How much oil do Opec countries really have?

This artificial scarcity that Opec manages to create did not allow oil prices to fall. The same idle capacity has been used to pump extra oil into the market to prevent dramatic price rises during times of unexpected supply interventions. Most of this idle capacity is in Saudi Arabia, the largest member of the Opec.

"This encouraged the belief that Opec could always be relied upon to make up the difference between non-Opec supply and global demand, whatever the circumstances. Economists, oil analysts and government officials all succumbed to the reassuring view that the 'call on Opec' could expand almost indefinitely," writes David Strahan in his book *The Last Oil Shock -- A Survival Guide to the Imminent Extinction of Petroleum Man*.

Oil Climbs Above $72, Gasoline Jumps on Prospect of Demand Gain

(Bloomberg) -- Crude oil rose above $72 a barrel for the first time in a month and gasoline surged as increasing industrial activity bolstered optimism that fuel consumption will rebound.

Oil gained as much as 3.9 percent after reports showed that U.S. manufacturing shrank at the slowest pace in 11 months and factory output in China advanced to the highest level in almost a year. The Standard & Poor's 500 Index climbed above 1,000 for the first time since November, also bolstering optimism that raw-material demand and prices will increase.

Oil Prices: Past $70 on Economic Optimism; Just Wait for 'Peak Oil'

They say that second marriages represent the triumph of hope over experience. The same, it seems, is true of the oil market.

Economic oil spill on the horizon?
NEW YORK (CNNMoney.com) -- Oil prices are on the march again, rising above $71 a barrel Monday for the first time in more than a month.

The good news is that increased optimism about an economic recovery is one big factor behind the jump in crude prices. The bad news is that if oil prices continue to rise, we may have to kiss those recovery hopes goodbye.

Oil Is Still the Key to U.S. Economic Future

Recently there has been a plethora of articles in the financial press, including SeekingAlpha, intimating the weakness of large integrated oil companies based on the last couple quarterly earnings reports. Most of the authors of such articles have a very short memory and obviously need a reality check. I’m happy to oblige.

Iraq to reinstate national oil company?

BAGHDAD (UPI) -- The Cabinet of Iraqi Prime Minister Nouri al-Maliki approved a draft law to reinstate the Iraq National Oil Co., sending the matter for parliamentary approval.

Japan's refiners facing hard choices, must seek alliances to ease closings

Japanese refiners face a surplus of capacity at a time of massive global refining surpluses.

Analysis by the East-West Center, Honolulu, of Japan’s oil-product demand and exports outlook estimates Japan’s excess refining capacity for 2009 at 780,000 b/d, 990,000 b/d for 2010, and 1.4 million b/d for 2015. These estimates are based on current refining capacity and assume 93% yield for main petroleum fuels.

To optimize production, logistics, and commercial competitiveness, Japan’s refiners must make strategic and innovative decisions because petroleum will continue to be a vital mineral used mainly for transportation and as feedstock for petrochemical production. And petroleum remains an important commodity for Japan’s energy security.

Shell’s long hunt yields Saudi gas discovery

A Royal Dutch Shell subsidiary yesterday announced a natural gas discovery in Saudi Arabia, but tough commercial terms in the kingdom may prevent it from developing the find, analysts say.

Four teams of foreign partners searching for gas in the Rub al Khali desert have failed to
announce any major discoveries in four years of drilling, representing a major setback to the country’s plans to build more power stations and develop heavy industry fed by gas.

Special Report: Pemex, PDVSA, Petrobras: how strategies, results differ

National oil companies control the vast majority of the world’s oil reserves, produce most of the planet’s crude, and own much of the oil and gas infrastructure, which makes them major forces in the industry.

But while competing as oil companies globally, NOCs face special challenges locally as agents of their governments with obligations to serve the needs of their nations. Some are successfully expanding operations beyond their borders. Some are struggling with depleting resources. And some have become the focus of political ambitions and the center of confrontations.

Saudi Aramco awards $400 mln seismic data contracts

KHOBAR, Saudi Arabia (Reuters) - Saudi Aramco has awarded $400 million worth of seismic contracts as it steps up oil and gas exploration in the kingdom, industry sources said on Monday.

The data-gathering contracts will cover the Red Sea and the 900,000 barrels per day (bpd) Moneefa oilfield, said the sources from BGB Arabia.

Vietnam: Fishing vessels caught in tangle of crew shortage, high fuel cost

Fishermen have also been worried about heading to sea in the wake of rising fuel prices after a government subsidy policy ended in March, the Sai Gon Giai Phong newspaper reports.

