



Drumbeat: April 9, 2009

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Topic: [Miscellaneous](#)

[The Peak Oil Crisis: Priorities](#)

In the next few years, most of us are going to have to make many important decisions that will profoundly affect the rest of our lives. How soon these decisions come will depend on one's individual circumstances.

If you are one of the millions who have lost their jobs or homes in the last year then you already know that something is happening. Returning to the way we have lived for the last 100 years simply is not in the cards. The world is entering a great paradigm shift and our place in it will be markedly different 10 or 20 years from now. The most alarming thing to remember is that 95 percent of us have not discovered that major changes are underway and are waiting for economic recovery and new jobs to open up.

[Oil prices rise sharply on new corporate data](#)

NEW YORK – Oil prices rose sharply Thursday despite recent indications that energy use is way down, with traders focused instead on a rising stock market and upbeat earnings reports that suggest Americans may begin spending more.

Benchmark crude for May delivery rose nearly 4 percent, or \$1.88 to \$51.26 a barrel in light trading on the New York Mercantile Exchange. Trading was very light on a shortened trading week. Nymex is closed Friday for a holiday.

[Peak Oil: China vs. USA](#)

Anyone catch Steven Kopits' article in Barron's this weekend titled "A Global Portrait of Peak Oil"? In it, Kopits echoes thoughts I have written recently on how badly the US is being outmaneuvered by China with respect to energy policy.

[Platts Survey: March OPEC Oil Output Fell to 27.98 Mil. Barrels Per Day](#)

LONDON /PRNewswire/ -- Platts -- The 12 members of the Organization of the

Petroleum Exporting Countries (OPEC) pumped an average 27.98 million barrels per day (b/d) in March, as the oil producer group continued its efforts to slash oversupply and prevent oil prices falling further, according to a Platts survey of OPEC, oil industry officials and analysts just released. This is down 90,000 b/d down from February's 28.07 million b/d.

[Baker Hughes Rig Count Falls to Lowest Since May 2003](#)

(Bloomberg) -- The number of oil and natural gas rigs operating in the U.S. fell to the lowest in almost six years as natural gas producers cut exploration, according to data published by Baker Hughes Inc.

[Chevron Production Rises, Halting Two-Year Decline](#)

(Bloomberg) -- Chevron Corp., the second-largest U.S. oil company, said production headed for a quarterly gain for the first time since 2006 as new platforms in the Gulf of Mexico and offshore Africa began operation.

[Chevron says 1Q profits will be sharply lower](#)

Chevron Corp. said today its earnings will be sharply lower for the first quarter due to falling oil and natural gas prices.

Like the entire industry, Chevron, the second-largest U.S. oil company, has struggled with wide swings in crude prices. Benchmark crude soared to more than \$147 a barrel last year before plunging below \$35 this year.

[Indonesia scrambles to sell diverted gas at home](#)

Indonesia has sold just three of 18 cargoes of LNG originally bound for Japan, Taiwan, and South Korea, according to oil and gas officials.

[Report: Ethanol raises cost of nutrition programs](#)

WASHINGTON (AP) -- The increased use of ethanol could cost the government up to \$900 million for food stamps and child nutrition programs, a congressional report says.

Higher use of the corn-based fuel additive accounted for about 10 percent to 15 percent of the rise in food prices between April 2007 and April 2008, according to the nonpartisan Congressional Budget Office. That translates into higher costs for food programs for the needy.

[The Peakist \(audio\)](#)

In a world confronted with climate change, financial crisis and peak oil, this is the story of a highly individual response to the challenges ahead. Lloyd Morcom, a former oil man and ex hippy, has not only made radical changes in his own life, he's also encouraging friends and neighbours in his small, rural home town to reconsider their lifestyles.

However, when he calls a public meeting to outline his fears for the future he knows deep down that his message won't make him universally popular. Wary of what he calls 'doomer porn', Lloyd believes small communities should adapt housing, transport and food production to survive the coming storm.

