



Drumbeat: August 14, 2009

Posted by [Leanan](#) on August 14, 2009 - 10:08am

Topic: [Miscellaneous](#)

[U.S. natgas rig count climbs for a fourth week](#)

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States rose 7 this week to 688, the fourth straight weekly gain after sinking last month to the lowest level in more than seven years, according to a report on Friday by oil services firm Baker Hughes in Houston.

U.S. natural gas drilling rigs are still down sharply since peaking above 1,600 in September, and now stand at 898 rigs, or 57 percent, below the same week last year.

During the week ended July 17, 2009, the natural gas rig count dipped to 665, its lowest level since May 3, 2002, when there were 640 gas rigs operating.

Tighter access to credit and a 70 percent slide in natural gas prices to about \$3.50 per mmBtu over the last year have forced many producers to scale back gas drilling operations.

But while the steep decline in drilling this year has started to slow production and tighten supplies, most traders agreed it has not been enough yet to offset recession-related cuts in industrial demand and slight gains in imports of LNG.

[Consumer inflation was tame in July](#)

WASHINGTON - U.S. consumer prices were flat in July as energy costs retreated following a big surge in June. Over the past 12 months, prices dropped the most in nearly six decades as the recession and lower energy costs kept a lid on inflation.

[Oil thefts continue in Mexico](#)

MEXICO CITY (AP) -- They bleed the fuel lines just about anywhere, drug cartel members and other criminals, sucking millions of dollars of Mexican petroleum from makeshift taps hidden in sheds or on remote desert stretches, with thousands of gallons ending up in U.S. refineries.

Mexican police busted gas thieves twice this week, said Carlos Ramirez, spokesman at

Mexico's state oil monopoly Petroleos Mexicanos, or Pemex.

In a colonial village a few hours west of the capital, police caught nine people Thursday who had siphoned more than 17,000 gallons (64,350 liters) of fuel from a pipeline into waiting tanker trucks. On Wednesday, just one hour south of the California border near the popular beaches of Rosarito, police plugged three different taps, including one that was operating inside a small, wooden shack.

But those busts will do little to plug a stream of stolen petroleum products, millions of dollars worth of which is smuggled across the border and sold to U.S. refineries, according to the U.S. Justice Department.

[Is It Time to Buy Oil?](#)

Despite a recent run-up, the price of oil is currently half that peak, and ConocoPhillips' stock price has tanked in lockstep with the oil free fall. Buffett clearly bought oil too early. But is it still too early for us to buy oil stocks now?

[Petrobras Profit May Slump 29% on Oil Price Decline](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-controlled oil company, may say second-quarter profit slumped 29 percent after crude prices declined from a record.

[Recession slows Ontario Power Generation](#)

Ontario Power Generation's electricity output fell 19 per cent during its second quarter as lingering effects of the economic recession took their toll on power demand in the province.

The good news is that generation from OPG's fossil-fuel plants, primarily coal, plunged by two-thirds.

[Canada's electric carmaker skids on economy, oil prices](#)

TORONTO -- Shares of Zenn Motor Co tumbled as much as 17.6% on Friday after the maker of electric cars reported a deeper quarterly loss and a big drop in revenue as the weak economy and low oil prices cut into sales of its zero-emission vehicles.

The company lost \$2.6-million, or 8 cents a share in its third quarter ended June 30, compared with \$1.9-million, or 6 cents a share, a year earlier.

[Warming ocean contributes to global warming](#)

The warming of an Arctic current over the last 30 years has triggered the release of methane, a potent greenhouse gas, from methane hydrate stored in the sediment beneath the seabed.

Scientists at the National Oceanography Centre Southampton working in collaboration with researchers from the University of Birmingham, Royal Holloway London and IFM-Geomar in Germany have found that more than 250 plumes of bubbles of methane gas are rising from the seabed of the West Spitsbergen continental margin in the Arctic, in a depth range of 150 to 400 metres.

Methane released from gas hydrate in submarine sediments has been identified in the past as an agent of climate change. The likelihood of methane being released in this way has been widely predicted.

[Cisterns save rainwater, quench environmental thirst](#)

Exploding populations from Phoenix, Arizona, and Las Vegas, Nevada, to suburban Los Angeles have turned the issue of water supply from problem to crisis. "The way we use water is so wasteful and so inappropriate today, according to the California Water Plan, there is already so much demand for water, it already exceeds supply," says Lipkis.

