



DrumBeat: July 11, 2009

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Topic: [Miscellaneous](#)

[One Year After Oil's Price Peak: Volatility](#)

A year ago this weekend, oil prices reached a trading record of \$147.29 a barrel. That peak followed months of speculation that oil prices would zoom past \$200 or \$250 a barrel — predictions often made by people with a major stake in seeing that happen, even as experts said they were puzzled that prices could rise so high, so fast.

Within weeks of the July highs, prices collapsed as the mortgage crisis in the United States morphed into a full-fledged economic and financial meltdown around the world.

Oil demand has dropped by nearly 1.5 million barrels a day since last year, and OPEC producers are now sitting on five or six millions of barrels of daily idle capacity. As the world confronted its worst economic crisis in over 50 years, oil fell to around \$33 a barrel by December.

But prices remain as volatile as ever.

[Suspected terrorists arrested for plotting Egypt attacks](#)

Egyptian authorities have announced the arrest of 26 men, most of them engineers and technicians suspected of links with the terrorist al-Qaeda organization, on charges of plotting attacks on oil pipelines and ships transiting the Suez Canal.

[Analysis: Shell Open to Offshore Drilling](#)

One of the largest petroleum companies in the world, Royal Dutch Shell retains its strength in the upstream market through steady exploration and development drilling. While the price of oil and gas dropped in the last year, Shell has continued its strategy of increasing upstream developments, but reined in the number of projects launched in an effort to overcome cost challenges. Despite this, the company plans to grow production numbers 2 to 3% annually for the next three years.

[Coridon bidding to start in September](#)

State-controlled Pemex will open the bidding round for the Coridon natural gas project in the Burgos reion in northern Mexico in September.

After companies submit bids, it will take Pemex around four months to pick a winner for the 15-year contract to develop the gas block.

Pemex began offering Burgos gas blocks in 2003 under long-term service contracts, attracting local and foreign oil companies.

[Ghana: Fuel Rationing Hits Accra](#)

Oil Marketing Companies (OMCs) are rationing fuel for motorists in Accra following the sudden shortage of the commodity for close to a week now.

[Retailers and the Indoor Summer Chill](#)

With the summer's first run of sultry weather due any day now, the question facing retailers is whether they'll resist the temptation to over-air-condition their stores or leave the doors propped open so chilly gusts entice sweaty passers-by.

Last summer, New York's City Council unanimously passed a provision that would fine businesses that pump air-conditioning into the street via open shop doors. A warning is issued for the first offense. But businesses caught a second time will be fined \$200; the third time costs \$400.

[Texans Asked to Reduce Electricity Use](#)

It is so hot in Texas that record amounts of energy are being used — and the state is asking people to turn off their lights and go easy on their air conditioners.

The energy guidelines, put forth by the Texas Public Utility Commission, ask Texans to conserve energy especially between the hours of 3 p.m. and 7 p.m., when electricity usage typically peaks.

[Streetcars: An inconvenient truth](#)

Streetcars that replace bus lines are not a mobility improvement. If you replace a bus with a streetcar on the same route, nobody will be able to get anywhere any faster than they could before. This makes streetcars quite different from most of the other transit investments being discussed today.

Where a streetcar is faster or more reliable than the bus route it replaced, this is

because other improvements were made at the same time -- improvements that could just as well have been made for the bus route. These improvements may have been politically packaged as part of the streetcar project, but they were logically independent, so their benefits are not really benefits of the streetcar as compared to the bus.

[Study Urged on Water Demands of Next-Generation Biofuel Feedstocks](#)

Extensive studies are needed to understand the water needs of biofuel production from cellulosic feedstocks or other next-generation sources, federal auditors said in a preliminary report released yesterday.

[Court Overturns Bush-Era Smog Rule](#)

A federal appeals court today struck down a Bush administration rule for controlling industrial emissions that form smog.

The rule had allowed power plants and factories to avoid installing the most recent controls for smog-forming chemicals like oxides of nitrogen. Instead, excessive pollution from one factory was permissible if the factory participated in a regional cap-and-trade program and bought pollution credits to cover their excess emissions.

[How's Newsom's S.F. farm idea supposed to work?](#)

There's really only one thing wrong with Mayor Newsom's new idea to have the city of San Francisco grow its own crops in window boxes, street medians and vacant lots.

It doesn't go far enough.

Where are the plans to raise chickens, a terrific, healthy and low-calorie food source? A March report to the Board of Supervisors by the Peak Oil Preparedness Task Force recommended changing city law to allow "small-scale animal husbandry" including "allowing resident to keep a small number of goats and hogs." So far, that proposal hasn't moved forward.

[Some See Beetle Attacks on Western Forests as a Natural Event](#)

Both Dr. DeNitto and Dr. Six allow that the current outbreak is not entirely natural. Human intervention in the form of fire suppression and large-scale clear cuts mean that many forests are simultaneously vulnerable.

