



DrumBeat: May 16, 2009

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[Interior Sec Salazar: Commercial Use of Oil Shale 10 Years Off](#)

The commercial use of oil from US oil shale deposits is likely at least 10 years away and will require technological advances to get past hurdles standing in the way of its commercial use, Interior Secretary Ken Salazar said Wednesday.

"Oil shale needs to be on the table," Salazar said. "But it needs to be on the table in a realistic way."

[Gas shortage forces Kuwait to shut Shuaiba fertiliser plants](#)

Kuwait's Petroleum Industries Company (PIC) will shut its urea and ammonia plants at Shuaiba for a month starting in late May because it does not have enough gas.

The company will stop production at the plants from about 23 May, according to a source close to the company.

[Chavez Eyes More Oil-Industry Takeovers Next Week](#)

President Hugo Chavez acknowledged Friday that his government will continue to seize oil-company assets next week as part of its plan to expand the state's control over a key industry.

"You ask me if we have our eye on other [oil] companies, yes, yes," Chavez said in a televised press conference during a visit to Buenos Aires. "Next Wednesday...we will continue to seize companies in eastern Venezuela...I don't know how many, let's say all of them," he added.

[Pakistan: Frequent power outages](#)

Shortage of electricity is affecting businesses, making it difficult for industrialists to meet export targets within the stipulated period. On the other side, home industries are

closing down due to frequent power outages.

The energy crisis, which is affecting the country's economy, is also hurting various industrial sectors of the second important city of Sindh, Hyderabad. It is surprising that consumers of Hyderabad Electric Supply Company (HESCO) are being forced to pay higher rates of electricity compared to other distribution companies.

[India: Thermal power plants battling coal shortages](#)

BL reported that the coal shortage situation affecting major thermal power stations across the country shows no sign of abating. According to latest available estimates, 23 thermal stations were facing critical coal stocks, with fuel in these plants expected to last less than 7 days.

Of these, the coal stocks position in 13 large stations have been designated as super critical, with stocks expected to last less than four days, latest data of coal stock position compiled by the Central Electricity Authority show.

Even more worrying could be the fact that stations facing super critical coal stock situation include a number of super thermal stations, several of which form the backbone of the Central and Eastern Grids, including NTPC's 1,840 MW Kahalgaon station in Bihar and the 1,000 MW Sipat station in Chhattisgarh.

[US Geological Survey Spies 'Promising' Hydrate Reserve in GOM](#)

A research team led by the U.S. Geological Survey in search of producible hydrate to add to the nation's energy portfolio has identified "the most promising" gas hydrate deposits yet in the Gulf of Mexico, according to a report by Reuters.

Researched for years as a potential new energy source, gas hydrate is a combination of nearly pure methane and water frozen by low temperatures and high pressures in permafrost or beneath the sea, the report noted.

[France offers Pakistan nuclear energy help](#)

PARIS (AFP) — France and Pakistan have agreed to cooperate in the nuclear field, officials said Friday, with Islamabad claiming an important breakthrough in its bid to be seen as a responsible nuclear power.

[Chevron to Proceed with Investment Plan in South Asia](#)

U.S.-based oil giant Chevron Corp. (CVX) plans to move ahead with investments in

South Asia amid an expected strong economic recovery in the overall region.

"Asia will have the quickest recovery to feed future demand growth. We have strategic locations in Asia to support growth in the long term," Joe Geagea, managing director for Chevron Asia South Ltd., said at a press conference in Bangkok.

[Ethanol And Vintage Mustangs](#)

In the good old days of high-octane leaded fuel, it was easy to overlook fuel hoses, float needle valves, carburetor rubber parts, fuel pump diaphragms, and carburetor gaskets. These items deteriorated slowly, requiring only periodic maintenance. Neglect them today and it can bite you with fuel leakage and the potential for a fire. Fuel-related fires have become a problem with older fuel systems because owners are not staying on top of important maintenance issues.

The jury remains out on the adverse effects of pumping E10 into our Mustangs. E10 is 90-percent gasoline and 10-percent ethanol. And that's what you can expect at most gas pumps today. E85, which is 85-percent ethanol and 15-percent gasoline, should never be used in a classic Mustang.