And human consumption isn't the only problem, because as cities grow, so does the amount of pavement and concrete that seals the natural watersheds. That in turn prevents rainwater from refreshing underground aquifers, nature's water tanks. And rainwater is exactly what Lipkis is hoping people will start to think about.

[Proven oil reserves of OPEC go up to 1.02 trillion barrels in 2008](#)

OIL is found in the minds of men, energy fraternity is often found boasting about. It continues to be the case — even today. Global oil scene does is not that bleak, as is being painted by some. Pundits are now coming round the assertion that there is enough oil beneath the surface to keep this crude driven civilization going. The issue is taking it out of ground and overcoming the impediments in the process.

Saudi Arabia is rightly referred to as the global gas station — indeed not without reason. Eyes remain focused on Saudi Arabia — for it provides insight into the future direction of the industry. In recent weeks the Saudi crude production capacity — as per the earlier pronouncements — and despite skepticism of some — touched the 12 million barrels a day mark. This was achieved by carrying out developments at three of its oil fields and extends Saudi spare capacity to almost 4 million bpd. Indeed this was done at a cost — but indeed should go a long way in soothing the nerves of the otherwise jittery market.

In the meantime, it is also a known that Saudi Aramco wants to improve its oil recovery rate to 70 percent from 50 percent over the next 20 years by focusing on enhanced oil

recovery (EOR) techniques and other new technologies.

[Tradable Energy Quotas \(TEQs\): A Policy Framework For Peak Oil And Climate Change](#) [PDF]

The severity of the climate emergency is widely recognised, yet the other side of our energy crisis is less commonly discussed. With UK oil production in decline for a decade now, and global oil production possibly having peaked in 2008, there is a real tension between our need for energy and our obligation to reduce our usage of high-carbon fuels. Both sides of the challenge bring real urgency.

With the pace of oil and gas depletion quickening, Governments must put in place safeguards not only against energy price increases, but also against outright scarcity of fuels. An energy rationing system must be ready to prevent the intense competition for fuels that will otherwise develop, and to ensure that every energy-user can access their fair share. Such a system must also support efforts to reduce our dependence on fossil fuels, while guaranteeing that we meet the Climate Change Act's carbon reduction targets, and it needs to be in place and tested well in advance of energy shortages.

[The Future of the Crude Oil Industry to 2015](#)

The National Oil Companies (NOCs) dominate the crude oil industry in the Exploration and Production (E&P) sector. Out of the top 10 E&P companies in terms of production in 2008, seven were NOCs. The NOCs have an even stronger hold over the overall crude oil reserves. Of the top 10 companies in the world in terms of crude oil reserves in 2008, nine were NOCs.

[China Cashes In On Overseas Shopping Spree](#)

The second largest energy consumer, China is quickly becoming one of the most significant energy players in the world.

Increasingly in need of fossil fuels to power its burgeoning economy, China's state-owned oil companies have sought to acquire oil and gas access rights beyond its borders, snapping up additional reserves that span both hemispheres.

[Energy Firms See Positive Long Term Trends](#)

Groppe's findings: Actual imports have been as much as 1.25 million to two million barrels a day less than what has been claimed to have been exported in official statistics. Ignoring volatile weekly inventory numbers and dismissing claims of oil-filled tankers sitting idle in the Caribbean as largely fanciful, he has concluded that much of what has transpired in the past two and-a-half years "can be traced to specific changes to the

supply-demand balance.”

Groppe postulates that much of the recent strength in the crude oil market is due to reduced exports from Saudi Arabia. He concludes “I would expect oil to approach \$100 later this year and correct back to \$50 or \$60 the middle part of next year. And then do it again.”

[Analysts skeptical about Pemex's 2009 production forecast](#)

Mexico's state oil company Pemex recently revised its 2009 production forecast down to 2.65 million b/d from 2.75 million b/d, but the company's forecasts are usually taken with a grain of salt given its repeated inability to meet its own predicted production levels. According to BNamericas, analysts believe the drop could be even more severe. National production averaged 2.59 million b/d in the second quarter of the year and 2.67 million b/d in the first quarter.

Output continues to slide on the natural decline of the prolific Cantarell field, which at its peak accounted for more than half the country's total production.

Even before Pemex revised its outlook to 2.65 million b/d for 2009, consultancy IPD Latin America was expecting the company to be producing less than 2.5 million b/d going into next year, managing director John Padilla told BNamericas.

[Opencast coalmine surge 'weakens UK's authority at climate change talks'](#)

Coal production in Britain has increased sharply after a surge in new opencast coal mines, undermining the government's claim to be a world leader on combating climate change.