Diesel prices have increased by a total VND1,600 (0.09) per liter in June and July, which means the costs for offshore fishing vessels increased by between 15-20 percent.

“Between 15-20 percent of 1,270 fishing boats in Tra Vinh Province’s Cau Ngang District haven’t headed offshore for fear of making losses,” said Duong Tan Dom, deputy head of the district’s Agriculture and Rural Development agency.

Refineries play catch-up following shutdown

Some Calgary gasoline stations may continue to run short of fuel this week, even after Petro-Canada and Imperial Oil restarted refineries shut down by a recent storm.
With gasoline supply already tight in Western Canada, Petro-Canada said it is rationing fuel and bringing in shipments from Montreal and British Columbia to alleviate the shortfall.

**Oil brings wealth, and burden of responsibility**

“Arab oil policy is based on the recognition that oil is a vital and strategic commodity for the world economy, and that producer countries have a responsibility to provide it reliably, without interruptions, and at reasonable prices,” he writes in the report.

“This responsibility requires the investment of tens of billions of dollars annually to expand capacity in order to meet incremental demand. It also extends to substituting for any major shortage in global markets, whether caused by industrial or political developments, or natural disasters.”

**Nuke Power Comes Closer As Emirates Accept Key Protocols**

ABU DHABI (Bernama) -- The Federal Government has agreed to three international conventions on nuclear safety in preparation for a formal launch of the country’s nuclear power programme, expected within the month, the state news agency, WAM, said citing a report by "The National” Monday.

**U.S. Needs to Add 45 Nuclear Reactors, Emissions Study Finds**

(Bloomberg) -- The U.S. needs to build 45 nuclear reactors and reduce power consumption by 8 percent by 2030 to meet greenhouse-gas emission reductions called for by Congress, a report funded by the electric industry says.

The Electric Power Research Institute, whose members produce and deliver more than 90 percent of U.S. power, issued the report today. It also calls building 100 million plug-in electric vehicles and retrofitting about 18 percent of U.S. coal-power plants to capture emissions.

**California should revive nuclear energy option**

Given the fiscal challenges facing California, there will be great temptation to put on hold any major new projects. It's important to remember, however, that postponing spending commitments doesn't mean they disappear; rather, costs rise even higher later while the needs remain.

As they re-examine options, this is an opportune time for California's legislators to address a continuing problem for the growing state and take a longer view of the state’s
energy policies. With the added financial imperative of making the most cost-efficient investment in California's energy infrastructure, perhaps it is time to rethink the state's position on new nuclear power plants.

**Kunstler: Hunky Dory**

When *The Long Emergency* was published in 2005, I said then that the greatest danger this society faced would be its inclination to gear up a campaign to sustain the unsustainable at *all costs* -- rather than face the need to make new arrangements for daily life. That appears to be exactly what has happened, and it didn't happen under the rule of some backward-facing, right-wing, Jesus-haunted crypto-fascist, but rather a "progressive" party led by a dynamically affable young man unburdened by deep cultural allegiance to Wall Street. Barack Obama has been sucked in and suckered. "Change you can believe in" has morphed into "a status quo you will bend heaven and earth to hold onto."

**House GOP leaders urge to end to OCS delay**

WASHINGTON, DC – Ninety-eight US House Republicans urged Interior Sec. Ken Salazar to end a 6-month delay early and move ahead with a 2010-15 federal offshore oil and gas leasing plan he halted on Feb. 10.

**Japan confused about Chinese deal over Iranian oil field**

TOKYO — The Japanese government called for international cooperation Monday to address Iran’s nuclear development, suggesting China’s recent move to take a major stake in an Iranian oil field may hamper such global efforts. “I think we have got a premise that the international community must cooperate to handle that problem,” Japanese Vice Economy, Trade and Industry Minister Harufumi Mochizuki said when asked about China’s action, which came after Japan gave up part of its concession in Iran’s Azadegan oil field amid criticism over Tehran's nuclear ambitions.

“It is not desirable that international cooperation collapses this way,” Mochizuki also told reporters. Media reports over the weekend said China’s state-run oil company has signed a memorandum with that of Iran to obtain a 70% stake in one of the largest oil fields in the Middle East.

**Oil: Speculating on higher prices**

NEW YORK (Fortune) -- Oil prices hit their highest level in a month Monday on hopes that the U.S. economy was finally on the road to recovery. Still, that recovery is taking a lot longer than oil traders had hoped. Prices are nowhere near their all-time high of $147 a barrel a year ago.
Longer-term, what does this continued softness at home mean for the direction of prices? Our guess is less than you’d think.

