



Drumbeat: August 29, 2009

Posted by [Leanan](#) on August 29, 2009 - 10:30am

Topic: [Miscellaneous](#)

[Gas Reserves Hit New High, Forcing Prices Downhill](#)

Natural gas producers are running out of storage space, pushing the cost of their product lower than it has been since 2002.

The latest price drop comes as the government reported that salt caverns, aquifers and other underground areas where natural gas is stored are filling up.

[Venezuela Becomes U.S.'s Second-Biggest Fuel Supplier](#)

(Bloomberg) -- Venezuela became the second-biggest supplier of fuel to the U.S. last quarter, as exports of oil, gasoline and refined products slipped less than sales from other producers amid slowing demand in the world's largest economy.

Venezuelan exports to the U.S. fell 5.4 percent to 1.39 million barrels a day in the second quarter, from 1.47 million a year earlier, based on figures posted on the U.S. Department of Energy Web site. Venezuela jumped to second place from third, leapfrogging Saudi Arabia, which shipped 32 percent less fuel.

[Aramco boosts drilling in seismically tough Red Sea](#)

London: Saudi Aramco, the world's largest state-owned oil company, has boosted exploration in the Red Sea, seeking deepwater reserves away from its historical focus in the east of the nation, according to its area exploration manager.

"We are at the highest level of exploration operation ever, covering more territory than ever," Ali Al Hauwaj told Dimensions, the firm's in-house magazine.

"Some of the areas Saudi Aramco is now exploring are vastly different geologically from the traditional exploration areas in the kingdom."

[Analysis: Drilling Picks Up in The Far East](#)

With a burgeoning and industrializing population, China is a major factor in the price of oil. When Chinese imports pick up, the price of oil follows, and Chinese imports of crude oil have been on the rise lately.

The third-largest importer of oil according to the EIA, China has been on a mission to diversify its crude supply. While drilling offshore the Far Eastern country has proved successful, and China has made great strides to explore and develop worldwide.

[Three Triggers for Higher Crude Oil Prices](#)

Force #1 — The Crisis at Our Border. Mexico's oil production is on the slippery slope of doom. Pemex, Mexico's national oil company, said that it now expects to produce 2.6 million barrels a day this year, a big drop from earlier estimates of 2.8 million barrels a day made just months ago.

Pemex's total oil output fell 7.8 percent in July. Production from its supergiant oil field Cantarell dropped by 41 percent year-over-year! And Mexico's exports to the United States dropped 13.4 percent year over year to 1.07 million barrels a day. That's down one-third from July 2007's export levels.

I'll say that again — *in just two years, Mexico's oil exports to the United States have dropped by one-third.*

[Bangladeshi civic group protests gas leases to foreign firms](#)

Dhaka - A pro-left civic group Saturday protested the Bangladeshi government's decision to award rights to two foreign oil firms to explore and exploit three natural gas blocks with export options in the Bay of Bengal.

...The leftist groups have long opposed such gas export options by the companies under the Production Sharing Contract, which was drafted by the past military-backed government in 2008. The groups cite the country's own severe fuel crisis in opposing the exports.

[Time for Natural-Gas Autos?](#)

"CASH FOR CLUNKERS" DEMONSTRATED, AMERICANS love a deal. And Congress may have yet another for you when it returns from summer recess.

The plan is to offer tax credits worth up to \$12,500 on the purchase of new cars and trucks. The catch is that your new vehicle must run on natural gas -- compressed natural gas, or CNG, to be precise. A Senate bill, the counterpart to the House's NAT GAS Act, also would offer up to \$64,000 in tax credits on fleet vehicles, and up to

\$100,000 to anyone opening a CNG filling station.

[Jimena Strengthens to Hurricane South of Mexico, U.S. Says](#)

(Bloomberg) -- Tropical storm Jimena strengthened to a hurricane in the Pacific Ocean south of Mexico, the U.S. National Hurricane Center said today, while Danny weakened to a tropical depression overnight as it continued to move slowly to the north-northeast off the U.S. East Coast.