[Is "enhanced geothermal" too good to be true?](#)

At recent talk by Thomas Homer-Dixon at the Houses of Parliament I heard for the first time about a thrilling new technological fix for our twin doom of climate change and energy shortages: enhanced geo-thermal.

[Politics or technology?](#)

The current challenges around the fossil-fuel based energy system affect the core of modern societies and cut across questions of security, national sovereignty, environmental sustainability, technological innovation and economic prosperity. While the energy crisis is multi-faceted, two broader notions exist with regard to where we might find the solution: in political reform or in technological innovation.

[Plateau theory drives Total to oil sands](#): *The French energy giant thinks conventional oil production will top out in a decade at 95 million barrels. The long-term plan is to diversify into nukes and other sources. But for now, its eye is squarely on oil sands*

PARIS -- For Total SA, it's all about 95. The French oil giant builds its business with 95 in mind, as if the figure were tattooed on its executives' foreheads. The figure refers to Total's belief, not shared by the majority of Big Oil players, that global production will top out at 95 million barrels a day after 2020. That's only about 10 million more than current production.

Many oil gurus refer to the top-output theory as "peak" oil. Total prefers to call it "plateau" oil, a subtle variation on the theme that suggests production, having reached 95 million barrels a day, will remain at that level for some time in spite of every effort to squeeze more from Earth's desiccated bowels (the peakists think production will fall relentlessly after reaching a peak, which may come well before 95 million).

[An energy vision that may be too ambitious](#)

It seems as though investors aren't buying into the peak oil theory - or "plateau" oil, as Total calls it. No wonder: If you believe that production will either decline or stagnate in a decade or so, then investing in an producer doesn't sound like the best investment.

That's because if peak oil proves true, the world is bound to come up with a new source of energy that will reduce its dependence on oil, driving prices down. And if peak oil is just a fantasy, then expensive forays into alternative fuels could be for naught.

[A maverick's message on oil](#): *Jeff Rubin says prices are going nowhere but up, and life as we know it will change forever*

In chapter 7, Rubin lays out in detail how high oil prices, which peaked near \$150 in July 2008, led to inflation and rising interest rates that triggered the U.S. mortgage crisis and sent the economic dominoes, including global trade, falling.

"You can liberalize trade all you like, but it won't make a difference if no one can afford to ship the things you want to sell," he writes.

His prediction: Manufacturing jobs are going to return to North America over time. There will be a revival in regional agriculture. Urban farmers' markets will become more plentiful. Travel will be local and certainly not by plane. Dining out will be replaced by cooking in.

[Undersea oil could help thaw U.S.-Cuba trade](#): *Untapped reserves provide powerful incentive for change in relations*

WASHINGTON - Deep in the Gulf of Mexico, an end to the 1962 U.S. trade embargo against Cuba may be lying untapped, buried under layers of rock, seawater and bitter relations.

Oil, up to 20 billion barrels of it, sits off Cuba's northwest coast in territorial waters, according to the Cuban government -- enough to turn the island into the Qatar of the Caribbean. At a minimum, estimates by the U.S. Geological Survey place Cuba's potential deep-water reserves at 4.6 billion barrels of oil and 9.8 trillion cubic feet of natural gas, stores that would rank the island among the region's top producers.

[Wisdom from a commodity guru](#) (review of *Game Over, How You Can Prosper in a Shattered Economy*, by Stephen Leeb)

In his chapter on oil, Leeb writes: “Alarming, the evidence suggests that no matter how you define peak oil, the world today is fast reaching – and may already have reached – it. If we allow ourselves to reach this sorry stage, we will truly be at Game Over”.

Oil is not the only critical commodity that is becoming scarcer and more expensive, Leeb writes. Minerals, water, metals, these are all on the list.

He makes it crystal clear – time is running out ... and energy alternatives like solar and wind power are not going to magically make the problems disappear.

[Oil-based economy still rules](#)

Oil transformed the Texas economy, turning what was an agricultural state into a financial powerhouse early in the 20th century. Texans concerned themselves with discovering new oil fields and building cities like Houston to refine and distribute the crude. Oil dollars lubed growth and the biggest state in the Union (at the time) prospered.

