



Drumbeat: August 17, 2009

Posted by [Leanan](#) on August 17, 2009 - 10:04am

Topic: [Miscellaneous](#)

[Gulf exporters will need to make a clean break](#)

Saudi Arabia, the world's biggest oil exporter, is burning close to 750,000 barrels per day (bpd) of its finest quality crude oil to make electricity for its own domestic market.

The image is arresting. Quite simply, Saudi Arabia is producing more of its most valuable export commodity than it can sell.

The kingdom's crude output has been rising of late. It is still pumping less crude than a year ago, but not due to dwindling oil reserves or difficulties in maintaining output from ageing fields, as "peak oil" theorists had earlier predicted. In fact, the national petroleum company, Saudi Aramco, has just completed the biggest oil development programme in its history, which has had the effect of more than doubling Saudi spare production capacity to about 4 million bpd.

[US troops to return to Iraq despite Barack Obama's withdrawal plan](#)

The US military is planning to send thousands of American soldiers back to the oil-rich north of Iraq to prevent a civil war between Arabs and Kurds.

The emergency move, which partially reverses a recent drawing- down, is the first major sign that President Obama's withdrawal plan may not work. He wants all US combat troops out of Iraq within 12 months.

[Weak China demand could dent oil prices](#)

Weaker Chinese energy demand could bring the recent oil price surge to an "abrupt end" as a credit squeeze hammers crude imports by the Asian powerhouse, energy consultancy CGES warned yesterday.

[Natural Gas Falls to Seven-Year Low on Slow Revival in Demand](#)

(Bloomberg) -- Natural gas futures fell to the lowest price in almost seven years on concern that fuel demand will be slow to strengthen because of a sluggish economic recovery.

Gas dropped along with energy markets and equities after Japan's economy expanded less than economists estimated. The threat of disruption to oil and gas output in the Gulf of Mexico receded as Tropical Storm Claudette went ashore in Florida and Ana was downgraded as its winds weakened.

[Natural gas stocks defy gravity](#)

NEW YORK (Fortune) -- Something strange has happened to natural gas stocks: They've gone up.

Despite the fact that gas prices are dirt-cheap and energy demand has fallen off a cliff, shares of gas producers Chesapeake Energy, Anadarko Petroleum, and Southwestern Energy have climbed an average of 37% so far this year, compared with the S&P 500's 10% gain.

[The Future of Coal](#)

A state judge's invalidation of a single air quality permit for the coal-fired power plant in Wise County is unlikely to convince Dominion Power to "take this ruling as a sign that it needs to leave expensive coal-fired power plants in the past and move quickly toward developing sustainable, clean energy sources for a 21st century green economy," as Cale Jaffe, senior attorney for the Southern Environmental Law Center, urged.

However, other developments suggest that society as a whole needs to make the development of sustainable and clean energy sources a more urgent priority.

[Pdvs, BP resume production at the Orinoco Oil Belt](#)

State-run oil holding Petr leos de Venezuela (Pdvs) and British Petroleum resumed last week the oil output at an upgrader located in the Orinoco Oil Belt after months on standby, as part of the cuts made by Venezuela as a member of the Organization of Petroleum Exporting Countries (OPEC), said on Monday a Pdvs director.

[Oil dips to its August low](#)

LONDON (Reuters) -- Oil slipped to its lowest this month at below \$66 a barrel on Monday as investors became more cautious about the pace of global economic recovery and any revival in energy demand.

The decline added to the market's \$3.01, or 4.3% slide on Friday -- the biggest loss since July 29 -- after the Reuters/University of Michigan Survey of Consumers showed confidence in early August dropped.

[Kunstler: The First Die-off](#)

All this frightful hyperbole is really mere précis to my real point here, for those of you already acquainted with some of the classic "doomer" themes, which is that the first "die-off" of The Long Emergency will not be one of human beings but of our beloved automobiles. Personally, I think the car die-off will come on with stunning rapidity as a combination of factors merge to make these colossal traffic jams staples of nostalgia in decades to come. As usual, the public is clueless about this, gulled by a cretinous news media into the earnest expectation of endless techno-miracles.

[Bill may become a major hurricane: NHC](#)

NEW YORK (MarketWatch) -- Hurricane Bill could become a major hurricane by Wednesday, as it continues to move in a west/northwestward direction, the National Hurricane Center (NHC) said in an advisory on Monday.

[ExxonMobil Eyes 30 More Years Output from Offshore Bass Project](#)

ExxonMobil Australia is targeting at least another 30 years of oil and gas production at its Bass Strait project, with two new fields yet to come online.