Under natural conditions a forest is a patchwork of different-age trees, which means the beetles also create a patchwork of dead trees. "If they come up against a young patch,

they'll quit," Dr. Six said. "If it's old, they keep on going. But we've lost that mosaic, so they keep on going."

[Wind Projects at a Standstill](#): *Despite Washington's Enthusiasm, Recession and New Regulations Slow Firms*

The Obama administration has made offshore wind energy a priority and an important part of its plans to create jobs and combat climate change, but even such favorable political breezes have not been strong enough to propel the nation's first projects.

The economy has intervened, and an unfamiliar federal approval process could hold up leading projects.

Just last month, Interior Secretary Ken Salazar distributed leases to explore five possible wind farm sites off Delaware and New Jersey on the outer continental shelf. The leases were the first ever, and Salazar proclaimed "a new day for energy production in the United States."

But that day may be years in the dawning.

[Spectre of peak oil prices loom](#)

Oil at \$200 a barrel is not far off and with it a new world order that will see the demise of globalization.

That prediction is put forward in a new book by well-known Canadian economist Jeff Rubin: *Why Your World Is About To Get A Whole Lot Smaller*.

[The end is coming, but not because of climate change](#)

Global warming is a serious issue for the future, but by the time global warming really heats up, other crises will have destroyed our modern industrial civilization. Let's look at the two foremost insurmountable problems.

First is resource depletion. Eighteen months ago, demand was outstripping supply of many critically important resources. However, as the global economy nose-dived, demand and price plummeted. The crisis didn't go away but was postponed as new deposits weren't discovered.

[OPEC to decide on crude output ceiling in Sept](#)

Iran's OPEC governor said on Saturday the cartel would decide on the crude production

ceiling in September, but it had not scheduled an extraordinary meeting, the semi-official Mehr news agency reported.

[Nigerian militants destroy Chevron pipelines again in Delta State](#)

LAGOS (Xinhua) -- Nigeria's major militant group in the oil rich Niger Delta region the Movement for the Emancipation of the Niger Delta (MEND) said on Saturday it had attacked oil pipelines operated by Chevron in southeast Nigeria's Delta State.

Jomo Gbomo, the spokesman for the militant group, said in an e-mail statement that its fighters destroyed the recently repaired Chevron pipeline linking Alero creek through Abiteye to the Chevron export terminal.

This is the second time in two months that this facility has been attacked by the group.

[US "very concerned" about Kurdish move to boost claims over oil in N. Iraq](#)

WASHINGTON (KUNA) -- Responding to the passage of a new Kurdish constitution that bolsters Kurdish claims over oil in northern Iraq, US State Department spokesman Philip Crowley said on Friday that the United States was "very concerned" about any unilateral steps taken within Iraq.

[Iraq eyeing decision on key oilfield](#)

TOKYO: Iraq hopes to reach a decision in less than a month on the huge Nassiriya oilfield, the country's oil minister said yesterday.

Leading Japanese refiner Nippon Oil, together with oil explorer Inpex and plant engineering firm JGC, are vying with Italy's Eni for the oilfield's engineering, procurement and construction contract.

[U.K. North Sea drilling falls by half](#)

LONDON - Oil and gas drilling in British waters fell by more than half in the second quarter, business advisory group Deloitte said Thursday, arguing Britain must take urgent steps to avert a sharp decline in production.

Only 15 exploration and appraisal wells were started on the U.K. Continental Shelf (UKCS) between the beginning of April and the end of June, down 57 per cent year-on-year and a 17 per cent fall from the first quarter, Deloitte figures showed.

[Obama plans to nominate Marcia McNutt as USGS director](#)

US President Barack H. Obama said on July 9 that he will nominate Marcia K. McNutt director of the US Geological Survey and science advisor to Interior Secretary Ken Salazar. Her nomination is subject to US Senate confirmation.

She would be the first woman to head the US Department of the Interior agency since it was established in 1879. McNutt, who presently is president and chief executive of the Monterey Bay Aquarium and Research Institute in California, also would be returning to the agency where she began her career in 1978.

[Progressivism gone awry? IV: A Tale of Two Houses](#)

Here is the question: Which is the American house and how can you tell?

There are, of course, lots of differences, but the one to which I'd like to draw attention is that the upper house, which is from Maida Vale, part of Greater London is a double house, while the lower, is a single house, is in the North Brookline neighborhood, part of Greater Boston.

[Minnesota: Group aims to build a greener Northfield](#)

NORTHFIELD — Paul Sebbby has his eye to the future.

The Northfield resident is a member of Transition Northfield, a new, environmentally friendly group that is working to reduce the city's dependence on oil and non-renewable energy.

