



DrumBeat: June 14, 2009

Posted by [Leanan](#) on June 14, 2009 - 10:35am

Topic: [Miscellaneous](#)

[David Stahan: We need a stable oil price – but we're at the mercy of Opec](#)

BP famously "doesn't do" oil- price forecasts. After 18 months in which crude has ricocheted from just under \$100 per barrel to an all-time high of \$147, then down to less than \$40, and now up to \$73 again, you can see their point.

But at the launch of its annual Statistical Review of World Energy last week, its chief executive, Tony Hayward, came close when he ventured "there is a rational argument to say that somewhere between \$60 to \$90 a barrel is the right sort of level". At the same time, BP continued to claim that there is no geological shortage of oil, and sought to blame the recent volatility on Opec's refusal to open up to Western investment. These arguments are wrong, partial or beside the point.

[Pemex May Drill 22 Wells at Sihil Through 2012, Triple Output](#)

(Bloomberg) -- Petroleos Mexicanos, the state-owned oil company, may drill 22 wells at Sihil through 2012, tripling output at the field that is part of the Cantarell complex.

[From recovery to oil price surges](#)

Dubai: Last week Goldman Sachs' "Energy Watch" led with the headline: "As the financial crisis eases, an energy shortage lies ahead". For Goldman, the energy shortage will include a four-stage oil price rally over the period 2009 to 2010. More of that later.

For the thinking-man, experienced investor, Goldman's piece is further evidence of the sentiment now doing the rounds: global recovery will stimulate asset prices. The sub-message is: asset prices must have been at their bottom or remain at a "near-to-bottom" level. And, given the nature of the absolute historic bottoms, it leads to the question: where is the opportunity?

[Aramco to speed up natural gas projects](#)

Saudi Arabian Oil Co may speed up natural gas projects in light of growing domestic demand especially from the industrial sector, Saudi-based Al Riyadh daily reported yesterday.

[Too Poor to Make the News](#)

The deprivations of the formerly affluent Nouveau Poor are real enough, but the situation of the already poor suggests that they do not necessarily presage a greener, more harmonious future with a flatter distribution of wealth. There are no data yet on the effects of the recession on measures of inequality, but historically the effect of downturns is to increase, not decrease, class polarization.

[Jesse Jackson: U.S. needs better industrial policy](#)

We need an industrial plan that helps forge new industry and new markets. Public investment in mass transit -- buses, subways, fast rail -- and subsidies for fuel-efficient cars help generate the market. Significant investment in research and development for the next generation of products helps capture the future. Resources to retool factories and retrain workers are needed to build the new generation of fuel-efficient cars or renewable energy sources.

[Making Case for Climate as Driver of Migration](#)

NEW YORK — A new report on human migration and climate change, released as delegates from 182 countries gathered in Bonn over the past two weeks to continue hammering out some preliminary language for a new global climate treaty, made its case plainly:

“The impacts of climate change are already causing migration and displacement,” the document began, adding that by midcentury, “the prospects for the scope and scale could vastly exceed anything that has occurred before.”

[Humans Intrude on Indonesian Park, Threatening Forests and Wildlife](#)

Forest rangers have been powerless in checking development inside the park as the local authorities have urged people to settle and open businesses there.

[City Known for Its Water Turns to Tap to Cut Trash](#)

Italians are the leading consumers of bottled water in the world, drinking more than 40 gallons per person annually. But as their environmental consciousness deepens, officials here are avidly promoting what was previously unthinkable: that Italians should drink

tap water.

[Peak Coal, Global Warming Policy and Exponential Math](#)

Three reports say coal is not nearly so abundant, or cheap, as we think it is.

[Departments to Toughen Standards for Mining](#)

WASHINGTON — The Obama administration said Thursday that it would toughen standards for mountaintop-removal coal mining but would not end the practice as some environmental groups had hoped.