Dozens of opencast coal mines have been authorised by ministers and local councils across the UK, reversing a decade-long decline in coal production in Britain and often against intense local opposition.

[The Failures Of Alternative Energy](#)

It was a bad sign when T Boone Pickens gave up, at least partially, on building a mammoth wind farm in Texas. The process was not only going to be expensive; the ability to get the energy from the windmills to large population centers would be complicated by flaws in the electric grid. Wind energy may end up being local for years. Those who want to take advantage of the “green” benefits of turbines may have to live or work near them.

Solar energy is also in the midst of a painful transformation from being the poster child for alternative energy to one in which a number of companies have folded and many

others are in deep trouble. Large solar power firm LDK Solar (LDK) posted poor quarterly results and its stock lost almost one-fifth of its value in a day. The recession has cut investment in alternative energy and there is still only limited proof that solar technology can be deployed broadly enough to be a substantial, global new source of energy. One or both of these issues has decreased demand enough so that there is an oversupply of unsold solar panels. Solar energy companies are being squeezed by both falling sales and worsening gross margins.

[US reluctant to sign a civil nuclear accord with Pakistan](#)

LAHORE: Despite Pakistan's frantic efforts to conclude a civil nuclear accord with the United States to overcome its crippling energy crisis, the United States is reluctant to oblige due to the trust deficit between Washington and Islamabad on the issue of nuclear proliferation.

[India's fast nuclear reactor project costs rise 40 percent](#)

CHENNAI - India's first fast breeder nuclear reactor, coming up at Kalpakkam near here to produce 500 MW of power, is facing a cost overrun of over 40 percent, but officials hope it will achieve criticality by September 2011 after a year's delay.

[Award-winning economist addresses energy crisis](#)

BUTTE VALLEY — The world is poised for the third industrial revolution, said economist Woodrow Clark, a keynote speaker at Butte College's third annual Sustainability Conference, which continues today.

...The second industrial revolution relied on fossil fuels and has lasted 100 years, Clark said during an afternoon presentation.

The third industrial revolution will involve renewable resources and "leveraging resources in a way that doesn't keep violating our environment," he said.

[Peak energy and cultural fragmentation](#)

Americans look very fond of talking about secession despite being quite homogeneous culturally speaking. European, on the other hand, are very wary of it. A Free Vermont movement, for instance, would be unthinkable in France, and even in areas where independence could have some legitimacy, it is rarely claimed. The party I belong to, for instance, is adamantly against secession and demands only a large internal autonomy, similar to the one American states enjoy, within a federal Europe, and we are quite typical in that matter. Only extremists, or the very successful, fight for outright independence.

Yet some kind of independence is bound to come. The French state, as it exists today, simply cannot survive peak energy. At some point in the future local authority will take over even if they still pay lip service to a rump central authority. The problem is that without some kind of shared identity, those successor polities will be weak and likely to fight among themselves. This is probably what doomed, culturally speaking the lowlands sub-roman britons : their tribal identity still living but weakened by romanization they were subverted by Germanic speaking who converted them to their language and culture.

[Organic producers suffer as green fingered customers go it alone](#)

An increase in amateur gardeners keen to grow their own food is taking its toll on organic farms and shops that deliver vegetable boxes.

Hundreds of health food shops and farms around the country now offer a vegetable box scheme whereby they deliver seasonal produce to their customers each week. But in the last year they have had to compete with an increasing army of credit-crunched householders who have decided to give vegetable growing a go.

A spokeswoman for Abel & Cole, one of the biggest box scheme providers, said: "Trading has been difficult this year. It was tough in the spring and this summer we have been affected more than usual because more people are growing their own seasonal produce."

[After years of decline, Cleveland aims to go green](#)

CLEVELAND (Reuters) – Orchards and vineyards may soon spring from the blight of thousands of abandoned buildings in Cleveland, a city struggling to rise from years of decline and home foreclosures.

Once a proud manufacturing powerhouse, Cleveland has lost nearly 10 percent of its population since 2000, the fastest drop of any U.S. city except for hurricane-hit New Orleans.

...The county has 36,000 abandoned homes that are a magnet for crime. As many as 18,000 must be demolished at a cost of several hundred million dollars. Proposals for the empty land include orchards and vineyards to help property prices recover, as few expect the city's population decline to reverse.

"This isn't a market for new housing," said Mark Seifert, executive director of local nonprofit the East Side Organizing Project. "And it certainly won't be in my lifetime."

