued, will end exports in six years. Chicontepec forms a main part of the strategy to bring oil production back above 3 million bbl/day by 2015. In that year, Chicontepec will be producing 511,000 bl/day. Many observers think it will be difficult to meet this schedule. A Chicontepec well will currently produce only a few hundred bbl/day. even with steady drilling, the area now produces only 72,000 bbl/day.

[Russia oil wealth funds worth \\$220 bln - FinMin](#)

MOSCOW (Reuters) - Russia's oil wealth funds are currently worth about \$220 billion, the Finance Ministry said on Monday.

The Reserve Fund, designated for plugging holes in the Russian budget, is currently worth over 4.8 trillion roubles or \$136.3 billion, up from 4.7 trillion as of Feb, 1.

[U.S. vehicles sales to keep on falling: CIBC World Markets report](#) - *Detroit makes too many cars - half the nation's plants likely to close*

CIBC - U.S. auto sales, which are already at a 34-year low, will likely drop another 30-40 per cent and may never recover to previous levels, finds a new report from CIBC World Markets.

The report projects that American consumers will only buy about 8-9 million vehicles a year over the next five years, roughly half of what we've seen in the last half-decade. As a result, it also projects roughly half of the U.S.'s 51 light vehicle plants will be permanently closed in the coming years. This will see the loss of another 200,000 jobs in the sector, on top of the 560,000 jobs already lost this decade.

[Deteriorating economy cuts off rally in oil market](#)

SIOUX FALLS, S.D. – Oil prices plummeted more than 9 percent Monday with little to suggest energy demand will recover in the deteriorating global economy.

[Russia invites Iran to sell oil at Petersburg commodity exchange](#)

TEHRAN (RIA Novosti) - Russia has invited Iran to sell crude oil on the St. Petersburg Commodity Exchange, the Russian energy minister said on Monday.

"The Russian side has proposed that our Iranian partners consider the possibility of selling a part of Iran's oil at the St. Petersburg Commodity Exchange," Sergei Shmatko said.

[Rosneft 2008 SEC Proved Reserves Fell 0.3% in 2008](#)

(Bloomberg) -- OAO Rosneft's total proved reserves fell 0.3 percent last year under U.S. Securities and Exchange Commission methodology as the oil reserves of Russia's largest producer declined while those of natural gas advanced.

Total reserves dropped to 14.448 billion barrels of oil equivalent from 14.495 billion barrels the previous year, according to 2008 figures contained in an e-mailed statement today and data from on the Moscow-based company's Web site.

[Mexico closes oil exports terminals due to weather](#)

MEXICO CITY (Reuters) - Mexico shut down its Coatzacoalcas and Cayo Arcas oil exporting ports in the Gulf of Mexico due to bad weather on Sunday, and its Dos Bocas port remained closed.

[Norwegian government's oil revenues soar](#)

The Norwegian government's income from direct investment in the country's offshore oil and gas fields rose 27 percent in the fourth quarter, as higher natural gas prices and

production levels countered a sharp drop in crude prices, Peto AS said Monday.

[Wrong Reason to Tap Reserves](#)

Unlike some of the other black holes into which Washington pours money these days, the Strategic Petroleum Reserve's value is grasped easily. If needed, it could replace about 44% of daily U.S. oil imports for more than five months.

In 30 years plus, there have been only two emergency releases, connected with war and hurricanes. President Barack Obama, however, has said he would consider tapping the SPR simply to cool surging oil prices, a position repeated recently by the Department of Energy.

That would be a mistake.

[Demand for electricity to increase 6%](#)

Overall demand growth for electricity will "average six per cent" in the 2009-2020 period, with supply struggling to meet demand in peak periods toward 2010, according to the latest Nomura "Middle East Energy and Power" report.

Although new capacity on-stream may lead to a more balanced market from early next decade before gradually tightening again, it said.

[Growing excitement, expectations for green jobs corps](#)

Across the country, people like Bryer are looking to the renewable energy sector in hopes its "green-collar jobs" will offer them stability in this shaky economy. Some are signing up for community college or apprenticeship programs that train students to be wind turbine mechanics, solar panel installers, fuel-cell engineers or energy efficiency experts.

Government support has rallied excitement for the prospect of a green jobs corps, as President Obama's stimulus package puts about \$20 billion into greening the economy, according to the White House.