The energy giant said its operation at Bass Strait, located offshore from Victoria, had far outlasted its original life expectancy of 25-30 years set in 1969.

[Air Zimbabwe in brink of collapse](#)

Troubled Zimbabwe's sole airline, Air Zimbabwe, is completely broke and is being sued by its workers while facing a US\$30 million (about P208 million) debt.

The airline has already cancelled scheduled regional and international flights due to shortage of funds to buy fuel and to pay more than a thousand of its workers.

[Kuwait budget surplus shrinks despite record income](#)

Oil-rich Kuwait's budget surplus shrank by more than two-thirds to less than 10 billion dollars in the fiscal year ended March 31 despite record income, official figures showed

on Monday.

[Ghana Girds for Vagaries of Oil Production](#)

With drilling set to begin next year, Ghana is ready to become the latest oil-producing nation in Africa, joining the likes of Nigeria, Angola, Equatorial Guinea, and Chad. For most African nations, oil has turned out to be more of a curse than a blessing, and Ghana is trying to find ways to avoid the many pitfalls that have plagued other nations.

[Lukoil bumps up production](#)

Lukoil, Russia's second-largest oil producer, boosted crude production by 4% to 1.98 million barrels per day in the first half of 2009, the company said today.

Lukoil said in a statement total production of hydrocarbons available for sale rose 2% year-on-year to 2.22 million barrels of oil equivalent in the first six months of 2009, reported Reuters.

[Motor group calls for fuel price action](#)

A Shropshire motoring group is calling for action over rocketing fuel costs. Fuel prices are set to rise by 5p per litre at the end of the month and there is to be a hike in the level of fuel duty from September 1.

[Calderon Urges Pemex-Petrobras Oil Field Cooperation](#)

(Bloomberg) -- President Felipe Calderon called for Mexico's state-run oil monopoly Petroleos Mexicanos to form a "close collaboration" with Brazil's Petroleo Brasileiro SA in all areas, including operations.

With such a partnership, Pemex, as the company is known, could turn falling oil production around and could expand production, Calderon said in an e-mail copy of a speech in Mexico today.

[Explosion at Russia's Largest Hydroelectric Plant Kills 8](#)

MOSCOW — An accident during repair work at Russia's largest hydroelectric plant killed at least eight workers Monday, while 54 others were missing, investigators said.

The explosion of a transformer caused the engine room to flood at the Sayano-Shushinskaya power station in southern Siberia, the Investigative Committee of the

federal prosecutors office said.

...Shoigu said the repairs would be difficult. "We're probably talking about years rather than months to restore three of the 10 turbines," he said on state-run television.

[Pakistan - Rental power plants: a crisis-driven remedy](#)

To dispel misapprehensions, government decisions need to be transparent as it closes the deals on rental power plants. These are floating barges that carry large generators which can be hooked into the distribution or transmission systems. They produce anywhere between 100 to 200 MW of power.

[Dutch reactor shutdown to fuel further isotope shortage](#)

OTTAWA -- The Netherlands is bracing for the worst if the world is without its two top sources of medical isotopes next year, a scenario that became more likely last week after Canada's nuclear agency said it will take longer than planned to repair a leaky reactor at Chalk River, Ont.

An aging Dutch nuclear reactor in community of Petten is scheduled for lengthy maintenance work next spring, which is the earliest its downed Canadian counterpart is expected back up and running.

[McKibben: Climate change impacts hitting hard now](#) (audio)

Vermont author and activist Bill McKibben just returned from a trip to India. He was meeting with environmental groups and government officials to promote a new initiative called 350.org. The organization aims to reduce the amount of carbon being pumped into the atmosphere. Scientists say CO₂ particles have already risen to dangerous levels, just below 390 parts per million. McKibben wants governments, industries and private citizens to bring that level down below 350 parts per million. He spoke about the effort on Saturday in Newcomb, at the annual meeting of the Adirondack Nature Conservancy.

[Drought stalks India](#)

The first reports of drought-related suicides have begun filtering in from the district press. Farmers in the eastern coastal state of Andhra Pradesh are taking their own lives - the toll is said to be 20 farmers over the last 40 days. The state is one amongst many which has so far been forsaken by the South-West monsoon in 2009. Its parched districts have received only 153 mm of rain as against a monsoon normal, till mid-August, of 624 mm. An official with the state agriculture department has called the conditions the worst in 50 years. But the state government has still not declared Andhra Pradesh as hit by drought. Such declarations have in India become politically charged

positions that the state ruling is forced to take, instead of being policy conclusions that can quickly bring relief and rehabilitation.