[Bank of America May Expand Commodities Group 25% in Three Years](#)

(Bloomberg) -- Bank of America Corp., the biggest U.S. lender, may expand its metals and energy team by 25 percent in the next two to three years as a rebound in commodities attracts billions of dollars of investments.

[Iran: Whose War?](#)

A nuclear power industry, conversely, is sound strategic thinking for Iran. Peak oil, the point at which global oil production can no longer keep up with the world's energy demand, has already occurred or will happen very soon. At that point, humanity will have to turn to other forms of energy or turn the clock back on its technology-centric infrastructure, which could lead to a worldwide "Road Warrior" scenario. No alternative solution has materialized that can provide the amount of energy that nuclear power can generate.

Any oil-exporting country that hopes to emerge as a regional power in the post-peak world order will need to have an independent nuclear industry in place when the wells run dry. The key to having truly independent nuclear energy is the ability to refine your own uranium. Telling Iran that it can have a nuclear energy industry but can't refine its own uranium is like saying it can have an auto industry as long as it makes its cars in the U.S. from American steel and uses American labor. Dependence on other countries for refined uranium is a strategic liability that Iran will not and should not agree to. An independent nuclear energy industry is the only chip Iran brings to the table, and we're asking them to hand it over before they sit down.

[Sinochem builds new refinery, eyes Kuwait, Total tie](#)

BEIJING (Reuters) - Chinese state oil trader Sinochem is quietly building its first wholly-owned major refinery in southern China, and is eyeing strategic partnerships with Kuwait's state oil firm and French major Total, industry officials told Reuters.

Sinochem aims to complete the 240,000 barrels per day plant in Quanzhou city, Fujian province in 2012. It is set to be China's next major greenfield refinery as the world's No.2 oil consumer adds refining capacity to fuel strong economic growth.

[StatoilHydro lines up Snohvit down-time](#)

Norwegian operator StatoilHydro said today the Hammerfest LNG plant at Melkoya, which receives gas from Snohvit, in northern Norway will be shut down on Saturday for up to three months for upgrading and maintenance work.

[Iran says Opec ceiling stays](#)

Iran's Opec governor Mohammad Ali Khatibi said the oil cartel will not consider any

changes to its crude output ceiling increase given the high levels of oil inventory in consuming countries.

"Because oil has been stored in various parts of the world, Opec will not discuss its ceiling cut in its next meeting," Khatibi said in an interview with Mehr news today.

[Firms' concerns freeze 'oil city' hopes in Venezuela](#)

Reporting from Soledad, Venezuela - Like nearly everyone else in this sleepy fishing town, unemployed former soldier Miguel Fernandez is eagerly anticipating the massive "oil city" that President Hugo Chavez has promised to build here on the banks of the Orinoco River.

"There was a rumor last week that the first well was being drilled. Half the town rushed out there looking for work," Fernandez, 23, said. But the project was only a small field test, and there were no jobs. "We were all disappointed."

Chavez's vision for the huge new oil complex 400 miles southeast of Caracas will cost \$36 billion and ostensibly add half a million barrels of oil a day to Venezuela's output by 2012, reversing a decade-long decline in output.

[Venezuela oil union vote delayed](#)

Elections to determine the leaders of Venezuela's oil unions have been pushed back again as the government struggles to keep opposition forces at bay and ensure candidates who support President Hugo Chavez emerge victorious.

[Ship operator pleads guilty in SF Bay oil spill](#)

SAN FRANCISCO – The Hong Kong-based company that operates the cargo ship that caused a 2007 oil spill in San Francisco Bay pleaded guilty Thursday to criminal charges.

Fleet Management Ltd. pleaded guilty to charges of obstruction, making false statements and negligent discharge of oil, and agreed to pay a \$10 million fine under a deal reached with prosecutors. A federal judge still must approve the deal.

[Stephen Schork: Oil Rallies If Stock Market Does](#)

Norman: In the last interview, I said let's take a look at the whole green movement and alternative energy. We have a president in place now who is really behind this trend. What sort of an impact, if any, do you think it's going to have in the short term and in the long term?

Schork: Well, ultimately I think it has an upward skew on price, and my concern is that with this administration ... unlike the prior administration – with the Bush administration, all things were on the table. Now this isn't going to be a pro-Republican/Democrat argument, but what is clear with this administration is their outward hostility toward the oil and gas industry.

If we just take some of the quotes on Reuters and on Fox and so forth with regard to their stance, it is a nasty rhetoric. So I think this administration, unlike the other administration, has taken the approach that it's all or nothing, that we're putting everything behind the green agenda, which I fully support.