[Economic woes renew push against growth limits](#)

Florida: The state's economic woes are adding fuel to the push by lawmakers to ease environmental and growth-management regulations.

[Saudi cuts drilling activity](#)

Drilling activity in Saudi Arabia may drop by about 20 per cent this year, as the world's biggest oil exporter slows major oilfield development following a surge of activity in the past three years.

But so far there is no evidence of a similar trend in the UAE, where there has been no recent push to develop oilfields, and the state-owned Abu Dhabi National Oil Company (ADNOC) has scheduled several big projects.

[UK: Energy crisis looms](#)

FAMILIES, industry and hospitals could face regular blackouts in the Westcountry in the next decade because the Government has not woken up to a potential "energy crunch", one of the region's leading engineers has warned.

Barry Griffiths, director of the Institution of Civil Engineers South West, reckons the three-day working week and life by candlelight, not seen since the miners' strike of the 1970s, could return unless there is deep investment in power generation across the UK.

[Green shopping: Don't say 'eww,' to thrift stores](#)

Denver - The global energy crisis is overwhelming, but Americans are looking for ways to make small changes that add up. We install solar panels, buy hybrid cars, and turn down the thermostat. Yet when it comes to everyday shopping, we are conditioned to buy more than we need, new things made halfway around the world.

[Apollo 13: a guilty pleasure in the age of scarcity](#)

I was watching the movie Apollo 13 recently for what was probably the fifth time, consuming it in the manner of a guilty pleasure. I say guilty pleasure because this movie is the paradigmatic technofix movie. And, I have little faith that the mounting challenges of resource depletion and climate change can be addressed by technology alone.

But still I revel in the technical mastery and the astonishing ingenuity of the NASA scientists portrayed in the film who saved a crippled spacecraft and brought its crew safely home. Perhaps, I think to myself, just maybe perhaps, these technofix advocates have a point. Maybe when circumstances get really, really desperate, we will somehow pull off an energy transition while at the same time addressing climate change and a host of other issues in one transformative ingenuity-filled marathon. They did it in Apollo 13, didn't they?

[Bicycle Across America for Sustainable Civilization](#)

As a six continent long distance touring bicyclist, I witnessed entire civilizations fall into horrific problems concerning environment, water shortages, energy problems and loss of quality of life.

More alarmingly, today, I watch the United States follow in the same footsteps of other failed countries like Mexico, China, Zimbabwe, India and Bangladesh. Those countries suffer SO many problems, they cannot solve them. Their people grind through their collective misery beyond any American's understanding.

[Hard Times for Horses](#)

"This is definitely a very bad time to be a horse," Ms. Kanciper said, confirming the negative development — driven by panicky, cash-strapped owners and an unforgiving economy — that has uprooted Maple and an as-yet-unknown number of his species. Reports of a surge in abandoned or neglected horses; of overcrowded rescue, auction and retirement facilities; and of unwanted equines being fattened in feedlots before being shipped to slaughter in Mexico and in Canada have prompted the Unwanted Horse Coalition, an offshoot of the American Horse Council, to undertake a national survey on the problem.

[Kunstler: What Next?](#)

There was a popular theory among Peak Oilers the last decade that the world would enter a "bumpy plateau" period when the global economy would get beaten down by peak oil, would then revive as "demand destruction" drove down oil prices, and would be beaten down again as oil prices shot up in response -- with serial repetitions of the cycle, each beat-down taking economies lower -- the only imaginable outcome being some sort of quiet homeostasis. This scenario did not play out as expected. It was predicated on a mistaken assumption that all systems would retain some kind of operational resilience while ratcheting down. Anyway, the banking system was mortally wounded in the first go-round and the behemoth is dying hard.

[A tiny town in the Central Valley prepares for 'Armageddon'](#)

The farmers who will be slammed the hardest are those who depend on the Central Valley Project, the massive federal system of dams, reservoirs, pumps and canals that helped spawn California's \$36 billion farming industry — the state's largest.

Within a couple of years, Coburn says, numerous small towns like Firebaugh could die and hundreds of thousands of once-profitable acres could turn into fields of dust. Beginning today, the federal water spigot in California has been turned off for the first time. And just as in "Armageddon," the game might be over.

Across the Central Valley, warns a new University of California-Davis study, 80,000 jobs could be lost this year.