The group takes its inspiration from a concept developed by British ecologist Rob Hopkins, the founder of the "Transition Town" movement. Hopkins' theory of transitions, espoused in his book, "The Transition Handbook: From Oil Dependency to Local Resilience," calls for local, grassroots responses to the idea of a peak oil crisis and global climate change.

[Food for thought in Susan Rudie's backgreen garden](#)

THIS summer, Susan Rudie is happily tending vegetables in an east Edinburgh garden called Strawberry Field.

She is one of 120 people who have signed up to the Edinburgh Community Backgreens Association which, by reclaiming overgrown tenement gardens, grows food and fosters community spirit as well as helping to reduce Scotland's carbon footprint.

It is people like Susan that politicians need. For if the government is to meet its carbon

reduction target and G8 nations are to limit the global temperature rise, our rulers will need to enter uncharted political territory. They will need to broach the subject of curbing GDP growth, and eventually cutting back our consumption.

[British tourists warned over 'damaging' French fuel](#)

Motoring associations, including the RAC, yesterday warned those preparing to travel to France to be aware of the biofuel which is 90 per cent regular unleaded and 10 per cent ethanol.

Ethanol is highly corrosive and wears away the metal fuel tanks common in cars registered before 2000, leading to leaks. Most new cars have plastic tanks and are therefore not be affected by corrosion.

[Used SUVs, trucks back in demand](#)

HACKENSACK, N.J. — So much for fuel efficiency!

A year ago, with gasoline selling for more than \$4 a gallon, drivers abandoned their gas-guzzling trucks and large SUVs for high-mileage compacts. Now, with prices in the \$2.50 range, they're going back to the big guys, at least in the used-car market.

[Buses May Aid Climate Battle in Poor Cities](#)

BOGOTÁ, Colombia — Like most thoroughfares in booming cities of the developing world, Bogotá's Seventh Avenue resembles a noisy, exhaust-coated parking lot — a gluey tangle of cars and the rickety, smoke-puffing private minibuses that have long provided transportation for the masses.

But a few blocks away, sleek red vehicles full of commuters speed down the four center lanes of Avenida de las Américas. The long, segmented, low-emission buses are part of a novel public transportation system called bus rapid transit, or B.R.T. It is more like an above-ground subway than a collection of bus routes, with seven intersecting lines, enclosed stations that are entered through turnstiles with the swipe of a fare card and coaches that feel like trams inside.

[Beans might give you -- and your car -- gas](#)

A Lehigh Valley environmentalist is pushing ahead with plans to power area vehicles not with gasoline or diesel, but with the moldy bread, banana peels and rotten meats that would otherwise be dumped in area trash heaps.

Microbiologist Rex D'Agostino of South Whitehall Township wants to build a pilot plant in Upper Macungie Township that would transform food waste into natural gas to power specially suited vehicles.

[Canada snubs G8 emissions target](#)

L'AGUILA, ITALY -- The Canadian government refused yesterday to adjust its plan to combat global warming even though its objectives fall short of the new commitment from the G8 group of industrialized countries to slash greenhouse gas emissions by mid-century.

That made Canada one of the targets for criticism after U. S. President Barack Obama failed yesterday to obtain clear commitments from emerging industrial powerhouses such as China and India to commit to specific targets for greenhouse gas emission reductions.

[Taiwan, China Should Cooperate on Environment, Party Head Says](#)

(Bloomberg) -- Taiwan and China should cooperate on energy conservation and environmental protection, the Chairman of the island's ruling party said in a speech today.

"Establishment of a cooperation mechanism, a common response to the Kyoto Protocol, a system to reduce carbon dioxide emissions and new-energy industry cooperation, I believe can contribute sustainable development of the cross-Strait environment," Wu Poh-hsiung, chairman of Taiwan's ruling Kuomintang, said in Changhsa, China, according to a transcript of the speech posted on the party's Web site.

[Carbon dioxide emissions in Qatar 'modest'](#)

DOHA: Qatar's overall carbon dioxide emissions are relatively modest compared to the other high-income oil producing countries. Out of the total global carbon emissions, only about 0.2 per cent is attributed to Qatar.

Qatar ranked 60th for total carbon dioxide emission as per 2006 data; but ranked first for per capita emission just because of its small population, the country's just released Human Development Report said.

[Boxer faces 'challenge of a lifetime' on climate change bill](#)

WASHINGTON — If the Senate doesn't pass a bill to cut global warming, Democratic

Sen. Barbara Boxer says, there will be dire results: droughts, floods, fires, loss of species, damage to agriculture, worsening air pollution and more.

She says there's a huge upside, however, if the Senate does act: millions of clean-energy jobs, reduced reliance on foreign oil and less pollution for the nation's children.

Boxer is engaged in her biggest sales job ever. The stakes couldn't be higher as she faces one of the toughest high-profile acts of her lengthy career: getting Congress to sign off on historic legislation to lower greenhouse-gas emissions.



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