So it's no surprise that folk in Texas don't think oil will be replaced as the basic power source for the American economy in the near future. "Not in my lifetime" is a statement commonly heard.

[The Price of Oil: How did it get here, and where is it going?](#)

Normally, news of burgeoning foreclosures, plummeting home sales, spiking personal and business bankruptcies, rising unemployment, and other economic indicators would tend to exert a bearish influence. After all, consumers generate 70% of U.S. economic activity, and if they stop or cut back on driving to work or the shopping mall, telephone relatives or business partners instead of flying out to see them, reduce purchases of items containing plastics, turn down the thermostat, and other weather-the-storm measures, oil consumption should decline.

It took months for all these drivers to realign – but as we all know, they did, and then some. The chicken-and-egg debate, whether oil's sky shot triggered or portended the economic debacle in the closing months of 2008, will require more distance and data to resolve. But it's true that the dollar had started its comeback by mid-summer, supply had caught up, geopolitics had settled a bit, China backed off on its buying, no major hurricanes hit – but economic realities did.

[Nigerian army frees hostages and destroys militant camp](#)

PORT HARCOURT, Nigeria (Reuters) - Nigerian security forces said Saturday they rescued 10 hostages kidnapped this week, including six foreigners, and destroyed a key militant camp in the heart of Africa's biggest oil industry region.

Nigeria's main militant group has declared an "all-out war" and warned oil companies to evacuate their staff in the Niger Delta following three days of heavy clashes with the military.

[Nigeria: Government Plans to Stop Export of Crude Oil](#)

The Federal Government through the Minister of Petroleum Dr. Rilwanu Lukman has said that export of crude oil from the country will soon come to an end as the Federal Government contemplates a policy of refining all crude produced in the country.

[Turkey in team effort for Iraq push](#)

Turkey has formed three consortia with an eye to bid for oil exploration rights for nearly all big oilfields Iraq is putting on the block next month, TPAO boss Mehmet Uysal said today.

[Venezuela Wants OPEC to Enforce December Output Cuts](#)

(Bloomberg) -- Venezuela wants the Organization of Petroleum Exporting Countries to enforce a December output cut when it meets later this month, Oil and Energy Minister Rafael Ramirez said.

The South American country, which is "worried" about world oil inventory levels, wants OPEC to "reinforce" previous cuts, Ramirez told reporters today in Buenos Aires. The group meets again on May 28.

[Russian gas monopoly bid proves devastating](#)

MOSCOW — As energy markets shrink, the same tactics that the Kremlin used to build Gazprom, the giant energy company, into a fearsome economic and political power that could restore Russian influence in the world are now backfiring, slashing both its profits and its influence.

[Russia seeks to speed gas pipeline with new deals](#)

Russia will on Friday sign deals with Italy, Bulgaria, Greece and Serbia to build a major gas link to Europe, South Stream, as it seeks to speed up work to outpace the key rival project, Nabucco.

[Brazil's president to sign 'voluminous loan' deal with China](#)

Brazil's President Luiz Inacio Lula da Silva is to sign a financing agreement for state-run Petroleo Brasileiro SA (Petrobras) on a visit to China next week, a senior official said.

Brazil's Energy Minister Edison Lobao told his country's state media that Lula, whose visit to China starts on May 18, will sign a "voluminous loan" deal on behalf of Petrobras.

[Chavez seizes Cargill factory](#)

CARACAS, Venezuela | The government on Friday temporarily seized a pasta factory owned by U.S. food giant Cargill Inc. in a pricing spat, the latest move by President Hugo Chavez's government against foreign companies.

[Why local gas is high stumps probers](#)

The federal investigation into unusually high gas prices in Western New York last fall failed to find illegal activity or identify reasons for the price difference.

The Federal Trade Commission's report — which included information gathered from the New York State attorney general's office investigation—said it could not explain why gas prices in the Buffalo Niagara region were as much as 54 cents above the national average and consistently the highest in upstate New York.