[John Michael Greer: Peak Oil Advice from German Poets](#)

Fairly often, during the three years or so since these essays first started trying to map out the topography of the deindustrial future ahead of us, people have responded with a straightforward question: what do you think we should do about it? Even when it's posed rhetorically, as it so often is, this question strikes me as a good sign.

It's one thing, after all, to treat the twilight of the industrial age as an abstract possibility, or a dumping ground for Utopian or apocalyptic fantasies, as so often happens these days. It's quite another to grapple with it as a reality that can be expected to shape the rest of our lives. Those who make the subtle transition from one to the other tolerably often find themselves confronted with some form of the same message the German poet Rainier Maria Rilke received from the statue of Apollo: *Du musst dein Leben aendern*, "you must change your life."

[UK Oil Services Cos Braced for Steep But Short Decline](#)

The U.K.'s oil services sector is braced for a sharp downturn as low oil prices have raised fears of capital expenditure cuts, project delays and financing difficulties. However, the dip, though deep, should be brief, with signs of a rebound in 2010, analysts say.

"It is our belief that the downturn will be short and sharp, and that the recovery is likely to be equally rapid and certainly apparent in 12 months' time," Evolution securities said in a note.

[Turkmenistan: Russia's Gazprom To Blame For Pipeline Blast](#)

ASHGABAT, Turkmenistan (AFP)--Russian energy giant OAO Gazprom caused a pipeline explosion in the Central Asian state of Turkmenistan Thursday by overstraining the network, Turkmenistan's Foreign Ministry said.

[Louisiana Reps Urge Salazar to Authorize More Offshore Drilling](#)

Louisiana representatives encouraged U.S. Interior Secretary Ken Salazar to authorize more offshore drilling for oil and gas at a regional meeting held in New Orleans Wednesday.

The representatives asked Salazar not to forget the importance of the oil and gas industry in the U.S. economy as a source of jobs and tax dollars.

[Study shows bioenergy benefits for rural poor](#)

Bioenergy, when produced on a small-scale in local communities, can play a significant role in rural development in poor countries, according to a new report jointly published by FAO and the UK's Department for International Development (DFID).

[Cars converted to the future - 100 miles per gallon](#)

In a windowless workshop near the county landfill, a small Raleigh company has spent the past year trying to solve the nation's energy crisis one car at a time.

[Science Chief Discusses Climate Strategy](#)

The Obama administration might agree to auction only a portion of the emissions allowances granted at first under a cap-and-trade system to limit greenhouse gas pollution, White House science adviser John P. Holdren said yesterday, a move that would please electric utilities and manufacturers but could anger environmentalists.

[Former oilsands exec named head of climate working group](#)

OTTAWA — The Harper government has named a former oil and gas industry executive who led a company active in the Alberta oilsands as a representative on a U.S.-Canada working group on clean energy.

[Thomas Homer-Dixon: Make room for doom and gloom](#)

Scorning pessimists as 'Cassandras' is destructive: Reckless optimism is what got us into this mess and it may take worry and prudence to get us out

Fear is bad, according to conventional wisdom. Our economy is in trouble, we hear, because banks are too afraid to lend and consumers and companies too afraid to spend.

Less lending and spending further depresses the economy, which begets more fear. And to top it all off, some analysts irresponsibly exploit these fears for their own ends, by arguing that the crisis may get far worse before it gets better, and in the process sensationalize and exaggerate the problem.

But, in this case, conventional wisdom is wrong. The truth is that fear is good. The economic crisis we're facing is not at root the result of too much fear but of too little. If we had been more afraid for our economic well-being, we would have saved more, borrowed and speculated less, and been more cautious about letting financial wizards make bets with our money using opaque mathematical models.

[Pessimists don't get a free pass](#)

Thomas Homer-Dixon is a deep thinker who matters. Lots of smart people read his books and plenty of powerful people -- some of whom are smart, too -- seek his counsel.