[McLuhan's Wake: Media and Environment](#)

"Too much of anything," McLuhan said, "will always bring the opposite of what you thought you were getting." Coal, the new fuel of the 18th century that was supposed to save England's forests by replacing wood as the Industrial Revolution's source of power, is now threatening forests with toxic air and global warming. The airplane travel that was supposed to make faraway and exotic places reachable, has turned the world into crowded tourist traps of homogenized sameness -- "No one goes there anymore," said Yogi Berra, "it's too crowded." The bulldozers, excavators, chainsaws and factories that were supposed to make our human lives so much easier, are now causing the environmental degradation that might make our lives -- and the lives of many other creatures -- extremely difficult. In compliance with the Fourth Law of Media, McLuhan predicted ominously, "Even the global village is coded, in the end, to reverse."

[Do Lawmakers Really Understand The Energy Markets?](#)

In her advocacy for the tougher regulations, Sen. Maria Cantwell (D-Wash.), a member of the Senate's Energy and Natural Resources Committee, said this year's hike in oil prices raised questions about manipulation of the markets.

"Oil supplies are near 20-year highs," she said in a written statement, "and demand for oil is at a 10-year low -- so why have gasoline prices gone up a dollar a gallon since the beginning of the year?"

Why, indeed?

[Wake-Up Call In The Dark](#)

At 4:11 p. m. on Aug. 14, 2003, Ontario and much of the northeastern United States experienced the largest blackout in North America's history. But dark times can have a silver lining: Although the blackout was later traced by a Canada-U. S. joint task force to a series of errors at FirstEnergy Corp. of Ohio, it raised unprecedented public awareness about the risks of an over-taxed grid.

"The blackout brought home -- literally -- the fact that we assume electricity will always be there. The truth is, the grid can't deal with our constant demands: running air conditioners 24/7, firing up a dishwasher when it contains four glasses and four plates, putting two pairs of pants and three shirts into the dryer," says Torontonion Jocelyn Laurence, former editor of Green Living magazine and partner in Castlebridge Communications. Ms. Laurence took her cue from the blackout to teach her children more about energy conservation and to be extra diligent in her electricity use, both at home and at work.

[Utilities Hatch Ambitious Plans to Own and Operate Large-scale PV Projects](#)

In years past, solar photovoltaic (PV) installations were largely done in a piecemeal fashion, planned and implemented one rooftop or ground-mounted system at a time. But as solar technology has improved and as state governments demand more renewable generation through portfolio standards, large-scale projects are becoming more common. A growing number of utilities, rather than depend on independent power producers to build these projects, have launched multi-million dollar initiatives to own and operate their own solar assets.

[Lithium and Obama's Electrification of America](#)

America's future energy course is being charted today because of the ramifications of peak oil, because cars pollute too much, because of global warming, because America wishes to end her dependence on foreign supplied energy and to be blunt... Americans need jobs.

"A new energy economy is going to be part of what creates the millions of new jobs that we need," President Obama.

Because of these reasons a whole new industry, a domestic automotive and industrial lithium-ion battery industry, is going to be built.

[The low-hanging fruit](#)

At Monday's National Clean Energy Summit 2.0 at UNLV, an array of high-powered political and industry leaders gathered to talk about renewable energy, climate change and the recession. It was a wide-ranging discussion, covering almost every aspect of the green movement.

But a thread running through the conversation had a more practical, pragmatic flavor. According to several participants, the fastest way to reduce greenhouse gas emissions and grow the economy is to concentrate on energy efficiency. This was described as going after the "low-hanging fruit."

[Climate-Protection Talks Make 'Marginal' Advance, Pershing Says](#)

(Bloomberg) -- Slight progress was made at United Nations climate negotiations in Bonn to bridge gaps between commitments industrialized and developing nations are prepared to make, U.S. lead negotiator Jonathan Pershing said.

The focus of five days of talks ending today was to shrink a 200-page negotiating text toward what UN author Michael Zammit Cutajar said should be about 30 pages by December, when envoys plan to approve an accord in Copenhagen. Only "marginal" progress has been made, Pershing said today in an interview.

[Money key stumbling block at UN climate talks](#)

PARIS (AFP) – Developing countries will need billions to curb carbon pollution and cope with its consequences, and where that money will come from has emerged as a major stumbling block as another round of UN climate talks winds down in Bonn.

The five-day negotiating session ends Friday, with many participants expressing frustration at the lack of progress only four months ahead of the Copenhagen climate conference slated to deliver a planet-saving global climate treaty.

