



Drumbeat: August 4, 2009

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Topic: [Miscellaneous](#)

[U.S. energy companies bullish on Marcellus shale](#)

HOUSTON (Reuters) - The global recession and low energy prices put the brakes on a lot natural gas exploration, but Anadarko Petroleum Corp and Chesapeake Energy Corp are sinking dollars into the Marcellus shale, the companies said on Tuesday.

The Marcellus shale, located in the northeastern U.S. in parts of Pennsylvania, New York and West Virginia, is said to contain enough natural gas trapped in rock to meet U.S. needs for a decade or more.

"Early success from our Marcellus activities indicates this play possesses some of the most compelling economics in our onshore portfolio," Anadarko Chief Executive Jim Hackett told investors on the company's second-quarter earnings conference call.

[Kuwait Expects Oil at \\$70 to \\$80 a Barrel This Year](#)

(Bloomberg) -- Kuwait expects oil prices to stay between \$70 and \$80 a barrel until the end of this year on optimism about a global economic recovery, state-run KUNA news agency cited the country's oil minister as saying.

Crude prices, which closed above \$70 a barrel for the first time in more than a month yesterday in New York, reflects optimism about financial markets and the return of many companies to profitability, Sheikh Ahmed Abdullah al-Sabah said in Rome, according to KUNA.

[OPEC unlikely to cut oil output in Sept - delegates](#)

LONDON/DUBAI (Reuters) - OPEC is unlikely to cut oil output further at its meeting next month if oil prices remain around current levels, two delegates from the producer group said on Tuesday.

"It is hard to predict now, but I don't think there is a need to do anything," said one of the delegates, who declined to be identified. "The market is OK."

[Russia, Turkey to Sign Bosphorus Bypass Oil Pipe Deal](#)

(Bloomberg) -- Russia will sign an accord with Turkey on building a pipeline for sending Black Sea oil to the Mediterranean, bypassing congestion at the Bosphorus Straits as Bulgaria may back out of a similar project.

OAO Gazprom, Russia's largest company, and Turkey's Calik Holding AS will sign an accord to build a pipeline between the northeastern port of Samsun and a terminal at Ceyhan on Turkey's Mediterranean coast, Russian Energy Minister Sergei Shmatko told reporters in Ankara today before a visit by Russian Prime Minister Vladimir Putin later this week.

[Hybrid vehicle rebates produce scant environmental benefits, high cost](#)

Despite major costs to taxpayers in the U.S. and Canada, government programs that offer rebates to hybrid vehicle buyers are failing to produce environmental benefits, a new UBC study says.

The study finds that hybrid sales have come largely at the expense of small, relatively fuel-efficient, conventional cars, rather than large SUVs, trucks and vans, which produce substantially greater carbon emissions.

"If the intention of rebate programs is to replace gas guzzlers with hybrids, they are failing," says Ambarish Chandra, a professor at UBC's Sauder School of Business and study co-author. He says large vehicle sales have risen steadily since the introduction of hybrid rebates.

[Sustainable agriculture at the ESA Annual Meeting](#)

Advances in ecology increasingly reveal that conventional agricultural practices have detrimental effects on the landscape ecology, creating problems for long-term sustainability of crops. In a series of sessions at the Ecological Society of America's Annual Meeting, ecologists will present their ideas on how our agricultural practices can take lessons from natural environments.

[Earth's biogeochemical cycles, once in concert, falling out of sync](#)

What do the Gulf of Mexico's "dead zone," global climate change, and acid rain have in common? They're all a result of human impacts to Earth's biology, chemistry and geology, and the natural cycles that involve all three.

On August 4-5, 2009, scientists who study such cycles--biogeochemists--will convene at a special series of sessions at the Ecological Society of America (ESA)'s 94th annual

meeting in Albuquerque, N.M.

They will present results of research supported through various National Science Foundation (NSF) efforts, including coupled biogeochemical cycles (CBC) funding. CBC is an emerging scientific discipline that looks at how Earth's biogeochemical cycles interact.

[Peak Oil is right answer to wrong question](#)

It is easy to extrapolate that world output is close to peaking. In a 2005 report for the U.S. Department of Energy, Robert Hirsch surveyed a number of respected peak oilers. Most thought the peak would occur between 2007 and 2010. The IEA's Biriol has now put this back to sometime in the next decade.