So it matters when the leading light of the University of Waterloo's Balsillie School of International Affairs writes something that is seriously misguided.

[Crude Oil at \\$50 Is a 'Good Thing,' Algeria's Khelil Tells APS](#)

(Bloomberg) -- Oil prices of about \$50 a barrel are a "good thing" for now, Algerian Oil Minister Chakib Khelil told Algerie Presse Service.

"If prices stay where they are, at about \$50, or even drop a little, it will be a good thing because we should not forget that the global economy is shrinking," Khelil told the state-run news service in Algiers yesterday.

[Fleet of tankers store fuel at sea](#)

DUBAI/LONDON (Reuters) - A deep drop in demand has forced many oil companies to use tankers floating at sea to store surplus refined products, with the volume off Europe equating to more than a quarter of the world's daily fuel use.

Shipbrokers and oil traders said at least 24 million barrels of gas oil, used for diesel or heating oil, and jet fuel were being stored on more than 30 floating long-range tankers in Europe. Some traders say the stored volume might be even larger and would add to the pressure on bearish products markets.

[Nigeria Unrest Cost \\$24B Oil Rev in First 9 Months of 2008](#)

Nigeria's unrest could worsen after the country lost at least \$23.7 billion to oil theft and sabotage in the first nine months of 2008, a presidential committee report says.

Ledum Mitee, chairman of the committee, said the figure shows that "if we were to buy peace, we would be spending less than what we are losing in the crisis."

[ConocoPhillips Said to Plan German Oil Refinery Shutdown](#)

(Bloomberg) -- ConocoPhillips will shut its German oil refinery, the country's third largest, in the fourth quarter for maintenance, two people familiar with the situation said.

[Shell to restart gasoline unit April 21 - sources](#)

SINGAPORE(Reuters) - Royal Dutch Shell (RDSa.L) is expected to restart a 33,000 barrels per day long residue catalytic cracker at its Singapore refinery on April 21, following an outage last week due to catalyst problems, industry sources said on Thursday.

[Big firms staking claims in ethanol](#)

Heavy debt loads and historically high corn prices have been lethal to independent ethanol firms. "The growth in ethanol is mandated, but most U.S. independent ethanol producers have failed or are struggling to survive as stand-alone entities," wrote Chi Chow, an energy industry analyst for Tristone Capital Co.

[Destroying urban gardens in the wake of peak oil: Will we build sustainable communities or follow the US off a cliff?](#)

The price of oil as of 8 April 2009 has stabilized at about \$50. One of the main reasons for this is due to the collapse of the global economy – when the economy slows down we use less oil. This may sound like a loop, that's because it is: growth in the economy is dependent on cheap oil, and since we are at or near peak oil, we get cheaper oil only when the economy collapses.

[You can't get there from here' in R.I., either](#)

We were in the midst of soulless suburbia, where the car was king and people an afterthought. The desk clerk had told us a Panera Bread was very close by. Probably within walking distance -- in theory, anyway. But only a fool would walk here. And driving was looking increasingly like a gamble as well.

[Is Global Warming a Myth?](#)

How to respond to people who doubt the human impact on the climate.

[What will global warming look like? Scientists point to Australia](#)

Drought, fires, killer heat waves, wildlife extinction and mosquito-borne illness -- the things that climate change models are predicting have already arrived there, they say.

Reporting from The Murray-Darling Basin, Australia -- Frank Eddy pulled off his dusty boots and slid into a chair, taking his place at the dining room table where most of the critical family issues are hashed out. Spreading hands as dry and cracked as the orchards he tends, the stout man his mates call Tank explained what damage a decade of drought has done .

"Suicide is high. Depression is huge. Families are breaking up. It's devastation," he said, shaking his head. "I've got a neighbor in terrible trouble. Found him in the paddock, sitting in his [truck], crying his eyes out. Grown men -- big, strong grown men. We're holding on by the skin of our teeth. It's desperate times."

A result of climate change?

"You'd have to have your head in the bloody sand to think otherwise," Eddy said.