[Jon Wellinghoff, Obama's energy futurist](#)

When giving his slide presentation on America's new energy direction, Jon Wellinghoff sometimes sneaks in a picture of himself seated in a midnight blue, all-electric Tesla sports car.

It often wins a laugh, but makes a key point: The United States is accelerating in a new energy direction under President Obama's newly appointed chairman of the Federal Energy Regulatory Commission (FERC). At the same time, FERC's key role in the nation's energy future is becoming more apparent.

[Green 'supergrid' could plug Europe into renewable power by 2030, say scientists](#)

Europe could build an electricity supply based entirely on renewable energy by 2030, according to scientists making a presentation at the House of Commons this week.

MPs will hear that an electricity "supergrid" across Europe and North Africa could solve the problem of the intermittency of wind turbines and solar power and dispense with the need for nuclear and "clean coal" power stations altogether.

[Harnessing underground energy](#)

An underground revolution in alternative energy is heating up the industry — and it comes a 30 percent tax credit.

[Caltrans goes green](#)

A Marysville Caltrans maintenance yard will soon be greening up.

Caltrans announced plans Thursday to install \$20 million in new solar energy systems at 70 of its facilities throughout the state. The installation is estimated to save taxpayers \$52.5 million in avoided energy costs in the next 25 years.

[Rush for 'easiest oil in the world'](#)

This month an Iraqi politician will appear on television to open envelopes and reveal the winners of a long and hard-fought contest. In the balance hangs the wellbeing of 28m people, tens of billions of dollars of contracts and how much you and I pay for everything from yoghurt pots to petrol.

It should make good viewing. For the hopeful contestants, it has been a long wait — since 1972 to be exact. That was when the Iraqi oil industry was nationalised and foreign operators were booted out.

[Kurds lay claim to oil riches in Iraq as old hatreds flare](#)

Sitting on vast untapped oilfields, the northern Iraqi city of Kirkuk has the natural resources to become one of the wealthiest places in the Middle East. But a standoff has developed between local Kurdish leaders and Baghdad over rights of ownership. And in Kirkuk itself, ethnic tensions are rising.

[Oil prices will be driven upwards by the needs of developing nations](#)

The "demand destruction" argument was always overdone. Across the Western world, oil demand is relatively "income inelastic", seeing as people want to get around, heat their homes in winter and keep cool in summer whether the economy is slowing or not. So Western oil use hasn't fallen that much.

But the main reason "demand destruction" is nonsense is that the populous emerging markets have, for the most part, continued to grow despite the credit-crunch. And, as more and more of their people get richer — buying cars, air-conditioners and white goods for the first time — per capita oil use in these nations is growing faster still.

[Oil must reach \\$90 to stabilise market - Algeria](#)

ALGIERS (Reuters) - The global oil market could stabilise if crude prices rise to around \$90 a barrel and that is likely to happen in the second half of 2010, Algerian Energy and Mines Minister Chakib Khelil said on Saturday.

"A price which ensures the stability of the oil market must evolve around \$90 a barrel.

It should be reached between the middle and the end of 2010," Algerian official news agency APS quoted him as saying.

[How Much Oil Is In The Arctic?](#)

One way to know that the end of the Age of Oil will soon be upon us is the current excitement and chatter about going—literally—to the ends of the earth to find more oil.

The Arctic Circle, which circumscribes about 6% of the earth's total surface, is one of the last regions of any significant size to be explored for oil, and for good reason: It's locked in ice for much of the year, far from support and distribution lines, and is one of the most extreme environments on earth. Whatever oil and gas is extracted from the top cap of our planet will be the most expensive and difficult oil ever produced.

[Interview with Nick Griffin](#)

Why do you want to give me £50k to leave?

Because this country is the most overcrowded in Europe. To some extent I would agree with the greens that its proper carrying capacity is about 30m. Particularly with the peak oil problem – which is the real problem that politicians should be addressing and not climate change which is either nothing to do with us or nothing we can do anything about or which won't strike for another 100 years anyway – the real problem is peak oil and the implications of running out of oil for a civilisation which is built on easily available oil and the benefits it brings that this country should not have the population it has and what's more we need the most stable, homogenous population possible because anything less than that once you subject a society to the stresses of the economic impact of the crisis which is very rapidly approaching people instead of pulling together tend to fall apart.

