



## Drumbeat: October 3, 2009

Posted by [Leanan](#) on October 3, 2009 - 9:30am

Topic: [Miscellaneous](#)

### [Peak Oil, Revisited](#)

In May 2006, I reported in reason that global oil reserves were ample to supply humanity's needs for liquid fuels until at least 2030, despite headline-grabbing predictions that our supply had already peaked. Afterwards, the world experienced an unprecedented run-up in oil prices topping out at \$147 per barrel in July 2008, which led some negative prognosticators to get a little cocky. One of the leading doomsters, Houston investment banker Matthew Simmons, told CNBC in July 2008, "The idea that it's a bubble is all poppycock." He confidently added that the price of oil "is not going to collapse." Simmons advised Americans to move into villages and to buy locally produced foods and goods.

Following the July 2008 peak, the price of oil dropped to \$33 per barrel; it has since leveled out at \$60. Meanwhile, official estimates of proven oil reserves have increased slightly from 1.292 trillion barrels in 2006 to 1.342 trillion barrels in 2009.

As recently as 2004 Cantarell, the country's main offshore field, produced 2.1m barrels per day (b/d) of crude. Now its output is just 600,000 b/d. There are no obvious replacements: 23 of the 32 biggest fields are in decline. Barring big new finds, the world's seventh-largest oil producer is forecast to become a net importer by 2017.

### [New refineries put pressure on products](#)

Dubai: Output from Qatar's new Ras Laffan refinery was expected to put pressure on diesel in coming months in the region.

### [Saudi heavy crude prices stay firm](#)

Singapore: Saudi Arabia is expected to raise or hold steady the differentials for November official selling prices (OSPs) of heavy crudes due to firm fuel oil cracks but may cut levels for lighter grades on slow distillate demand.

### [Nigeria rebel leaders surrender arms in amnesty deal](#)

PORT HARCOURT, Nigeria (Reuters) - Hundreds of fighters loyal to two Nigerian rebel leaders surrendered their weapons and accepted an amnesty deal on Saturday after years of fighting in the oil-producing Niger Delta.

### [Greenpeace Activists Occupy Shell Site in Canada](#)

(Bloomberg) -- Greenpeace activists occupied three stacks at Royal Dutch Shell Plc's Scotford site in Canada to protest against the extraction of oil sands.

Nineteen activists from Canada, France, Brazil and Australia scaled an upgrader that Shell is building on the site to convert oil sands into fuel, Greenpeace said in a statement. Two protesters have been detained, Greenpeace said.

### [Bill McKibben: 'The most important number in the world' -- 3 of 3](#)

A young man asks how to approach issues of climate change with his conservative religious community. In response, McKibben shares his experience of people in faith communities who've come to see the "unambiguous de-creation" of God's world as a clear social justice question for the poor around the world, and how answering the call to defend creation is answering Jesus' call to love our neighbor.

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### [The Chinese Oil Grab](#)

The Chinese government is in a massive resource grab in Africa, which has huge

ramifications for natural resource prices, not the least of which will be the cost of imported oil to the U.S., and ultimately the stock market and economy.

### [UK: Consumers let down badly by energy regulator](#)

Millions of people are paying too much for their electricity and gas because Ofgem, the energy regulator, has failed to enforce a fair deal for the consumers it was set up to protect.

### [Citgo Workers May Be Endangered by Refinery Restart, Union Says](#)

(Bloomberg) -- Citgo Petroleum Corp.'s plans to restart a unit at the Corpus Christi, Texas, refinery on Oct. 10 may endanger workers and neighbors of the plant, the United Steelworkers union said in a letter to federal regulators.

The company is accelerating the pace of the restart of an alkylation unit, damaged in a fire, and disregarding regulations, the union said in a letter, dated Sept. 25, to Michael J. Rivera, the U.S. Occupational Safety and Health Administration area director in Corpus Christi.

### [Oregon to get 2,000 electric car charging stations](#)

Electric Transportation Engineering Corp. this week finalized a deal with the U.S. Department of Energy to begin developing and installing a charging network for electric vehicles across five states, including Oregon.

### [Green, but in the pink financially](#)

Don't be fooled, International Power is raking it in. That won't stop the top 100 UK-listed multinational company putting its hand out for potentially billions in compensation from the Australian government for introducing an emissions trading scheme.

The company is using scare tactics to push its compo claim – threatening an investment strike, or a run-down of its brown coal-fired power stations such as Hazelwood and Loy Yang B, which might jeopardise Victoria's electricity supply. These are frightening, but empty threats.

### [The end is near](#)

The great global warming scare is over -- it is well past its peak, very much a spent force, sputtering in fits and starts to a whimpering end. You may not know this yet. Or

rather, you may know it but don't want to acknowledge it until every one else does, and that won't happen until the press, much of which also knows it, formally acknowledges it.

### [Walrus Suffer Substantial Losses as Sea Ice Erodes](#)

Half a century after Pacific walrus began recovering from industrial-scale hunting, marine biologists are growing worried that they face a mounting threat from global warming.