[Alaska senator offers compromise bill on ANWR oil](#)

ANCHORAGE, Alaska (Reuters) - A bill introduced Friday by U.S. Senator Lisa Murkowski of Alaska would permit oil production in the ecologically sensitive Arctic National Wildlife Refuge, but only from directional wells that are drilled outside the refuge's borders.

Murkowski, a Republican who first announced her plan last week during an address to the Alaska legislature, characterized the bill as a compromise that addresses environmentalists' concerns about impacts within the refuge while allowing for some of the oil beneath it to be tapped.

[PGNiG cuts output forecast](#)

Poland's gas monopoly PGNiG cut its 2009 domestic production forecast from 4.6 billion cubic metres to 4.3 Bcm, it said today.

The company produces about one-third of the gas it sells and imports the rest, a Reuters report said.

[Europeans seek U.S. energy drilling know-how](#)

Colombus, Ohio -- With one eye cast toward home, giant European energy companies are investing billions in U.S. natural gas and oil fields where huge, hard-to-get reserves have been unlocked with new drilling technology.

That technology is the prize in Europe, where gas production has declined and where an international utility dispute recently left people in more than a dozen European countries shivering in unheated homes.

[Wind-power industry seeks trained workforce](#)

This is Wind Technology Boot Camp at Cerro Coso Community College, where eight weeks of study and \$1,000 in tuition might lead to a job repairing mammoth wind turbines like the ones sprouting up across this region.

The work requires smarts and stamina. It is potentially dangerous. Candidates need good knees, a cool head -- and a stomach for heights.

[Bolivia pins hopes on lithium, electric vehicles](#)

LA PAZ, Bolivia - To Bolivia's president, it's the great silvery-white hope.

Lithium, the lightest metal. Half the density of water. Used in cell phone, laptop and iPod batteries, and in the years to come, many thousands of electric and hybrid vehicles propelling humanity into a cleaner energy future.

[French farmer is new sun king](#)

WEINBOURG, France (Reuters) - Bright winter sun dissolves a blanket of snow on barn roofs to reveal a bold new sideline for Jean-Luc Westphal: besides producing eggs and grains, he is to generate solar power for thousands of homes.

Economic crisis has cast doubt on funding hopes for many big renewable energy projects, but the giant panels built into roofs on this sloping farm at the foot of the Vosges hills in eastern France are attracting attention from farmers to financiers.

[Embracing the collapse](#)

As counterintuitive as it seems, it's possible that the end of life as we know it could also be the beginning of something better.

It's not just anarchists who might embrace such a turn of events. Regardless of a person's place on the political spectrum, there are benefits to be found in the prospect of society's unwinding.

[Scientists urged to step to plate on climate politics](#)

Money and politics, the stuff of social science, now drive global warming, and climate science needs to get with it, a National Research Council report suggests.

"Demand is growing for credible, understandable and useful information for responding to climate change," says the report, called *Restructuring Federal Climate Research to Meet the Challenges of Climate Change*. The report, released Thursday, calls for "transformation" of climate science to emphasize the climate's influence on food, economics and public health.

Otherwise, there's lots of evidence that politicians will tackle such practical problems without scientists.

[A look 'back' at the 21st century and the plight of Hampton Roads](#)

In the early 21st century, Hampton Roads was a thriving, waterfront-oriented region, and much of our then-acclaimed lifestyle was focused on living near and playing on the water.

Today that is hard to imagine, as our waterfront is dominated by abandoned buildings slowly being claimed by the bay or sea. Abandoned roads, sewage treatment facilities and other utilities lie just beneath the surface in the near-shore areas. The massive pollution from all of this has ruined the quality of the water itself, as well as making near-shore navigation hazardous. Indeed, the water has transformed from being a regional asset in 2001 to a hazardous, polluted eyesore that is inexorably devouring the region in 2101.

[Nightline - Grow Your Own](#) (video)

Victory gardens are sprouting up everywhere.

[Lugar Calls for Deeper Understanding of Food Shortage Challenges](#)

Thomas Malthus famously warned 200 years ago that food production would not keep pace with population growth. But Malthus did not foresee how technology and innovation would increase food production as the population grew. The problem we face now is that advancements in agriculture technology have been lagging, even as a dangerous confluence of factors threatens to severely limit food production in some regions and the world's population continues to expand. Between 1970 and 1990, global aggregate farm yield rose by an average of 2 percent each year. Since 1990, however, aggregate farm yield has risen by an annual average of just 1.1 percent. The USDA projects that growth in global farm yields will continue to fall during the next decade.