[Oil above \\$51 on signs of higher US consumption](#)

VIENNA – Oil prices rose above \$51 a barrel Thursday as upbeat reports from some U.S. retailers suggested Americans may be willing to spend more once again.

[Gazprom sees gas demand, output depressed for 5 yrs](#)

MOSCOW (Reuters) - Russian gas export monopoly Gazprom believes global demand and its own gas production will be depressed by around 10 percent for the next 4-5 years, its deputy chief executive said on Thursday.

'A reduction in demand of 10 percent will continue for the next 4-5 years,' Valery Golubev told a conference.

[Shell secures new supplies of Russian gas to sell in Europe](#)

(Platts) - Shell has secured new supplies of Russian gas from Gazprom to sell in Europe, Shell said in a statement Wednesday.

[Gazprom: pipeline blast halts Turkmen gas, EU](#)

MOSCOW (AP) — MOSCOW (AP) ? Russia's natural gas monopoly Gazprom says a blast on a Central Asian pipeline has halted the supply of Turkmen gas to Russia.

[China's Sinopec Shanghai expects to post a profit in Q1 2009](#)

Singapore (Platts) - Chinese petrochemicals and oil products producer Sinopec Shanghai Petrochemical Co. expects to report a profit for the first quarter of 2009 after posting a loss of Yuan 200.36 million (\$29.2 million) in the corresponding period of the previous year, SSPC said Wednesday.

[Iran Open to Oil Talks with US](#)

LONDON, April 09 (IranMania)- Iran announced on Wednesday it is not opposed to talks with US oil companies providing that they accept the conditions Tehran defines Fars News Agency reported.

"If Iran's conditions and the country's regulations on oil agreements are accepted by various Western and Asian companies, Tehran is ready for negotiations," Iranian Deputy Oil Minister Hossein Noqrehkar said in a press conference here in Tehran today.

[Iran Might Be Deterred by U.S. Nuclear Umbrella, Gulf Ally Says](#)

(Bloomberg) -- The Obama administration should consider countering an Iranian threat by offering Middle East allies protection under a "nuclear umbrella," a United Arab Emirates official said, as the U.S. announced plans to join international talks with Iran.

The official referred to a similar proposal by then-Senator Hillary Clinton during an April 2008 presidential campaign debate with then-Senator Barack Obama. Such a security guarantee would assuage widespread fears about Iran's nuclear program among its neighbors, the U.A.E. official said yesterday in Washington.

[\\$200 Oil Is Coming While We Waste a Perfectly Good Crisis *Part 1*, *Part 2*, and *Part 3*](#)

The peaking of hydrocarbon supply is vital not just to our country's future, it is enormously critical to our global economic conduct. Optimists argue that oil has not peaked, and will not peak for decades. They base this on widely held beliefs, including the extent of the world's energy resource endowment, the ability of technology to recover larger amounts of oil once left behind, the lag time between high oil prices and the ramped-up drilling they kindle, the remarkable amount of unconventional oil that

has become commercially feasible because of high prices, and undetermined technology advancements. Those who ridicule peak oil, think the term means "running out of oil" instead of the true definition: "oil production can no longer grow."

[Drilling the Undrillable](#)

The oil and gas industry is always looking for ways to get more from mature field developments. New technology is fundamental to the success of those efforts. Brett Borland of ConocoPhillips explains how directional casing while drilling is one of the technologies helping to open up what might once have been undrillable wells.

[Gas pipeline through Treasure Coast could mean \\$102 million in property taxes to region](#)

TREASURE COAST - The Treasure Coast could receive \$102 million in property taxes from Florida Power & Light over the next four decades because the power company has announced plans to run a 300-mile natural gas pipeline through the region.

It would also create 7,500 jobs, of which 3,500 will be for construction.

[Striking French Workers Cut Output at Nuclear Plants](#)

(Bloomberg) -- Electricite de France SA, Europe's biggest electricity generator, may be forced to buy power on the spot market after a one-day pay strike led to production cuts at two of its nuclear reactors, a union said.