[China: The new Big Oil](#) - *The country is snapping up oil fields from Africa to South America to the Middle East. Soon it may be able to rival the Western giants.*

NEW YORK (CNNMoney.com) -- China is on an oil buying binge.

Over the past few months, the Chinese government -- or its big government-controlled oil firms -- have closed or floated a slew of deals in countries all over the world. These deals have expanded the nation's oil reach and may one day position the nation to match the skills of western oil firms.

[Chinese coal purchase could start a trend](#)

The takeover of a major Australian coal mining company by Chinese-owned Yanzhou has raised fears coal markets could be dominated by China.

Felix Resources owns coal projects in New South Wales and Queensland.

Gavin Wendt, from broker Fat Prophets, says if the takeover is approved, it could be the first of many similar acquisitions by China.

"This is probably the tip of the iceberg," he says.

[Balance of power shifts between national and international oil companies](#)

Findings of KPMG's latest annual report, announced today, into National and International Oil Companies (NOCs and IOCs) have shown that volatile markets have hindered the ever increasing power of national oil companies in favour of their international rivals.

[The brighter side of expensive oil](#)

During the boom years, there was a spate of books warning that we were all doomed. One of the most popular spine-chillers was the threat of peak oil: the prospect that the world's oil production is about to go into irreversible decline, bringing about the downfall of civilisation as we know it.

At their most apocalyptic, the underlying message of these books was, in the words of The Simpsons newscaster Kent Brockman: "It's time for our viewers to crack each other's heads open and feast on the goo inside."

Christopher Steiner's *\$20 Per Gallon*, as its cheery subtitle suggests, is very different. It is the latest, and the best, example of a new type of book that seeks to put a feel-good spin on the imminent exhaustion of one of our most vital natural resources.

[Economic growth](#)

The trajectory of the US economic growth path ranges from the early pioneers who went west to raise cattle, plant grain etc., to the innovators who now inhabit the likes of Silicon Valley. This trajectory we see being repeated in South Korea, China, India, Singapore, Brazil.

The further uncertainty challenge that faces us is that economic development of the past 100 years depended on the copious availability of cheap oil. This era is fast coming to a close given that one of the main causes of the current global recession is the supply-demand mismatch of oil-Peak Oil.

[T. BOONE PICKENS AND TED TURNER: New Priorities For Our Energy Future](#)

Renewable energy and clean-burning natural gas are the basis of a new strategy the world needs to create a cleaner and more secure future. And the global transformation to a clean-energy economy may be the greatest economic opportunity of the 21st century. According to the authoritative Potential Gas Committee (administered by the Colorado School of Mines), the U.S. sits on top of massive reservoirs of natural gas—an estimated 2,000 trillion cubic feet—that contain more energy than all the oil in Saudi Arabia.

[Nigeria: The End of Subsidy](#)

The Federal Government last Tuesday signalled stoppage of petroleum subsidy in Nigeria, saying modalities to deregulate the sector is at its peak.

The government hinges the reason to deregulate the industry on the increasing funds the Petroleum Support Fund scheme is gulping from the Federal Government coffers.

For instance, between January and May this year, petroleum subsidy stood at N150 billion, fuelling deep concerns that before year end the country's subsidy portfolio will be in the region of N1 trillion.

[Dragon Oil to Miss Output Target](#)

Dragon Oil said that it is likely to miss its production growth target in 2009 due to "operational issues" at several wells, it has been revealed.

[Israel's Oil Refineries swings to Q2 loss](#)

JERUSALEM (Reuters) - Israel's Oil Refineries on Monday swung to a year-on-year second-quarter loss, hurt by a near doubling of crude oil prices and lower end-product prices.

[Bill upgraded to hurricane; Claudette makes landfall](#)

(CNN) -- Bill became the first hurricane of the 2009 Atlantic season as it continued to gain strength but remained far from any shore Monday morning.

[Leary: The International Energy Agency Shills For OPEC, The Oil Speculators and the Peak Oil Pranksters](#)

When it comes to matters oil and energy the globby hand of oil influence seems to smear all in the industry even those whose mandate is to look after the interests of consumers and national economies alike. And that now pertains to the otherwise esteemed International Energy Agency(IEA)

The IEA is an energy forum of 28 industrialized nations committed to taking joint measures to meet oil supply emergencies, to co-ordinate their policies to insure energy security, as well as maintaining emergency oil stocks. They are further mandated to operate a "permanent information system on the international oil market". And here lies the rub. Information that is fully objective, or weighted in the interests of given interests?