But the Hirsch report should give peak oilers pause. Hirsch illustrated the risks by pointing to the imminent peaking of U.S. natural gas production. At the time, analysts forecast reliance on ever-greater volumes of imported gas, especially through LNG terminals, and an associated surge in natural gas prices. One prominent analyst commented "U.S. natural gas production is heading firmly downwards."

History has not worked out that way. High prices from 2003-2008 stimulated massive increases in reserves and a huge rise in production, which has left the country awash with gas.

[The demise of the middle class](#)

As the net energy available to society declines, so will of course the amount allotted to each social group. The poor will suffer, of course. The working class in European countries has already lost of what it had won during the sixties and the seventies as employers turned to the mass use of interim workers and renewable fixed duration contracts. Even the administration is no longer the stronghold of workers' right it used to be. The bulk of civil servants are still protected by law in France, but many low rank jobs are now taken by temporary workers. This, of course, will become more and more common as the current generation retires, no matter who is in office in any particular township or minister. It is just a resource problem.

There is more, however. As we slide down the descending slope of the Hubbert's Curve, the complexity of our society will begin to go down. Many professional niches will disappear, simply because an impoverished civilization will no longer be able to afford them – the advertising and marketing sectors come to mind, as well as the entertainment industry. Even the administration will eventually cease to provide a shrinking middle class with a living as catabolic collapse forces us to revert to simpler and more local forms of government.

[Serge Latouche: 'Time to De-Grow'](#)

BUCHAREST (IPS) - Serge Latouche, professor emeritus of economic science at the University of Paris-Sud, is one of the main proponents of "the society of de-growth".

He calls for "abandoning the objective of growth for growth's sake, an insane objective, with disastrous consequences for the environment." The need for a 'de-growth' society stems from the certainty, he says, that the earth's resources and natural cycles cannot sustain the economic growth which is the essence of capitalism and modernity.

In place of the current dominant system, Latouche argues for "a society of assumed sobriety; to work less in order to live better lives, to consume less products but of better quality, to produce less waste and recycle more."

[EIA Welcomes Richard G. Newell as New Administrator](#)

Richard G. Newell began service today as the Administrator of the Energy Information Administration (EIA). As EIA's seventh administrator, Newell is responsible for directing the Nation's primary energy statistical and analytical agency.

"Richard Newell is widely recognized as a leading expert on the economics of energy and environmental markets, policies, and technologies. We are pleased to have him lead the indispensable work of EIA at this crucial time," said Secretary of Energy Steven Chu.

[Aramco Focus: wellhead technology at Khurais](#)

As the Khurais mega project added 1.2 million bpd of oil to the Kingdom's energy stream, the Southern Area Production Engineering and Production Services Departments (SAPED and SAPSD) have prepared more than 400 wells required to bring the project on line.

Among the latest technologies in surface and subsurface equipment being used at Khurais wells is this multiphase flow meter.

[Pakistan: Energy crisis to stay for two years](#)

ISLAMABAD - Federal Minister for Water and Power, Raja Pervez Ashraf, Monday told the National Assembly that as many as 32 small and medium sized dams would be constructed in two phases during the next five years in the country.

[Saudi seen cutting all crude prices to Asia for September](#)

SINGAPORE (Reuters) - Top oil exporter Saudi Arabia is expected to lower the price of all its crude grades heading to Asia for September on slow demand from regional

refiners deterred by their current high costs, traders said on Tuesday.

A poll of seven refiners and traders said they saw no upside for Saudi crude prices to Asia as they estimated the August official selling prices (OSPs) to be too expensive and after Abu Dhabi issued very competitive OSPs late on Monday.

"The Saudi OSPs are too expensive now and I think some have already lowered their requirements," a trader with a refiner said.

[Pakistan's oil needs to soar on new power plants](#)

ISLAMABAD (Reuters) - Pakistan's oil needs for the power sector will likely shoot up by 29 percent by the end of 2009 as new oil-burning plants are installed to overcome a severe electricity shortage, the water and power ministry said on Tuesday.

Pakistan requires 35,000 tonnes of oil a day to feed its thermal power plants, but it is only getting supplies of 24,000 tonnes per day on average, cutting into electricity output, according to official figures.

[Pdvsas to partner with Russian companies to run nationalized plants](#)

The state-run oil company Petróleos de Venezuela (Pdvsas) will not assume all the gas compression activities of the oilfields located in the eastern part of the country that were nationalized this year. The Venezuelan oil company recently signed a partnership agreement with Gazprom Latin America Venezuela to launch these operations.