### [Ethanol May Not Need Its U.S. Tax Credit, GAO Finds](#)

(Bloomberg) -- Congress should consider revising or ending the 45 cent-a-gallon tax credit for blending corn ethanol with gasoline, the Government Accountability Office said.

The credit "may no longer be needed to stimulate conventional corn ethanol production because the domestic industry has matured," GAO said in an Aug. 25 report posted on the investigative agency's Web site today. Ethanol production "is well understood, and its capacity is already near" a 15 billion gallon-a-year congressional requirement for conventional ethanol, the report found.

### [Ethanol-fuel program slammed in note](#)

Ottawa's push to use high-level ethanol fuel in cars is doing little or nothing to cut Canada's greenhouse gas emissions nor will it, says a government briefing note prepared for Natural Resources Minister Lisa Raitt and obtained by Canwest News Service.

### [Jobs data send oil prices tumbling](#)

NEW YORK - Oil prices tumbled Friday as unemployment hit a 26-year high, sowing more doubts about the strength of the economic recovery and crude demand.

Benchmark crude for November delivery fell 87 cents a barrel to settle at \$69.95 on the New York Mercantile Exchange. Prices fell as low as \$68.32 earlier in the day.

Heating oil and gasoline prices also fell.

### [Venezuela Assumes \\$40 Oil, 0.5% Growth for Budget](#)

(Bloomberg) -- Venezuela is basing its 2010 budget on assumptions that oil prices will fall and the economy will grow, President Hugo Chavez said.

The government will propose a budget Oct. 15 based on an average oil price of \$40 a barrel, economic growth of 0.5 percent and inflation of 20 percent to 22 percent, Chavez said late yesterday on state television.

### [U.S. natural gas rig count climbs 2 to 712 for week](#)

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States increased 2 this week to 712, according to a report on Friday by oil services firm Baker Hughes in Houston.

The U.S. natural gas drilling rig count has gained in 10 of the last 11 weeks but is still down sharply since peaking above 1,600 in September last year, standing at 832 rigs, or 54 percent, below the same week last year.

### [Natural Gas Fund Issues First New Shares Since July](#)

(Bloomberg) -- U.S. Natural Gas Fund, the largest exchange-traded fund in the fuel, issued 7 million new shares today, the first new units for the ETF since July because of regulatory efforts to limit market speculation.

### [Encana to launch new oil sands project](#)

A year after dreary news blanked the oil sands thanks to a rapid-fire procession of project delays, EnCana Corp. yesterday said it plans to kick off the process to launch a new multi-billion project with a technological twist.

The recipe for the new project, called Narrows Lake, will be mostly steam-assisted gravity drainage with a dash of industrial solvent. Cenovus Energy Inc., which will be created as EnCana spins off its oil sands and refining business at the end of November, will use solvents like butane to help pump bitumen to the surface.

### [Oil sands firms disputing royalties: Alberta auditor](#)

Alberta's auditor general says oil sands giants Syncrude Canada Ltd. and Suncor Energy Inc. are challenging their royalty deals with the province and he suggests billions of dollars are at stake.

The two oldest players in the oil sands have special royalty agreements based on the value of the tar-like bitumen they process. All other oil sands producers fall under a new tax structure that took effect in January, but Syncrude and Suncor were allowed to renegotiate their long-time deals.

### [Gazprom starts U.S. trading operations in Houston](#)

Gazprom Marketing & Trading USA, the U.S. arm of the world's largest natural gas producer — which is majority owned by the Russian government — is ramping up operations in Houston in a big way.

The company has signed deals for more than 350 million cubic feet per day of physical supply at several locations around the U.S. and is set to import Russian liquefied natural gas into the country.

### [Living on Chinese stocks](#)

Another area that Whitman likes is energy. "The long-term outlook is still good," he says. "I'm one of those peak oil people -- I believe the world is running out of fossil fuels."

### [NY court rules in favor of Canada's biggest independent oil company in genocide lawsuit](#)

NEW YORK (AP) — A federal appeals court in New York has ruled that a lawsuit alleging that a Canadian energy company aided genocide in its pursuit of oil in Sudan was properly thrown out.

The 2nd U.S. Circuit Court of Appeals in Manhattan agreed Friday with a 2006 judge's ruling that found there was no credible evidence to support the claims against Calgary-based Talisman Energy Inc.

### [Scant Siberian Snow Points to Warmer New York Winter](#)

(Bloomberg) -- Scant early snowfall in Siberia indicates Arctic wind patterns may reduce cold air flows into the Northeast U.S. this winter, contradicting forecasts that a weak El Nino will cause the coldest season in a decade, a climate scientist said.

### [Consuming Issues: How to save £600 on gas and electricity](#)

Energy saving is boring, but one of its virtues is that once you've made the changes, you don't have to do them again.