[Meltdown response: Ecuador erects trade barriers](#)

In what may be the world's most protectionist response to the global economic crisis, Ecuador's leftist government has imposed import restrictions on everything from Peruvian shampoo to Chilean grapes and U.S.-made running shoes.

President Rafael Correa says he had to take drastic action to prevent the collapse of an oil-dependent economy shocked by plunging petroleum prices, flagging remittances from workers abroad and the drying-up of foreign investment.

[Alaska governor to revamp state gas authority](#)

Alaska Governor Sarah Palin introduced bills in the state legislature late Friday giving the Alaska Natural Gas Development Authority, or ANGDA, a state gas corporation, expanded authority to build a possible in-state pipeline to bring gas from the North Slope to the state's major population areas in south-central Alaska.

[Falklands oil survey impresses town MP](#)

Early evidence of oil and gas reserves which could significantly boost the British economy have been seen by a Northampton MP during a mission to the Falkland Islands.

Brian Binley, the Conservative member for Northampton South, was invited to the South Atlantic as part of a scheme by islanders to keep their issues on the agenda in Parliament.

[Russian gas output slides](#)

Russian oil output and exports edged up in February while natural gas production of Russia's gas export monopoly Gazprom collapsed due to demand destruction at home and abroad, data showed today.

[Caspian CPC Feb oil exports fall 0.4 pct vs Jan](#)

MOSCOW (Reuters) - Kazakh and Russian oil exports via the Caspian Pipeline Consortium (CPC) fell to 758,598 barrels a day in February, 0.4 percent down from 761,340 bpd in January, CPC said on its website.

[Chesapeake cuts output as low prices bite](#)

US independent Chesapeake Energy has cut its production by 7% because of low energy prices, warning it might further reduce its drilling operations.

Chesapeake will trim its Midcontinent natural gas output by 200,000 million cubic feet per day and oil production by 6000 barrels per day for at least the month of March.

[PDVSA to Begin Paying Debt to Contractors Tomorrow](#)

(Bloomberg) -- Petroleos de Venezuela SA, the state oil company, will begin to pay as many as 6,000 contractors and domestic vendors in a "massive" process to bring their payments up-to-date, the company said.

The Caracas, Venezuela-based company known as PDVSA will immediately recognize back-pay to at least 90 percent of contractors and service providers starting tomorrow as it pays off any outstanding debt to them, according to a statement today on its Web site.

[PetroChina plans expansion at oil refining, storage complex in S. China](#)

NANNING, March 2 (Xinhua) -- PetroChina, a leading Chinese oil producer and refiner, plans to expand a refining and storage base in Qinzhou, south China's Guangxi Zhuang Autonomous Region, an official with the municipal government confirmed Monday.

The project, the second phase at the site, would have a designed annual refining capacity of 10 million tonnes. The first phase also had 10 million tonnes of refining capacity, the official said.

[Russia president positive on LUKOIL plans to buy into Repsol](#)

MOSCOW (Reuters) - Russian President Dmitry Medvedev spoke in positive terms about Russian oil major LUKOIL's proposal to buy a stake in Spanish oil giant Repsol ahead of a state visit to Spain where the issue may be discussed.

Debt-laden Spanish builder Sacyr has discussed selling its 20 percent stake in Repsol to LUKOIL, which is privately owned.

[Japan auto sales plunge in February](#)

(AP:TOKYO) Japanese auto sales plunged 32.4 percent in February, the biggest monthly drop since 1974 on sinking demand as the global economic downturn deepens, an industry group said Monday.

Japanese consumers bought 218,212 vehicles for the month, the Japan Automobile Dealers Association said in a statement. That's the seventh consecutive month of year-on-year declines.

[Oil, the fading horse power](#)

President Obama's Carnival Tuesday speech reiterated his intention to make the US self-sufficient in energy. Remember that the US is a massive importer and user of oil and natural gas-we export substantial amounts of natural gas.

Our Minister of Energy, Conrad Enill, recognising that our market for natural gas in the

US may become constrained, reassured us that there are other markets that pay even higher prices than the US. What the Minister ignored is the impact of this reduction in global demand for exported energy on prices of natural gas and oil in general.