[Forget the BNP. What about the planet?](#)

There have been two big media stories of the 2009 elections: the demise of Labour and the rise of the BNP. Both were trailed heavily throughout the six weeks of the campaign. Both have received a good deal of attention since. But behind the headlines there's another story, a story that I would suggest offers Britain rather more hope than the other two: the rise of the Green Party.

[Nigerian militants say destroy Chevron oil wells](#)

LAGOS (AFP) – Nigeria's main militant group said it had destroyed three oil wells belonging to the US firm Chevron as it continues its campaign against foreign oil

companies.

The Movement for the Emancipation of the Niger Delta (MEND) said in a statement its fighters had destroyed two of Chevron's oil wells at Makaraba and the Otunana oil well in Nigeria's southern Delta state.

[Secret papers 'show how Shell targeted Nigeria oil protests'](#)

Serious questions over Shell Oil's alleged involvement in human rights abuses in Nigeria emerged last night after confidential internal documents and court statements revealed how the energy giant enlisted the help of the country's brutal former military government to deal with protesters.

[Iran Calm After Vote Fraud Claims Trigger Clashes](#)

Tehran was mostly calm Sunday after election fraud claims triggered violent street clashes, but the government maintained fairly tight control of information flow and new details emerged of arrests of high-profile reformists.

The efforts seemed aimed at avoiding a repeat of the chaos that lasted past midnight Saturday. Opponents of President Mahmoud Ahmadinejad set buses and cars ablaze in the capital and threw rocks at police to protest what they viewed as his illegitimate victory.

[Attack Demonstrates Pirates Expanding Reach](#)

DUBAI -- Pirates commandeered a cargo ship in the territorial waters of Oman, dramatically extending their area of operation and threatening for the first time shipping in and out of the oil-rich Persian Gulf.

The hijacking, reported over the weekend, took place Friday. It follows another failed attack nearby earlier last week.

[Chavez's expropriation of oil service firms could spark labor unrest](#)

CIUDAD OJEDA, Venezuela -- Despite the recent sharp rise in oil prices, Venezuelan President Hugo Chavez last month expropriated 70 oil service companies in western Venezuela, putting some 10,000 Venezuelans out of work, turning local unions against him and forcing production cuts at important oilfields.

The action has drawn little international attention because Chavez stopped short of nationalizing big U.S.-based multinationals such as Halliburton or Schlumberger that

carry out technical and highly skilled work in producing oil. Nor have the owners of the 70 Venezuelan firms - in addition to four foreign-owned firms - protested publicly, fearing that doing so might jeopardize settlement negotiations with the government.

[OPEC Unlikely to Raise Oil Output in September, Qatar Says](#)

(Bloomberg) - OPEC, the supplier of 40 percent of the world's oil, is unlikely to increase output when the group meets in Vienna in September, Qatar's oil minister said.

"I don't think so," Abdullah bin-Hamad Al-Attiyah said today in an interview in Amsterdam when asked if the Organization of Petroleum Exporting Countries would need to raise production. "I would like to see where the real growth is, when the economic crisis reaches bottom and will take off again" before making a decision on oil output, he said.

[Skills shortage may hit oil projects - expert](#)

A stabilising of oil prices above \$70 is likely to expose a skills shortage at Gulf national oil companies (NOCs) which could lead to "bottlenecks" in completing projects designed to ramp up capacity, according to a leading energy consultant.

[Pertamina suffers Rp 15b in losses in gas depot fire](#)

State-owned oil and gas firm PT Pertamina said Sunday it had suffered losses of Rp 15 billion (US\$ 1.5 million) in the gas depot fire that happened in Makassar on Saturday.