It's been some time since U.S. demand was the primary driver of global oil prices.

Commentary: Global Energy Drivers in a “Black Swan World”

Last year the global credit crunch and its knock-on effects precipitated the sharpest oil and gas price declines in over two decades. Despite the recent $100+/Bbl price implosion and subsequent partial recovery, we have now entered an historic inflection point—call it “practical peak oil”—in the global balance of conventional energy supplies due to:

1) undeniable conventional resource maturity—an aging infrastructure above aging oil fields;

2) entrenched resource nationalism;

3) realigned economic and national security interests—the resource base could accommodate further growth if the oil were not in the hands of countries acting increasingly in their own self interest; and

4) environmental sensitivities.

Due to recent low prices, we have seen evidence of powerful self-correcting forces regarding the future supply outlook for oil and gas. To cite just one example, given investment trends we thought two million barrels of production from the Canadian oil sands was likely by 2011. With slowdowns due to low prices and other concerns, 2 mb/day is more likely by 2014-2015. And this is just one example of many around the world.

Cycle Law: Should Bikes Be Treated Like Cars?

One of the beauties of bike riding is the freedom. You buy one, or find one, and just jump on. There are no taxes, no fuel to buy and almost anything that goes wrong can be fixed by the rider. They’re also cheap enough that anyone can own one.

But should bikes be treated more like cars? Further, is it even possible to do so?

Cash for Clunkers lifts Ford sales

NEW YORK (CNNMoney.com) -- Ford Motor Co. reported a 2% gain in July auto sales compared to a year earlier, the first increase from any U.S.-based automaker since November 2007.
Big wheels

Whether you want to hit the trails, get some exercise or just commute to work, there’s a bike custom-built for you. Here are five sets of wheels -- all by American artisans -- for five different types of riders.

Sage grouse supporters take on wind farms

Environmentalists say wind farms could disrupt the chicken-sized bird’s habitat. But green energy advocates say wind power is key to fighting global warming.

U.S. Weighs Cutting Off Iran’s Gasoline Imports if Nuclear Talks Are Rejected

The Obama administration is talking with allies and Congress about the possibility of imposing an extreme economic sanction against Iran if it fails to respond to President Obama’s offer to negotiate on its nuclear program: cutting off the country’s imports of gasoline and other refined oil products.

The option of acting against companies around the world that supply Iran with 40 percent of its gasoline has been broached with European allies and Israel, officials from those countries said. Legislation that would give Mr. Obama that authority already has 71 sponsors in the Senate and similar legislation is expected to sail through the House.

Oil hits one-month high near $71

LONDON (Reuters) - Oil rose to a one-month high near $71 a barrel on Monday as positive Chinese economic data and firmer equities bolstered hopes of economic recovery and higher energy demand.

The market climbed about 2 percent last week -- the third straight week of gains -- which helped to reverse steep losses in the middle of the month and brought July’s monthly decline to a marginal 0.6 percent.

OPEC’s Production Rose a Fourth Month in July, Survey Indicates

(Bloomberg) -- The Organization of Petroleum Exporting Countries increased oil output for a fourth month in July, with quota compliance slipping as some members took advantage of strong prices, a Bloomberg News survey showed.

Oil output averaged 28.39 million barrels a day last month, up 45,000 from June,
according to the survey of oil companies, producers and analysts. The 11 OPEC members with quotas, all except Iraq, pumped 26.035 million barrels a day, 1.19 million more than their target.

**Saudi Arabia to see 'small' budget deficit this year**

A surge in spending will ally with a sharp decline in oil export earnings to plunge Saudi Arabia into a fiscal deficit in 2009 for the first time in seven years but the shortfall will be easily managed, independent estimates showed yesterday.

As the actual shortfall could be as low as four per cent of the gross domestic product and the kingdom's foreign assets are at their peak, it will constitute no problem to the world's dominant oil power.

**Germany’s Brimming Heating-Oil Tanks Signal Winter Demand Slump**

(Bloomberg) -- German consumers, Europe’s largest buyers of heating oil, have filled their tanks more than usual this year, signaling weak demand in the coming winter.

**Exxon Mobil Says Output From RasGas LNG Unit 6 Is ‘Imminent’**

(Bloomberg) -- Exxon Mobil Corp., the largest U.S. oil company, said production from its new liquefied natural-gas unit in Qatar is “imminent.”

Ras Laffan Liquefied Natural Gas Co.’s train 6 “was mechanically completed during the second quarter,” David Rosenthal, Exxon Mobil's vice president of investor relations, said in a conference call with analysts on July 30. “Gas is flowing into the unit and first LNG production is imminent.”