[Mexico to impose fuel standards on new cars](#)

MEXICO CITY (Reuters) - Mexico will introduce fuel efficiency standards for all new cars as part of its effort to help curb the emission of greenhouse gases, the head of the National Ecology Institute said on Monday.

The government is currently studying which type of standards to impose but it is leaning towards a plan that would be similar to proposed fuel efficiency rules in California or other parts of the United States, Adrian Fernandez said in an interview.

[India's solar plan moves ahead](#)

NEW DELHI (UPI) -- The draft of India's ambitious National Solar Mission plan, aimed at reducing emissions and easing the country's crippling power shortages, was endorsed in principle today by the prime minister's Council on Climate Change, Press Trust of India reports.

India, the world's fourth-largest emitter of greenhouse gases, would reduce its reliance on dirty coal under the plan. India's solar power generating capacity would jump from its current near-zero level to 20 gigawatts by 2020, to 100 gigawatts by 2030 and 200 gigawatts by 2050.

[If You Hated Gasoline at \\$4 a Gallon, Imagine It at \\$20: Books](#)

With supplies of cheap, easy-to-extract oil dwindling and demand expected to rise in lockstep with the planet's growing middle class, prices in the long haul can only go up, as economist Jeff Rubin argues in his book, "Why Your World Is About to Get a Whole Lot Smaller."

"\$20 Per Gallon" takes peak oil as a given. "This book is the next step in the conversation," Steiner says.

And a fun discussion it is, as the author lays out how everyday life might look as gasoline prices climb ever higher. In place of Chapter 1 and Chapter 2, Steiner gives us Chapter \$6 and Chapter \$8, leading up by \$2 increments to a \$20 Epilogue. Gimmicks don't usually appeal to me; this one works.

[Peak oil coming faster than expected, says IEA economist](#)

Experts backing peak oil theories, such as Matthew Simmons of Simmons and Co, have warned that sharp global declines could happen at any time, and that under best case scenarios, Saudi Arabia will be able to keep production flat for several years but not increase output to keep up with growing demand.

Critics of peak-oil assertions say it's impossible to know when petroleum production has peaked, given uncertainties estimating global reserves, and point out that previous theories pegging a specific date for peak oil output have been wrong.

The real issue is not whether oil production has already peaked as nobody really knows whether all geological options have been exhausted," says a report from Strategy Garden, the consulting division of the publishers of Business Intelligence Middle East.

[Shell, BP Delay Projects, Anticipate Lower Costs, Moody's Says](#)

"Projects that have already been approved don't really benefit from ongoing cost deflation," Lauras said yesterday in an interview. "Companies are trying to benefit from cost deflation and therefore refraining from new final investment decisions right now to get the benefit of lower costs in the future."

The oil industry scrapped or delayed \$170 billion worth of projects between October and mid-April as crude futures have fallen by more than half since peaking at \$147.27 a

barrel last July, according to the International Energy Agency. Oil field service and equipment manufacturing costs doubled from 2004 through 2008, according to BP and Shell.

[Petrobras Says '09 Oil Output Target Hard to Reach](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-run oil company, will struggle to meet its 2009 domestic oil production target and spend the next three years wringing output from mature wells before new fields come on line, Chief Executive Officer Jose Sergio Gabrielli said.

Producing an average 2.05 million barrels of crude a day in Brazil this year "is going to be a hard task," Gabrielli said in an interview at the company's headquarters in Rio de Janeiro. "We are going to have a big fight every day."

[China Seaborne Oil Imports Likely Rise 26% on Economic Stimulus](#)

(Bloomberg) -- China boosted its purchases of crude oil arriving by sea last month by 26 percent from a year earlier as the nation's stimulus measures drove a recovery in the world's fastest-growing major economy, the government said.

Chinese ports unloaded about 16.27 million metric tons, or 3.8 million barrels a day, of imported crude last month, the Ministry of Transport said in a statement on its Web site today, citing preliminary data.

[Leakage shuts 40,000 bpd oil output at Indian offshore fields](#)

NEW DELHI (Reuters) – A sub sea pipe leakage has cut out of 40,000 barrels per day (bpd) and 5 million cubic metres per day (MMSCMD) of gas from western offshore fields of Panna and Mukta, an official at Oil and Natural Gas Corp said on Monday.

"There was a leakage in a pipeline that connects single buoy mooring with the production platform... the output has been shut since last 4-5 days," Sudhir Vasudeva, head of offshore operations at ONGC told Reuters.