Output was reduced at the Cruas-Meyssse and Penly plants, according to the Confederation Generale du Travail, or CGT, union. GDF Suez SA, operator of Europe's biggest natural-gas network, may have to reduce supplies after employees walked out. A protest at the port of Le Havre reduced the number of vessels able to load or unload by half. Total SA said operations at its Normandy refinery weren't affected.

[Is this the end of the Oil Age?](#)

Huge and rapid increases in the price of oil last July may well have marked the "peak" of oil supplies and are part of the financial crisis we are now experiencing. This was the context set out by Rob Hopkins, founder of the Transition Towns movement when he spoke before an audience of more than 200 at the Regal Theatre in Minehead on 2nd April.

[Mayor Gregor Robertson lends support to UBC Farm, flags peak oil](#)

Mayor Gregor Robertson again touched on peak oil as an issue when he recorded a video address in support of the UBC Farm.

“In a world with peak oil and accelerating climate change, the importance of local food security has never been greater,” Robertson said in the video shown to farm supporters April 7. “We’ve seen entire civilizations wiped out because of a lack of food security, and it’s going to be really critical in this next phase of human existence that we value the land, the soil, and the people that look after and grow our food. And we’ve got to ensure, particularly in an urban setting, that we’re focused on a good solid locally-based food system. UBC Farm is a critical piece of that.”

[So what is 'permaculture' anyway?](#)

What my line of work (investigating energy issues and agriculture at UT) has taught me is that we really need propagate well designed systems. The three biggies...peak oil, climate change and soil depletion will make it imperative that more of our food is grown close to home. What permaculture really communicates is that this transition that humanity must make in the next 50 to 100 years does not need to be a drag, it can be really a lot of fun, you can work your body and mind, you can meet your neighbors, you can reduce your expenses, and you can eat good healthy food.

[Lingering Spilled Oil in Alaska's Prince William Sound Affects Aquatic Life, Residents](#)

Scientists say oil still lingers in Alaska's waters, affecting aquatic life and the local community that depend on it 20 years after Exxon Valdez oil spill.

[Shell, BP Should Disclose Carbon Liabilities, Ecologists Say](#)

(Bloomberg) -- Royal Dutch Shell Plc, BP Plc and other energy companies would have to disclose projects' carbon liabilities under an ecology proposal sent to the U.K.

[Mexico Plans Carbon Market for Pemex, Power, Cement Companies](#)

(Bloomberg) -- Mexico has talked with Petroleos Mexicanos, the Federal Electric Commission and cement makers about including them in a domestic carbon market to help the country meet its goal to cut global-warming gases.

Mexico, which last year set a target of cutting its carbon- dioxide output in half from 2000 levels by 2050, wants to bring in a system of capping emissions by companies “as soon as possible,” said Rodolfo Godinez Rosales, director of environmental issues at the country's foreign ministry.

[Rain Forest Credits May Be Used for 5% of UN Climate Compliance](#)

(Bloomberg) -- Rich nations could use tradable credits from poorer countries that reduce deforestation for 5 percent of compliance with emissions-reduction requirements, according to a United Nations option.

[Holdren Puts U.S. Climate Goals Before International Agreement](#)

(Bloomberg) -- Securing a climate-change policy for the U.S. that cuts greenhouse gases and stimulates the economy is more pressing than reaching an accord with other nations on the contentious issue, said John Holdren, the top science adviser to President Barack Obama.

[At U.N. Talks on Climate, Plans by U.S. Raise Qualms](#)

BONN, Germany — At the start of the United Nations climate talks here 12 days ago, the Obama administration's chief climate negotiator, Todd Stern, received a round of rowdy applause. It was the first appearance of the new negotiating team at any global meeting.

But by Wednesday, as the meetings drew to a close, some delegates — and even some United Nations officials — were grumbling that the United States was not moving fast enough to take action on global warming.



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