[Dumpster diving + computer = 100 trees](#)

DOBBS FERRY, New York (CNN) -- Jude Ndambuki teaches high school chemistry, but when he's not in class, you might find him Dumpster diving for discarded computers.

For the past eight years, the Kenya native has been refurbishing computers, printers and other electronic educational resources otherwise headed for landfills, then sending them to grateful students back home.

"The children in Kenya have very few resources; even a pencil is very hard to get," said Ndambuki, 51, who lives in the New York City suburb of Dobbs Ferry. "Being one of the kids who actually experienced very dire poverty in Kenya, I feel any part that I can play to make the life of kids better, I better do it."

In lieu of compensation for the considerable time, expertise and expenses he devotes to his Help Kenya Project, Ndambuki asks that recipients plant 100 trees for every computer they receive. By connecting computer recycling, educational development and environmental conservation, he hope

[Transition is the mission for sustainability collective](#)

What if most of the yards in Ashland grew some sort of edible garden? That's one of the

goals of Transition Town Ashland, a group that aims to increase local resiliency to deal with the challenges of uncertain economic times: climate change, exponential population growth and peak oil, organizers said.

[The \(un\)Happy Planet Index 2.0](#)

In the final year of the first decade of the third millennium, humanity stands at a crossroads. Depending on the choices we make now, future generations will either look back at our time with anger or with gratitude. Currently, we are set on the former course. Should we continue our reckless over-consumption of resources and destruction of the environment, driven by an insatiable appetite for economic growth, our descendants will face a world of scarcity, uncertainty and conflict.

[Country oblivious to next oil shock](#)

Currently the oil price is around US\$70 a barrel - in the midst of the deepest post-war recession on record.

Just four years ago today's "depressed" price would have been a record high.

Where do we think oil will be trading when economic recovery and oil demand returns? The price may be volatile but the trend will be ever upwards. Have we learnt the lesson that global Gross Domestic Product is inextricably linked to cheap and abundant oil? As prices rise, global GDP falls.

Robert Hirsch is an energy consultant to the US Department of Energy. His studies of the link between past oil shocks and global GDP suggests there is roughly a one to one ratio - ie, for every 1 per cent decline in global oil production, there is a commensurate 1 per cent fall in global GDP.

[Demand forecasts IEA forgets decline fields](#)

Still, one main issue has not been covered. Due to lower global investments in upstream and still high costs of projects (deepwater, heavy crudes or sour crudes), the normal production levels of most fields could be under pressure. If no investments are being put in revamping existing production capacity, based on assessments production is expected to be decline by 6-10% per year. When taking the lower base line, this would mean a shortage of around 5 million bpd. The latter production decline needs to be countered, additional investments are needed to revamp mature oil fields, set up IO and EOR operations and stop decline. At present, this has not been the case. Most mature oil (and gas) field regions are facing lower investments. North Sea operations, Saudi Arabia's giant fields or Iranian operations, are facing continuing decline rates. Supply could be hit dramatically if this is not countered soon. Demand will be increasing, if the global economy recovers. Supply is not as secure as presented by the IEA. The statements that Russian oil production has increased is not caused by higher overall production but

largely by lower internal demand and more available volumes for exports. Moscow also needs more cash to quell growing domestic unrest, aka exports are being targeted. Some of this additional crude supply could again be threatened if gas supplies continue to falter the coming years.

['Our country will have absolutely no control over its energy prices'](#)

If the oil depletion allowance and intangible drilling costs are eliminated as tax incentives as proposed, Americans will see our imported oil dramatically increase by 20% to meet current energy needs. The bottom line for the American consumer is that our country will have absolutely no control over its energy prices and needs.

[China May Boost Energy, Mining Acquisitions by Half](#)

(Bloomberg) -- China, unfazed by failures to invest in Rio Tinto Group and Unocal Corp., will boost spending on oil and mining acquisitions by at least half this year to take advantage of lower valuations after commodity prices slumped.

[Gas flows through Ukraine tumble](#)

Gas transit from Central Asia and Russia through Ukraine towards Europe fell 37.1% in the first seven months of this year compared to the same period a year ago.

...Europe and the former Soviet region have slashed their gas consumption this year as the global economic crisis hits their industries and production slows, reported Reuters.

[LNG Surplus to Reach a Record, Wood Mackenzie Says](#)

(Bloomberg) -- Liquefied natural gas producers may earn smaller margins as low demand and new export plants lead to a record surplus and lower prices, Wood Mackenzie Consultants Ltd. said.