[Reliance shifts fuel sales to Gulf, Europe; Asia falls](#)

NEW DELHI (Reuters) - Giant Indian refiner Reliance Industries' fuel exports shifted sharply in the second quarter after it doubled the size of its facilities to become the world's biggest, diverting fuel sales from Asia to the Gulf and Europe.

[China to cautiously follow international oil price](#)

Since the beginning of 2009, China has modified the price of refined oil several times according to price fluctuations in the international market. This includes three occasions when China increased the price of refined oil within limits and two occasions when China decreased it. This has played a positive role in motivating oil refining enterprises and guaranteeing supply in the domestic refined oil market.

[StatoilHydro Profit Almost Wiped Out as Demand Slumps](#)

(Bloomberg) -- StatoilHydro ASA, the world's largest offshore oil and gas operator, said profit was almost wiped out in the second quarter as the global recession sapped fuel demand, denting prices for crude and natural gas.

Net income fell to 77 million kroner (\$12.8 million), or 0.02 kroner a share, from 18.8 billion kroner, or 5.89 kroner, a year earlier, the Stavanger, Norway-based company said in a statement today. Sales fell 39 percent to 104.6 billion kroner.

[Tight Sands Natural Gas: An Ignored and Promising U.S. Energy Frontier](#)

Natural gas resource optimism is now at the highest level in the history of the US (and Canadian) natural gas industry. Four simultaneous frontier natural gas plays, at different stages of development, have emerged and are rapidly unfolding in the US and to a much lesser but still important extent, in Canada. The US, written off as a mature natural gas province 30 years ago is, in fact, a young, vigorous and potentially gigantic natural gas province. The US natural gas industry is not senescent, as thought by many self anointed experts even in the 1990s but barely in its adolescence. Its greatest growth period, again potentially, is still ahead. The US is turning into one of the world's premier natural gas resource domiciles, largely because of the pioneering efforts of independent oil and gas E&P companies.

[America's Mammoth Natural Gas Inheritance: The Burden of Transition](#)

The July issue of Gregor.us Monthly, *The Burden of Transition*, takes a renewed look at North America's quite large natural gas inheritance, but then wonders how our economy could transition more fully to that resource. At our present moment, nothing is more clarifying to the case of peak cheap oil than to watch Brent trade at 73.50 as double digit unemployment negatively blooms across the United States. Strictly on a BTU basis, natural gas is dirt cheap and trades at an equivalent to 24 dollar oil. What a pity. If only we were set up structurally to capture more of this energy, at nearly 1/3 the price of oil.

[Is biogas the way to San Jose's energy independence?](#)

San Jose is moving closer to becoming the nation's first totally energy independent city.

The California city is pushing forward with its "Green Vision" of getting all its electrical power from clean, renewable sources, as well as diverting 100% of its waste from landfills and converting it into energy.

[Death Knell For Nuclear Power?](#)

A Senate vote to kill funding for the spent fuel repository in Nevada shows the Democratic Party and this administration aren't serious about energy independence, economic growth or environmental protection.

Killing the storage facility for the spent fuel rods produced by the nation's nuclear power industry has long been a dream of Senate Majority Leader Harry Reid and President Obama. Last week, the Senate granted their wish, voting to deny the resources needed to complete a review necessary for Yucca Mountain to open.

[Lanefab Microhousing](#)

Neighborhoods in Vancouver tend to facilitate walking, biking, and public transit with greater ease than the vast majority of U.S. cities and suburbs, but they also happen to be comprised of systems of laneways, or alleyways, which connect houses to their garages and parking spots. The resulting configuration means that a good deal of the city's most desirable real estate is being used to house cars, rather than people.

That could change, however, as the combination of recent legislation (legalizing the conversion of garages and laneways into secondary housing) and a new company called LaneFab will make it possible for residents to convert their garages and lanes into small, attractive, efficient houses for family members or renters, thereby contributing to a denser, lower impact, more resilient city for all.

[States give cyclists room to ride](#)

As more riders take to the roads on bicycles, more states are giving them a bigger chunk of pavement — 3 feet to be precise — so they won't get swiped by cars.

A Colorado law recently signed by Democratic Gov. Bill Ritter not only requires motorists to give riders at least a 3-foot-wide berth, it also makes it illegal to throw things at riders, says Dan Grunig, executive director of Bicycle Colorado. Previously, he says, police could only cite a motorist if they actually hit the rider.