**Roubini Says Commodity Prices May Rise in 2010**

(Bloomberg) -- Commodity prices may rise further in 2010 as the global recession abates, said Nouriel Roubini, the New York University economist who predicted the financial crisis.

“As the global economy goes toward growth as opposed to a recession you are going to see further increases in commodity prices especially next year,” Roubini said today at the Diggers and Dealers mining conference in Kalgoorlie, Western Australia. “There is now potentially light at the end of the tunnel.”
China crude stocks down 2.7 pct from record high

BEIJING (Reuters) - China's crude oil stocks declined in June from a record high at the end of May, the official Xinhua news agency reported in a newsletter on Monday, as record crude processing drew down inventories despite hefty imports.

Crude stockpiles, including both state strategic reserves and commercial ones, declined 2.7 percent from a month earlier to 37.7 million tonnes or 275 million barrels at the end of June, according to the China Oil, Gas and Petrochemicals, or equivalent to around 77 days of net imports.

Iraq's Kurds and Arabs Struggle to Defuse Tensions

Iraq's prime minister headed north Sunday to the self-ruled Kurdish region to defuse rising tensions and address a range of disputes that have poisoned relations and threatened to become a new source of the conflict for the battered country as U.S. forces increasingly disengage.

RWE Seeks More Turkmen Natural Gas to Fill Pipeline to Europe

(Bloomberg) -- RWE AG, the German utility seeking to cut reliance on Russian natural gas, may get greater access to reserves in Turkmenistan after agreeing to develop a Caspian Sea block off the country's coast.

“I'm confident that through the one option, others will open,” Georg Schoening, who heads RWE's oil and gas unit, said in an interview on July 30. “We have to see what else the Turkmen offer us or what comes up in tender processes.”

Exxon Sees Natural Gas Potential with New Drilling Technique

Dozens of workers mill around a jumble of pipes and whirring equipment surrounding 10 natural gas wells operated by Exxon Mobil Corp.

At this well site in the desert, 80 miles west of the Rocky Mountains tourism hive, the men load cranes, operate pumps and monitor little red lines on computer screens. The work must happen simultaneously, in a carefully orchestrated ballet, to keep the well costs low -- and profit high enough -- to be worth the effort of the country's largest oil company.

"We're about 15 minutes away from a new frac being born," Randy Tolman, Exxon's project coordinator for the Piceance Basin, shouts over the noise. He invented this faster method of fracturing, or "fracing," the underground layers of rock and sand to unlock natural gas.
Back to $1 a gallon gas? It’s possible with natural gas

How does filling your tank for $1 per gallon sound?

Well, if you were using compressed natural gas, better known as CNG, that’s about what you would be paying today.

The economic benefits of CNG are so beautiful that many natural gas exploration and production companies are shouting these benefits from the highest rooftops.

Indonesian Oil Output May Rise to 965,000 Barrels a Day in 2010

(Bloomberg) -- Indonesia, Southeast Asia’s biggest oil and gas producer, may increase oil and condensate production by 0.5 percent next year, helped by additional output from new fields including Cepu, partly operated by Exxon Mobil Corp.

Output may average 965,000 barrels a day in 2010, while crude oil may average $60 a barrel, President Susilo Bambang Yudhoyono told parliament today. Finance Minister Sri Mulyani Indrawati said in a June 1 statement to the parliament that the country may produce 960,000 barrels of oil and condensate a day in 2009, while oil may range between $50 and $60 a barrel.

Saudi Arabia May Cut Asian Oil Prices as Demand Falls

(Bloomberg) -- Saudi Arabia may cut the official price of its Light oil for September sales to Asia as a slump in demand for diesel fuel and gasoline reduced refiners’ crude purchases in the past month, refinery officials said.

Official: Energy industry not for the faint of heart

The oil and gas industry is one of exhilarating highs and dismal lows, and, as evident by the most recent economic downturn, the two sometimes can be no more than a few months apart.

But that fact doesn’t discourage many people with an entrepreneurial spirit from pursuing a career in the oil and gas industry, maybe hoping to strike it big, like the wildcatters of old.

Ford to post first monthly sales increase in 2 years

CHICAGO (AP) — Surging demand from the government’s "cash for clunkers" program
has helped lift Ford Motor Co. to its first monthly increase in two years, the company’s top sales analyst said Sunday.

July sales results mark the first year-over-year gain for Ford since November 2007 and apparently the first uptick by any of the six biggest carmakers since last August, George Pipas said.