New projects in Qatar, Yemen and Indonesia may reach capacity next year, said Frank Harris, global head of LNG at the Edinburgh-based firm. Ventures planned for 2015-20, including those helmed by ConocoPhillips, Royal Dutch Shell Plc and Woodside Petroleum Ltd., may be forced to sell the fuel for less as supplies exceed consumption.

“There’s quite a lot of surplus this year,” Harris, who has advised international oil companies, said by telephone from Edinburgh yesterday. “Next year will be worse and it may peak in 2011.”

[Crude Oil Risks Pullback to \\$60 Next Week: Technical Analysis](#)

(Bloomberg) -- Crude oil needs to rise above \$73 a barrel by next week or face a pullback toward \$60, Schork Group Inc. said.

Oil has been unable to rise above an eight-month high of \$73.38 a barrel reached on June 30, even as it crossed \$70 each trading day this month. If the buyers fail to break resistance, they risk losing control within days, according to Stephen Schork, president of the Villanova, Pennsylvania-based consultant.

[Oil won't rise even as economy recoups: report](#)

NEW YORK (Reuters) - World oil prices are unlikely to rise much even as the global economy rebounds, Oil Analyst Ed Morse writes in the next issue of Foreign Affairs.

Oil prices are unlikely to go above \$75 to \$85 a barrel, as world output capacity rises and demand stagnates after oil prices spiked to a record \$147 last year, Morse, the managing director of LCM Commodities, writes in Foreign Affairs' upcoming September/October issue.

OPEC kingpin Saudi Arabia has massively increased output capacity, which could help keep oil within the \$40 to \$75 a barrel range Morse claims is desirable for the Kingdom.

[Oil May Fall as Supplies Climb Amid Weaker Demand, Survey Shows](#)

(Bloomberg) -- Crude oil futures may fall on speculation that U.S. fuel inventories will extend gains as the recession saps demand, a survey of analysts showed.

Twenty of 40 analysts surveyed by Bloomberg News, or 50 percent, said futures will decline through Aug. 21. Ten respondents, or 25 percent, forecast that the market will rise and 10 said prices will be little changed. Last week, 58 percent of analysts said oil would fall.

[Wall Street players oil up rigged game](#)

You'll recall the great oil price rise of 2008, which not only doubled gas prices across the border, but led to worldwide food riots in poorer countries. In retrospect, what made this price hike truly weird was that oil production had actually increased during this period, while global demand had dropped. The price hike was apparently in defiance of the laws of supply and demand.

Was this Econ-101 nightmare the result of "peak oil," or what? Or could Wall Street have had a hand in this, along with similar episodes in the past?

In a recent article in Rolling Stone magazine, journalist Matt Taibbi implicates the New

York investment bank Goldman Sachs in "every major bubble since the depression," including the late '90s tech stock mania, the subprime real estate craze, and the bipolar commodities market of 2008.

[Shell halts Utorogu outage on pipe attack](#)

Supermajor Shell said today it had stopped its Utorogu gas plant in Nigeria's southern Niger Delta after an incident on the Escravos-Lagos Pipeline System.

The pipeline system carries gas from the Niger Delta to feed power stations in the southern part of Africa's most populous nation, including the commercial hub of Lagos, and feeds into the West African gas pipeline structure.

[Norway oil fund surges, owns 1 pct global stocks](#)

OSLO (Reuters) - Norway's \$397 billion sovereign wealth fund said on Friday it now owns 1 percent of the world's stocks and signalled the end of its emerging markets asset ramp up after posting its best ever quarterly results for April-June.

Buoyed by a broad financial market rally from the depths of the global downturn, Norway's oil fund posted a 12.7 percent return on its investment, or a \$45 billion gain -- its biggest quarterly gain in relative and absolute terms.

[China's July Power Use Rises 6% on Economic Recovery](#)

(Bloomberg) -- China's power demand rose 6 percent in July as the government's stimulus spending boosted economic growth and increased industrial use of electricity.

[Chubu Finds More Damage at Nuclear Plant After Quake](#)

(Bloomberg) -- Chubu Electric Power Co. may burn more fossil fuels to keep lights on and machinery running in Nagoya, Japan's third-largest metropolitan area, as the utility finds more earthquake damage to its Hamaoka nuclear plant.

Both functioning reactors at Hamaoka shut down after a 6.5- magnitude quake on Aug. 11 and as of today Chubu found 39 problems, including neutron monitor and auxiliary transformer malfunctions. There's no estimate when the reactors will resume operation, spokesman Toshimitsu Shibata said by phone.