Jimena was about 285 miles (455 kilometers) southwest of Acapulco, Mexico, as of 11 a.m. New York time, and moving toward the west at about 9 mph, the center said in the advisory. The storm, with maximum sustained winds of about 80 mph, may become a "major" hurricane -- with winds of 111 mph -- by late tomorrow as it turns to the west-northwest, the center said.

[Oil giant 'is price gouging'](#)

OIL giant Caltex has announced a \$298 million profit for the first half of this year - a 52 per cent increase on the same period last year - amid claims the company is price gouging.

Caltex Australia CEO Julian Segal said the earnings boost was in part due to a jump in the firm's refinery profit margin from 7c a litre to 8c a litre over the period.

[Regulating Derivatives Is Accepted After Crisis, Gensler Says](#)

(Bloomberg) -- A consensus has emerged in Washington on the need to regulate the derivatives market, a reversal of the political climate in which restrictions were rejected in 2000, Commodity Futures Trading Commission Chairman Gary Gensler said.

[Mexico to issue tender for ethanol production](#)

Mexico's state-owned Petroleos Mexicanos (Pemex) will invite tenders next month for a contract to produce 176 million l./year of ethanol, according to a senior government official.

Energy Secretary Georgina Kessel said the bidding round, which will be concluded in December, aims to promote ethanol as a transportation fuel as part of a wider plan by the government to reduce pollution and diversify the country's energy mix.

[Captain Planet](#)

IN THE rough-hewn hall of the Little Yarra Steiner School in Yarra Junction, environmental architect Michael Reynolds is fielding questions from a crowd of would-be disciples. And he's hearing a familiar lament. "We want to build an Earthship, but we've spent 4½ years trying to get planning approval," says a man in his late 30s. "We originally wanted to follow your principles very closely but realised there were some things we just had to compromise. It was the only way we were ever going to get it approved."

"Exactly," Reynolds fires back, pacing around the stage with remarkable vigour for a man who has only just stepped off a 17-hour flight from the United States. "That's just crazy. We don't have time for that. What the planet needs right now is a billion Earthships. But right now, conventional junk housing is the easiest thing to get a permit for, while the right thing to do - green, sustainable, zero-carbon-emission housing - causes someone to have to fight for years to get permission. Therein lies the problem. It's not the technology - that's here, we can do it, anybody can do it. The problem is that we won't let ourselves do it."

[Don Shelby Meets With Famed Global Warming Author](#)

"Everybody knows pretty much what we need to do," said McKibben. "We've got to move off fossil fuel and onto renewable, clean energy. The question is not whether we're going to do it. In 100 years, we'll do it. The question is whether we are going to do it fast enough to deal with the onrush of climate change. And given what science tells us now. Given that science tells us we're already got too much carbon in the atmosphere. That 350 parts per million is the most we can safely have and we're already at 390. Given that, the question becomes can we do this fast enough."

[Reading Peak Oil Deniers Is a Waste of Time](#)

Three bombs were dropped on the peak oil community this week, in what smells like a coordinated attack timed to incite public uncertainty about the validity of the peak oil argument, and question the importance of mitigating climate change and transitioning to renewables.

The peakers are mobilizing a response, an onerous task made necessary only because their critics' bombs received prominent placement in major publications with large readerships, not because their critiques had any serious validity.

I will leave it to the capable hands of authentic petroleum geology experts to debunk the latest critiques. It is in order, however, to give the public a brief look at who these critics are, and their abysmal track records, which I have tracked and debunked since 1996.

[British firm opens oil field in India](#)

BARMER, India (AFP) – Britain's Cairn Energy on Saturday began pumping crude from a vast oilfield in the Indian desert state of Rajasthan that is set to increase the country's crude output by 20 percent.

[Two officials in Texas go after one of state's biggest benefactors: Exxon](#)

DALLAS (AP) — A pair of elected officials in Texas is going after Exxon Mobil, a name synonymous with the state, for allegedly stuffing abandoned oil wells with piles of junk, sludge and tools so other companies could not drill in the same places.

The Texas Supreme Court recently reversed a jury's finding that the world's largest publicly traded oil company intentionally wrecked the wells nearly 20 years ago.