Rosina Nurdin, a spokeswoman at Pertamina's Makassar unit said the fire had destroyed four Liquefied Petroleum Gas (LPG) tankers and other equipment belonging to Pertamina's business partner.

[Oman oil revenues drop 50% in 4 months](#)

(MENAFN) Non-OPEC producer Oman said that it posted a 50.5 percent drop in net oil revenues in the first four months of 2009 as oil prices weakened, but raised spending by 7.2 percent, Reuters reported.

[Qatar, Shell Talk on Joint Projects Outside Country](#)

(Bloomberg) -- Qatar, the world's biggest exporter of liquefied natural gas, is in talks with Royal Dutch Shell Plc to jointly invest in oil and gas projects outside the country,

Qatar's oil minister said.

[Bartlett's 'eccentricity' is an acquired taste](#)

Bartlett, says the Sun, is "regarded as eccentric" by his fellow Republicans. Let that statement sink in for a moment. In a party currently defined by the level-headed likes of Newt Gingrich and Rush Limbaugh, if you're considered eccentric, you must be on one of Jupiter's moons.

But Bartlett begs to differ. The reason he was passed over has nothing to do with his peak-oil rants before an empty House chamber, or statements made through the years, including the assertion that not enough science fair winners have "normal names."

No, the reason is he does not raise gobs of cash for GOP fundraising efforts. In a statement, he wrote: "Not for the first time, big-state and big-money politics trumped experience, independent judgment and dedication to the legislative work of a committee."

[Study: Harnessing of oil shale could aid energy solutions](#)

BOULDER, Colo. — The University of Colorado's Center of the American West released an online report Friday that examines the extensive history of oil shale and aims to "bring an impartial perspective to the debate" over its future.

[World Bank withdraws loan to Brazilian cattle giant](#)

Sao Paulo, Brazil — The International Finance Corporation (IFC), the private lending arm of the World Bank, has withdrawn a USD 90 million loan to Brazil's cattle giant Bertin. The loan was used for the company to further expand into the Amazon region, which was causing destruction of the rainforest and fuelling global climate change.

[US, Canada to update Great Lakes water agreement](#)

NIAGARA FALLS, Ontario – The United States and Canada say they will update a key agreement to protect the Great Lakes from invasive species, climate change and other established and emerging threats to the world's biggest surface freshwater system.

Secretary of State Hillary Rodham Clinton said Saturday that the Great Lakes Water Quality Agreement, which was last amended in 1987, is no longer sufficient.

[Australia demands bushfire exemption in carbon treaty](#)

Peat bogs in Germany, New Zealand firs and North American forests will likely allow industrialized countries to lower carbon emissions while still burning coal and oil, according to a draft United Nations document.

Australia is demanding that emissions from natural disasters, such as bush fires, not be counted in its tally.

[Met Office predict likelihood of climate change on your doorstep](#)

The most detailed set of climate change projections ever produced will show the risks of sea level rise, droughts and floods in Britain over the next 80 years to within 16 miles of your front door.

[Korea moving toward a subtropical climate](#)

Global warming has increased temperature and precipitation and widened regional and seasonal weather differences on the Korea Peninsula, changing it closer to a subtropical climate, the state meteorological agency said yesterday.

The Korea Meteorological Administration yesterday released its analysis on climate change that occurred for the past 10 years.

[White Rooftops May Help Slow Warming](#)

Chu has brought increased attention to an idea that -- depending on your perspective -- is either fairly new, or as old as Mediterranean villages, desert robes and Colonel Sanders's summer suit. Climate scientists say that the reflective properties of the color white, if applied on enough of the world's rooftops, might actually be a brake on global warming.

But if anybody is seriously considering a global whitewash, "simple" and "immediate" are probably not words that come to mind.

"I don't think that it could ever be done at a sufficient scale," said Ken Caldeira, a climate scientist at the Carnegie Institution in Stanford, Calif. He added: "It's hard enough, in many of the cities of the world, to keep the streets swept, much less to keep the city reflective."



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