[Chesapeake Says Waste Wells May Have Caused Texas Earthquakes](#)

(Bloomberg) -- Chesapeake Energy Corp. wells drilled through the Barnett Shale, the biggest Texas natural-gas field, may have caused earthquakes in the Dallas-Fort Worth area, the company and university scientists said.

Oklahoma City-based Chesapeake shut both wells, used to dispose of saltwater that is a byproduct of gas production, as a precaution after university seismologists told executives June 29 that the center of some quakes lay near the base of one of the wells, Steven Turk, vice president of the company's southern operations, said in an interview.

[Volt vs. Prius: What's the better deal?](#)

NEW YORK (CNMoney.com) -- The Volt may get 230 mpg. GM says it will cost only 40 cents to fuel up the car from a household outlet. But it still may not be worth it to buy one.

So what's the problem? You won't save enough on fuel costs to compensate for the likely higher sticker price.

[Blacklight Power Returns With More Lab Validation](#)

The latest in its saga is news that three researchers at Rowan have run a second round of tests on Blacklight's solid fuel. The trio say they have verified that the fuel is capable of continuously releasing more energy than is put in to start the reaction. And this time, they made the fuel themselves rather than receiving from the company — a significant difference from the first test, when associate professor Peter Jansson told me he wasn't sure what Blacklight did to prepare the material.

Most importantly, the Rowan group says they have gotten 6.5 times more energy than the maximum energy potential of the materials involved. The implication is that Blacklight's special hydrogen atom, the "hydrino", is making an appearance. Hydrinos supposedly have an electron in an extremely low orbit around the nucleus; getting it there releases the extra energy.

[Climate change fueling forest fires in Europe: Greenpeace](#)

MADRID (AFP) – Greenpeace Thursday warned of an imminent "global emergency" as climate change fuels forest fires that have already destroyed tens of thousands of hectares in southern Europe this year.

"Climate change is driving a new generation of fires with unknown social and economic consequences," said Miguel Soto, Greenpeace Spain forests campaigner.

[Cheap Climate-Change Fix Needed, Lomborg Center Says](#)

(Bloomberg) -- Cheap solutions are needed to slow global warming such as painting roofs white rather than programs to cut carbon emissions that may cost countries \$250 billion a year, a study released by Danish professor Bjoern Lomborg said.

[India against US trade barrier for climate policy](#)

BONN, Germany – India's chief climate change negotiator says his country wants a global warming agreement that forbids trade barriers against nations that refuse to accept limits on their carbon emissions.

India has introduced language into a draft climate change accord that is largely directed against efforts by U.S. Congress to impose trade penalties on goods and services from countries that do not commit to specific action against greenhouse gases.

[While their glaciers melt and rivers dry, China and India only add to climate woes](#)

China and India are partners in crime. Both countries like to preach to the West that the industrialized nations must do more, set higher targets, reach their goals faster, while they continue their own heedless behavior. In fact, China and India have agreed on an emissions goal - for the Western nations, not themselves: A 40 percent reduction in greenhouse gas emissions by 2020 - probably an impossible target in just 10 years.

As if that were not enough, the two states are also calling for the United States and other Western nations to pay them up to 1 percent of their gross domestic product for climate-change initiatives. One percent of the U.S. GDP comes to \$14.4 billion. Yu calls all of that "quite fair."

[Climate Change Measure Should Be Set Aside, U.S. Senators Say](#)

(Bloomberg) -- The U.S. Senate should abandon efforts to pass legislation curbing greenhouse-gas emissions this year and concentrate on a narrower bill to require use of renewable energy, four Democratic lawmakers say.

"The problem of doing both of them together is that it becomes too big of a lift," Senator Blanche Lincoln of Arkansas said in an interview last week. "I see the cap-and-trade being a real problem."

[Antarctic glacier 'thinning fast'](#)

One of the largest glaciers in Antarctica is thinning four times faster than it was 10 years ago, according to research seen by the BBC.

A study of satellite measurements of Pine Island glacier in west Antarctica reveals the surface of the ice is now dropping at a rate of up to 16m a year.

Since 1994, the glacier has lowered by as much as 90m, which has serious implications for sea-level rise.

[Study Finds Big Storms on a 1,000-Year Rise](#)

The North Atlantic Ocean has spawned more hurricanes and tropical storms over the last decade than it has since a similarly stormy period 1,000 years ago, according to a new study.

The research, published yesterday in the journal *Nature*, tries to trace the pattern of storms along North America's Atlantic and Gulf coasts back to A.D. 500, well before humans were recording weather observations.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).