[We're all doomed - again](#)

Kevin Phillips, a former senior strategist for Richard Nixon's 1968 campaign, cannot see the Obama Administration reining in the buccaneers. In the 2008 election, the Democrats and Obama himself were funded by financial services firms including hedge funds.

Phillips also looks at the inability of all sides in politics to come up with a policy on energy and oil, even though the future of the US energy supply, the value of the dollar and global warming are converging on the interplay of oil and US currency flows. America is vulnerable to peak oil, which will weaken the US dollar even further.

[Mideast firms may go on buying spree](#)

Middle Eastern national oil companies (NOCs) are likely to go on buying spree this year and acquire a number of downstream oil companies abroad, a new study has said.

"NOCs accounted for a third of the mergers and acquisition spend in 2006 and the percentage is likely to increase in 2009," Booz & Company (B&C), a global management consultancy group, said in its report titled 'How to live to tell the tale', which predicts that the oil prices will rebound to beyond \$100 (Dh367.31) a barrel by the end of 2009.

[Kuwait MPs urge interest-free loans for citizens](#)

KUWAIT CITY: Five Kuwaiti MPs submitted a bill yesterday calling on the oil-rich state to give every citizen interest-free loans to help them cope with the fallout of the global economic crisis.

The bill aims to grant each Kuwaiti aged above 21 a loan of 10,000 dinars (\$35,000) and a loan of 1,000 dinars (3,500 dollars) to those younger, to be repaid over 15 years.

[Outside Atlanta, a Utopia Rises](#)

In 2000, while jogging, Mr. Nygren noticed bulldozers on adjacent farmland and promptly panicked that Atlanta's sprawl was about to consume his solitude. He quickly purchased 900 acres adjacent to the farm and, feeling it was inevitable that land so close to the city would be developed, determined to set an example.

He did so only after banding together with neighboring landowners to push through zoning changes aimed at limiting development to self-contained clusters, surrounded by wilderness. Under the plan, 80 percent of the 40,000-acre Chattahoochee Hill Country region must be preserved as green space.

In the last five years, Serenbe's first two high-density hamlets have risen, shaped like omegas to flow with the undulations of the land and constructed according to stringent environmental and conservation standards.

[An uncomfortable truth](#)

As the planet's resources dwindle, a debate on population control is needed more than ever

[ProCon.org and Over 175 Experts Compare Alternative Energies to Fossil Fuels in Major New Nonpartisan Website](#)

ProCon.org, a nonpartisan 501c3 nonprofit research organization, created the new website alternativeenergyprocon.org to explore the core question, "Can alternative energy effectively replace fossil fuels?"

[Vietnam: Netherlands to help with climate change impacts](#)

Since early this year, the high tides and storms have caused flooding in more than 100 areas in the city and its outskirts, mostly in districts situated along rivers and canals and low-lying areas, badly disrupting daily life and business.

Schellaars said the Dutch Embassy was preparing a support package for the National Target Program in Response to Climate Change launched last month in Vietnam.

[The dangers of geo-engineering](#)

For the first time in history, we have the ability to control the world's weather. We must make sure it does not turn against us.

[Global Warming Tracking Satellite Crash May Set Global Warming Research Several Years!](#)

The Taurus XL crashed last Tuesday, postponing a 9-year, \$280 million project which would have allowed Colorado State University (CSU) researchers to track carbon dioxide emissions and global warming over the course of the next two years. The rocket blasted off at 3AM (MT), Thursday from the California Vandenberg Air Force Base and

then shortly crashed down near Antarctica. The protective cover failed to depart the rocket during flight, which added too much weight for it to reach orbit. This setback could bring us back several more years as far as earth studies go.

[Australia - Emissions trading spells disaster for farmers: MP](#)

The Federal Member for Barker, Patrick Secker, say the Government's emissions trading scheme will be devastating for farmers, even with exemptions.

[Villagers weather climate change](#)

For Isadora, a mother of four in Santa Cruz, a village in El Salvador, the answer to climate change was to establish a fish farm and to cultivate fruit trees that are better able to survive arid conditions. For Vernia, a mother of six from Mombin-Crochu, in Haiti, it lay in planting barriers of robust crops such as pineapple and sugar, to protect farming plots from landslides.

“They sound simple, but they are clever schemes that make a huge difference,” says Lexi Barnett, campaigns officer for the Scottish Catholic International Aid Fund (SCIAF).

“Climate change is real and it’s undermining the efforts people are putting in to work their way out of poverty.”



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