[Vancouver firm makes fertilizer out of human sewage](#)

"Everyone has heard about peak oil," Mavinic said. "[But] soon, you'll be hearing about peak phosphate. It's another major sustainability issue looming on the horizon."

Current estimates predict that the world will exhaust its supplies of mined phosphorus in as little as 35 years. Global demand for phosphorus will outstrip supply in about a decade, Mavinic estimates.

But it's a plentiful element in human waste, so researchers have been trying to find a way to extract it.

[Permanent fund could be used for sustainability](#)

Rich Seifert spoke at Kodiak College Friday night with an idea that many Alaskans may consider radical: The state should use Alaska Permanent Fund money to "provide a marvelous opportunity to finance Alaska as a sustainable example for the world."

[Forests fall to beetle outbreak](#)

Past beetle outbreaks have been stopped by very cold winters but recent winters have not been cold enough.

Another factor scientists attribute to the outbreak is past forest clearance and fires that saw large areas cleared.

Often when this happens, the forest that regrows in its place will have huge patches of trees the same age and this makes them susceptible to a collective attack when they mature at the same time into the older trees that the bugs favor.

[Research paints bleak picture of climate change's effect on wildland fires, air quality](#)

As the climate warms over the next four decades, portions of Wyoming and Montana are at ground zero for larger areas burned by wildland fires and an increase in air pollution from those fires.

The forecasts come from a recently released study done for the Environmental Protection Agency by Harvard's School of Engineering and Applied Sciences. It was published in the June 18 issue of the Journal of Geophysical Research. The study used a moderate warming scenario of about 3 degrees by 2050 to arrive at its conclusions.

[South Africa: Rich nations must pay for climate change](#)

PRETORIA, South Africa – South Africa says it and other developing countries won't consider the next round of climate change talks successful unless rich nations pay up.

South African officials meeting Tuesday to discuss strategy ahead of the December climate change talks in Copenhagen said at least 1 percent of global GDP should be set aside by rich nations.

[Climate bill to raise costs 20%, EPA says](#)

WASHINGTON - Electricity prices would rise 20 percent by 2030 under climate legislation being considered in Congress, according to a draft study by a U.S. energy agency.

The report, to be issued by the Energy Information Administration, also says that polluting companies would initially meet most greenhouse gas reduction targets by sponsoring forestry and agriculture projects rather than cutting their own emissions.

[UN and Google Create Climate Change Mapping Resources](#)

In January 2009, only 41% of US voters believed that global warming was caused by fossil fuel emissions and other man-made causes. According to the report, the majority believed that global warming was part of a natural planetary trend that will reverse itself over time. In a panic to sway public perception and environmental decision making, the United Nations Climate Change Secretariat recently teamed up with Google to create a Greenhouse Gas Map detailing man's environmental pollution. The map is a color coded Google Maps mash up that pulls national greenhouse gas inventory and Kyoto Protocol data to display toxic emissions in industrialized nations. The tool was created in anticipation of the UN's Climate Change Conference to be held at the end of this year.

[How Is America Going To End?](#)

Even if America sells its soul to keep everyone else out, the country will have to contract. The Great Plains could turn into a Sahara-style wasteland. Cities like New Orleans and Miami — and maybe Boston and New York — could be abandoned once recurrent storms and rising sea levels render them too expensive to save. (Recent climate models suggest that America's East Coast might see sea levels rising higher and faster than any other population center in the world.) There's also an unfortunate overlap between America's fastest-growing regions and the most-likely focal points of climate Armageddon. Phoenix, Los Angeles, and the rest of the West will have to deal with drought, extreme heat, and water shortages; Florida and Houston will get attacked by superstorms. Even worse, the U.S. population is expected to double by 2100 — and those extra folks will continue packing into Arizona and California and Florida.

[Revealed: the secret evidence of global warming Bush tried to hide](#)

Photos from US spy satellites declassified by the Obama White House provide the first graphic images of how the polar ice sheets are retreating in the summer. The effects on the world's weather, environments and wildlife could be devastating.

[Nobel Halo Fades Fast for Climate Change Panel](#)

The work of the group, the Intergovernmental Panel on Climate Change, shared the 2007 Nobel Peace Prize with former Vice President Al Gore. After two decades of delivering climate reports to the world without fanfare, it suddenly had a wide following.

But as the panel gears up for its next climate review, many specialists in climate science and policy, both inside and out of the network, are warning that it could quickly lose relevance unless it adjusts its methods and focus.



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