Asian giants put the West’s targets for solar energy in the shade

For years India and China have been cast in the West as the biggest obstacles to international agreement on how to tackle climate change. Now the two emerging economic giants of Asia have challenged the West to match their bold plans to develop solar power.

EDF, Enel Create Joint Venture for Nuclear Reactors in Italy

(Bloomberg) -- Electricite de France SA, Europe’s biggest power generator, and Enel SpA created a joint venture to develop at least four new-generation nuclear reactors in Italy more than two decades after the country banned atomic energy production.

College students are flocking to sustainability degrees, careers

Students interested in pursuing a job in sustainability now can choose from a variety of "green" degree programs.

With an increased interest in the environment and growth in the "green collar" job sector, colleges and universities are beginning to incorporate sustainability into their programs. From MBAs in sustainable-business practices to programs that give students the technical training necessary to operate wind turbines, students have an increasing array of options to choose from.

In Hawaii, coral reefs protected with big fines

HONOLULU (AP) — Wrecking coral will cost you in Hawaii.

A Maui tour company is paying the state nearly $400,000 for damaging more than 1,200 coral colonies when one of its boats sank at Molokini, a pristine reef and popular diving spot. Another tour operator faces penalties for wrecking coral when it illegally dropped an anchor on a Maui reef.

The state plans to sue the U.S. Navy to seek compensation for coral ruined when a guided missile cruiser the length of two football fields ran aground near Pearl Harbor in February.
The fines began issuing fines two years ago as part of its efforts to punish those who damage a resource critical to Hawaii's fragile environment and tourism, the state's No. 1 industry.

Christian Leaders Urged to Speak Out for Climate Change Victims

Over 152 Christian leaders and development professionals from 38 countries are rallying church leaders, CEOs, and NGO and parachurch group directors around the world to join their call to world leaders ahead of critical climate change negotiations in Copenhagen this December.

The leaders, who drafted a statement last month while attending the Micah Network Global Consultation on Climate Change in Limuru, Kenya, are urging world leaders to take decisive action to secure an ambitious and fair climate deal this year in Copenhagen, where they will seek to agree on a post-2012 climate agreement that will replace the current Kyoto protocol.

Duke Energy Elbows Co-ops for Carbon Permits in Climate Measure

(Bloomberg) -- Some of the largest U.S. electricity companies, including Duke Energy Corp. and American Electric Power Co., are fighting what may be a $100 billion battle with smaller cooperatives, community providers and state regulators over the right to pollute.

Japan Utilities Emit Less CO2 as Recession Cuts Power Output

(Bloomberg) -- Tokyo Electric Power Co. and nine other Japanese utilities emitted 5.3 percent less carbon dioxide after the global recession reduced demand for electricity.

The generators emitted 395 million metric tons of carbon dioxide in the year ended March, compared with 416.9 million tons a year earlier, according to Bloomberg News calculations using data released by the utilities. In the previous year, power generation accounted for 30 percent of Japan’s overall greenhouse-gas emissions.

Report: Calif. should gird for heat, rising sea

SACRAMENTO, Calif. - Even if the world is successful in cutting carbon emissions in the future, California needs to start preparing for rising sea levels, hotter weather and other effects of climate change, a new state report recommends.

It encourages local communities to rethink future development in low-lying coastal areas, reinforce levees that protect flood-prone areas and conserve already strapped
"We still have to adapt, no matter what we do, because of the nature of the greenhouse gases," said Tony Brunello, deputy secretary for climate change and energy at the California Natural Resources Agency, who helped prepare the report. "Those gases are still going to be in the atmosphere for the next 100 years."

**How to Lick a Slug**

All this comes to mind because for most of us in the industrialized world, nature is a rarer and rarer part of our lives. Children for 1,000 generations grew up exploring fields, itching with poison oak and discovering the hard way what a wasp nest looks like. That’s no longer true.

Paul, a fourth grader in San Diego, put it this way: “I like to play indoors better, ’cause that’s where all the electrical outlets are.” Paul was quoted in a thoughtful book by Richard Louv, “Last Child in the Woods,” that argued that baby boomers “may constitute the last generation of Americans to share an intimate, familial attachment to the land and water.”

Only 2 percent of American households now live on farms, compared with 40 percent in 1900. Suburban childhood that once meant catching snakes in fields now means sanitized video play dates scheduled a week in advance. One study of three generations of 9-year-olds found that by 1990 the radius from the house in which they were allowed to roam freely was only one-ninth as great as it had been in 1970.

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