The state land commissioner and comptroller, however, don't want Texas to drop the case.

"They sabotaged the wells," said Land Commissioner Jerry Patterson, who began a campaign against Exxon in July by asking state regulators to levy massive fines. "If they're allowed to get away with that, that puts the world on notice: They can do what they want. It's bad public policy."

[Iraq 2010 budget sees oil prices at \\$60 per barrel](#)

BAGHDAD (Reuters) - A committee reviewing Iraq's budget proposals for 2010 has recommended spending plans be based on average oil prices of \$60 per barrel and average crude exports of 2.15 million barrels per day, a government spokesman said on Saturday.

Iraq's approved federal budget for 2009 was based on income from oil prices averaging \$50 per barrel.

[Cos may be asked to sell surplus coal at discount](#)

NEW DELHI: Steel, power and cement companies will have to sell surplus coal from their captive blocks for 20% less than the government-determined price, according to a policy being framed by the coal ministry.

As the notified price of coal is already 40-50% lower than market rates, the proposal is certain to nix these companies' plans of making some tidy profits.

[Easy solar energy: Is the writing on the wall for fossil fuel?](#)

JEDDAH: Investment in green technology has gone far beyond earth closets and recycled brown paper bags, admirable first steps though they were. When a major global industrial player commits to it to the extent that the corporate giant Siemens AG has, that alone is a convincing argument that the world is looking for cleaner ways of producing energy other than burning fossil fuels. Moreover, it is a very strong indication that the alternative power generation market is also commercially viable.

[Coal is still king](#)

We can't continue to use the atmosphere as a dump for carbon dioxide emissions, say governments concerned about global warming. Rather than storing this colourless, odourless, tasteless gas way up there, they reason, let's store the carbon dioxide way down here, buried under ground or in the oceans.

And since burial solves the carbon dioxide problem, they then conclude, we can with a clear conscience crank up our use of coal.

[Firm Wants U.S. Inquiry in Lobby Case](#)

Lawyers for a Washington lobbying firm have asked federal prosecutors to investigate a former employee who the firm says sent fake letters to members of Congress urging them to oppose climate change legislation.

A spokesman for the firm, Bonner & Associates, said the request was dated Aug. 12, adding that the firm's owner, Jack Bonner, "is quite serious about prosecuting this individual and making sure he doesn't do this again."

[The man who doubted Al Gore](#)

We rely on authority for the vast majority of what we believe, but global warming theory does not rank as knowledge of the same order as whether Iceland exists or the moon is made of green cheese. My reason for believing in the existence of Iceland is that a conspiracy to conjure it out of geographical thin air is passing unlikely. But anthropogenic global warming is different. Far from being an established fact, it is a hypothesis whose allegedly disastrous consequences will occur sometime in the relatively distant future. It also comes attached to considerable psychic satisfactions and political advantages for its promoters.

[Climate change may pose risk to country's security: Study](#)

NEW DELHI: Climate change may pose a risk to the country's security as the impending rising sea-level and melting of glaciers threaten to redraw the world map, a study has

warned.

Conducted by Institute for Defence Studies and Analyses (IDSA) working group, the study, released by union environment minister Jairam Ramesh, delves into the possible adverse impact of climate change on the strategy and tactics of the armed forces.

[Utah Gov. Herbert says he will host first 'legitimate' debate on human-caused global warming](#)

SALT LAKE CITY — Utah Gov. Gary Herbert says he will host the first "legitimate" debate about whether humans contribute to global warming later this year, highlighting skepticism on the topic that is quickly coming to define his new administration.

[The Cow Turns Green](#)

Vilified as an environmental disaster, the meat industry, abetted by science, is now trying to change its ways.

[A Sometimes Lonely Trek for Global Warming Awareness](#)

As she has plodded along, Ms. Browne said, she has come to understand her journey as a one-woman survey of the American mindset on global warming, though one, she readily concedes, that is deeply unscientific. Normally a glass-half-full type, she says the trip has made her "more pessimistic."

"Mostly people think it is a problem," she said, "but mostly they think it will not impact them anytime soon."



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