[Minister: Iraq committed to selling oil to Jordan](#)

(MENAFN - Jordan Times) The Iraqi government is willing to discuss with Jordan the reactivation of oil exports to the Kingdom through the pipeline extending inside Jordan.

[StatoilHydro oil sands role at stake](#)

A Norwegian opposition group said yesterday it would ask for a parliamentary vote next week over whether majority-owned oil producer StatoilHydro ASA should withdraw from its \$2-billion Canadian oil sands venture.

The move marks an escalation in a row between oil interests and the environment just four months before Norway -- the world's No. 4 oil exporter -- holds an election.

[Is Oklahoma City a city in transition?](#)

ransition is not a spiritual movement. It is a grass-roots, community-led response to peak oil, climate change and the economic crisis. It is interested in unleashing our collective genius in whatever ways that emerge within the community.

[In Man vs. Virus, The Win Goes to the Swift](#)

When we look at the data on the hog trade to Mexico, it's increased pretty dramatically in last few years. I don't know why, but it feels like this is (due to) stocking of big pig-farm production facilities. There's nothing wrong with that. As a carnivore, it's great to have cheap, good-quality food.

But the problem is that part of the risk of doing these trades and these globalized food production networks are disease outbreaks. When we do globalized food production and trade, we've got to insure ourselves just like you would insure yourself personally if you were doing a high-risk activity — you'd make sure you have life insurance.

[Global Warming Inadvertently Curbed In Past By Lead Pollution, Scientists Find](#)

ScienceDaily — Lead pollution in the air stimulates the formation of ice particles in clouds. A team of scientists from the USA, Germany and Switzerland has found that particles containing lead are excellent seeds for the formation of ice crystals in clouds. This not only has a bearing on the formation of rain and other forms of precipitation but may also have an influence on the global climate. This is because the heat given off from the earth's surface is more efficiently radiated into space by ice clouds (cirrus) with lead-containing particles than has been hitherto realized.

[Well project tests storage of carbon dioxide: Effort could hold key to continued coal use](#)

PATESVILLE, Ky. -- Drillers have bored nearly 4,000 feet below the green pastures of a Hancock County farm as part of a project that could hold a key to the future of coal in Kentucky.

They're about halfway to their goal of 8,300 feet, aiming for rock that's 550 million years old. Next, researchers will inject small amounts of carbon dioxide to test the ability of underground layers to hold the greenhouse gas that many scientists say has become a serious global threat.

[Judge blocks Wal-Mart's supercenter proposal for Yucca Valley](#)

The retailer's analysis of greenhouse gas emissions is inadequate and its economic conclusions flawed, he says. The ruling signals a trend of factoring global warming into development plans.

[Dems' climate bill shortchanges Obama tax credit](#)

WASHINGTON (AP) — The House Democrats' bill to limit gases blamed for global warming would generate a fraction of the money President Barack Obama wanted to get from it to pay for a middle-class tax credit.

Leaders of the House Energy Committee officially introduced the 932-page legislation on Friday, revealing critical details in advance of the panel taking a vote on the measure by the end of next week. The bill — the American Clean Energy and Security Act — would for the first time mandate reductions in the heat-trapping gases linked to global warming, and also shift the country toward cleaner energy sources.

[The threat of a cap-and-trade swindle](#)

The closer the United States gets to adopting a cap-and-trade system to control greenhouse gas emissions, the more frightening it gets.

Not because the plan now under debate in the U. S. Congress would complicate the lives of energy producers, or impose new costs on consumers. Those drawbacks might be bearable if the system was truly designed to reduce emissions, and if the expense was reasonable. The alarm results from increasing evidence that emissions have become a secondary concern of a plan whose main purpose is to serve the partisan interests of the Democratic Party.

[Draft U.N. climate texts mark step towards treaty](#)

OSLO (Reuters) — The United Nations took a step toward a new climate treaty on Friday by publishing the first draft negotiating texts to help bridge a "great gulf" between options for rich nations to cut greenhouse gas emissions.

Two documents totaling 68 pages also laid out choices on controversial issues such as nuclear power, emissions trading, forests, shipping or aviation in a new U.N. global warming pact due to be agreed in Copenhagen in December.



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