[Visualizing The U.S. Electric Grid](#)

The U.S. electric grid is a complex network of independently owned and operated power plants and transmission lines. Aging infrastructure, combined with a rise in domestic electricity consumption, has forced experts to critically examine the status and health of the nation's electrical systems.

[Energy Efficiency: Fact or Fiction?](#)

NEW YORK (AP) -- You're a savvy consumer and you know how to cut corners when it comes to energy. You've given your dishwasher a rest and picked up a soapy sponge again. You even make sure never to fill your gas tank more than half way because you get more miles to the gallon.

Or wait, is it the other way around? Is it better to leave the computer on all day or shut it off when not in use? Does my refrigerator use less energy when it's empty or full?

[Microsoft has big impact in slimming Windows energy load](#)

Microsoft Corp.'s environmental impact isn't limited to its massive data centers or its commuting employees. With hundreds of millions of PCs draining batteries and tapping into power outlets around the world, even a small tweak in Microsoft Windows can influence global energy consumption.

One study estimated that changes in Windows Vista — primarily improvements in the operating system's "sleep" mode — could benefit the environment as much as taking 380,000 cars off the road.

[Ohio Parks: Camping, Hiking.. And Drilling?](#)

COLUMBUS, Ohio (AP) -- State parks aren't just for hiking, camping and other recreation anymore. Increasingly, these lands are being used for oil and gas drilling as budget-strapped states seek new sources of revenue.

As they allow more energy exploration in state parks, in some cases by reversing previous bans, lawmakers are being met with resistance from environmentalists and park officials.

[Geothermal power search holds promise, threat](#)

On a high ridge in the Mayacamas Mountains, a drill slowly bores into the earth to test a new way to generate electricity.

The test, by a Bay Area company called AltaRock Energy, could give the world another source of renewable energy, a valuable weapon in the fight against global warming. It could also trigger earthquakes in a corner of California that already shakes most every day, a prospect that is jangling the nerves of some nearby homeowners.

[Food to win out over fuel](#)

FOOD will win through over fuel in the end, according to a Taiwan academic, speaking at the Food in Health Security in the Asia-Pacific Region (FIHS) conference in Taipei last week.

Dr Yue-Wen Wang, Department of Agronomy, National Taiwan University, discussed the issue of biofuel production versus crops for food.

"We need to eat but we don't need to drive," Dr Wang said.

"The food security issue is the bottom line for agriculture and the biofuel production must be compromised for it."

[Air Force Cadets Designing Fuel Efficient Wings](#)

At the U.S. Air Force Academy in Colorado Springs, cadets are working on a new wing design for the KC-135 Stratotanker that could significantly increase fuel efficiency for the venerable aircraft. Illustrating how small changes can make a big difference, the secret is in subtle, almost invisible adjustments to the wingtips, using wing designs from other aircraft as a template. As for concentrating on the rather unglamorous Stratotanker, it makes perfect sense to put some extra energy into designing an aerial refueler that delivers more fuel and consumes less, especially with the development of new sustainable energy sources in view.

[Energy experts call for carbon capture scheme for gas fired power stations](#)

New gas plants should be subject to the same rules that force new coal plants to fit carbon capture and storage (CCS) technology, according to leading energy bosses.

Experts fear that the government's new policy on CCS for coal power will lead to a boom in the construction of gas plants which do not have to bury their carbon emissions.

[Early farmers 'began global warming process'](#)

Farmers who used "slash and burn" methods of clearing forests to grow crops thousands of years ago could have increased carbon dioxide levels enough to change the climate, researchers have claimed.

[Global Warming and the Only Question that Matters](#)

"...you've got to ask yourself one question: Do I feel lucky?"

You know the question. It's iconic. Asked of a scumbag by Dirty Harry, who was pointing a .44 magnum at him; the question referring to whether there was one bullet left in the chamber or whether Harry had fired all six shots.

Our current failure to seriously address climate change raises a similar question.

[Exxon Says Australia Carbon Tax Preferable to Trading](#)

(Bloomberg) -- Exxon Mobil Corp., the world's biggest publicly traded oil company, says a tax on carbon in Australia would be a better method to reduce greenhouse-gas emissions blamed for global warming.

"A carbon tax is more transparent to consumers, will achieve greater environmental benefits and is more difficult to manipulate than a cap-and-trade program," John Dashwood, chairman of Exxon's Australian unit, said in speech notes e- mailed ahead of an address today in Melbourne.

[Environmentalists hope UN talks tough on climate change](#)

(CNN) -- You're probably not thinking about what you would like for Christmas yet. But ask any environmentalist for their ideal gift and you'll get a version of this answer: a binding agreement at the UN Climate Change Conference in Copenhagen this December that is strong enough to match the science.



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