First, free things you can do immediately. One very effective way of cutting bills is to heed the hoary advice of putting on an extra jumper and wearing pyjamas in bed. Why not keep the central heating off until November? That's worth £60.

### [State panel doesn't get the picture](#)

A commission's proposal to regulate TV energy consumption ignores the power of consumer demand and market competition.

### [Let There Be \(Incandescent\) Light](#)

It's true that compact fluorescent lights are widely appreciated among those with heightened "green" sensibilities. They are a welcome option for those who are trying to reduce their environmental impact. Replacing bulbs may be a small measure, but it is also something that can be done by people who may feel powerless or frustrated before the larger problems besetting our planet.

But many people also have a decided dislike of CFLs and will greatly resent the ban. While they may last longer than incandescent bulbs, the upfront cost is high; the light produced is not as bright as that of incandescent bulbs; they are slow to achieve full brightness; the bulbs don't fit in many old lamps; they can't be dimmed; and their lifespan is greatly shortened by using them for less than 15 minutes at a time. The manufacturers of compact fluorescent lights have made improvements on some of these issues, but their reputation is not yet vindicated.

### [Exxon says it didn't poison NYC's water with additive](#)

Exxon Mobil Corp. didn't poison New York City's water wells with a gasoline additive meant to improve air quality, a lawyer for the company told jurors.

New York City accuses Exxon Mobil, the biggest U.S. oil company, of poisoning five wells in and near the Jamaica area of the borough of Queens with methyl tertiary butyl ether, or MTBE.

### [High Speed Rail: A No-Brainer](#)

Starting with a line from Madrid to Seville in 1989, Spain pursued an aggressive and determined commitment to high speed rail that, by 2012, will produce the longest system in Europe. This year alone, most of the country's €19 billion development budget will be invested in high speed rail. By 2020, López says, more than 90% of the country's total population will be within 31 miles of a high speed train station.

Here he put his country's achievement in perspective:

*Shielded behind overly simple, short sighted cost-benefit analysis, critics complained with those arguments against high speed projects over years, until the success of each one of the new corridors proved them wrong and showed that in troubled economic*

*times, the best investments for a society are the ones which improve equality.*

History has proved rail's critics wrong in Spain, as economic development and rider enthusiasm followed it everywhere it went.

### [China prudent over tapping combustible ice: project leader](#)

China will put environmental concerns as top priority in tackling ways to exploit combustible ice, a kind of natural gas hydrate, in the permanent tundra in its northwest plateau region, said a combustible ice project leader.

"We do not need to drill very deep to get the flammable frozen compound from tundra here in Muli Prefecture in Qinghai province. However, as the sample is taken out, methane gas is easily released into the atmosphere," said Wen Huaijun, chief engineer of the combustible ice project in Qinghai.

### [Review ... 'Soil Not Oil.' by Vandana Shiva](#)

The basic message in "Soil not Oil" is that globalization and big corporations are ruining agriculture and creating poverty by imposing immense farms on the world that rely on pesticides, machines that guzzle oil and monoculture crops. Shiva argues that we should revert to small, organic farms that grow diverse crops and use human and animal power. The benefits are many: jobs, healthy and plentiful food, preserving the soil rather than depleting it and kicking our addiction to fossil fuels. Best of all, this helps the poor of the world.

But it goes further. Shiva sees soil as a metaphor for a decentralized and deep democracy. Soil teaches us how to be earth citizens and embodies "a culture of non-violence. ... of permanence. ... of dignity in work." In contrast, the age of oil has brought "a rule of capital, of centralized control and coercive government, of pollution and non-sustainability, of injustice and inequality, of violence and war."

### [CO2 limits coming, Duke exec warns](#)

Limits on carbon emissions are coming either through legislation or EPA regulation no matter your beliefs on whether global warming is a serious threat, the executive overseeing Duke Energy Corp.'s programs dealing with climate change, renewable energy and environmental technology said this morning .

### [Emission Traders Oppose U.S. Limits on Carbon Credit Imports](#)

(Bloomberg) -- Limiting the number of cheap carbon credits that can be imported from



poor countries in a proposed U.S. “cap-and-trade” system will drive up costs for consumers, an emissions trading group said.

Senate Democrats unveiled a proposal Sept. 30 that reduces by half the initial limits on offsets from tropical rain forests and clean energy projects in developing countries compared with a plan passed the U.S. House in June.

### [Returning Coal's CO2 to the Earth](#)

Technicians at a West Virginia coal-fired power facility began injecting carbon dioxide captured from the plant into rock deep underground on Thursday evening, in an experiment to determine the costs and technical feasibility of carbon capture and storage.

### [Climate Bill Not Likely Law by December, Browner Says](#)

(Bloomberg) -- U.S. lawmakers aren't likely to enact climate-change legislation by the time countries meet in December to debate a new treaty aimed at controlling global warming, the White House's top energy adviser said.

“Obviously, we'd like to be through the process, but that's not going to happen,” Carol Browner said today at an event in Washington hosted by the Atlantic magazine.



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