



Drumbeat: November 5, 2009

Posted by [Leanan](#) on November 5, 2009 - 8:30am

Topic: [Miscellaneous](#)

[The Crude Truth About Oil Reserves](#): *The coming century will overflow with petroleum.*

It offends conventional wisdom. It will also seem nasty to the doom-sayers, who for decades have predicted an oil scarcity that never came. But the 21st century is very likely to overflow with oil. There are at least three main reasons for this.

First, oil reserves are finite. This is incontrovertible. But even so, no one knows how finite they are. And since we don't know the total amount of oil resources existing underground, it's impossible to calculate the curve of future supply.

r immense investment in cars, trucks and highways -- motoring culture now overshadowing all other aspects of our national identity.

[Montana Farmers Fear a Buffett 'Dictatorship'](#)

Few states have more at stake in Warren Buffett's acquisition of Burlington Northern Santa Fe than Montana. The company owns 90% of the state's tracks, which are the primary means for Montana farmers and coal miners to ship their goods across the country.

[Saudi Planes Attack Insurgents in Yemen, Rebels Say](#)

(Bloomberg) -- Saudi Arabia's air force attacked Shiite Muslim rebels in Yemen, the insurgents said, a move that threatened to draw the world's largest oil exporter into its neighbor's escalating conflict.

[John Michael Greer: Harnessing Hippogriffs](#)

Mish is among the most thoughtful and articulate proponents of the Austrian school in today's blogosphere, and he has an excellent eye for the economic news that matters -- which is by and large exactly the economic news that the rest of the media avoids covering. Very nearly the only thing on his blog that makes me roll my eyes is his repeated insistence that the market is always right and government regulation is always

wrong; no matter how berserk the market gets, its vagaries are for the best, and any problems should be corrected by privatizing even more government functions. Now of course Mish is hardly an official spokesperson for the Austrian school, as if there were such a thing, but he's not exactly alone in his insistence, either.

Enough people in the peak oil scene share similar views that it's probably necessary to say something about the free market and its potential for solving or creating problems during the twilight years of industrialism ahead of us. Any such comments need to be prefaced, though, by a reminder that a spectrum consists of something other than its two endpoints. Just as a great many people on the left have picked up the dubious habit of using labels such as "fascism" for any political system to the right of Hillary Clinton, a great many people on the right seem to have convinced themselves that any form of economic regulation at all is tantamount to some sort of neo-Marxist hobgoblin – a "socialist-communist-ecologist" system, to use a phrase that actually appeared in one of the comments fielded by last week's post.

[Economic growth has let us down. What's the alternative?](#)

Tim Jackson's new book, 'Prosperity Without Growth', is an explosive indictment of the failure of economic growth to provide sustainable wellbeing for the world's population. But there could be another way forward...

Economic growth is supposed to deliver prosperity. Higher incomes should mean better choices, richer lives, an improved quality of life for us all. That at least is the conventional wisdom. But things haven't always turned out that way.

[Continuously less and less](#)

The fundamental enabler of our industrialized American way of life is continuous access to enormous quantities of inexpensive nonrenewable natural resources (NNRs)—energy resources, metals, and minerals. Unfortunately, future NNR supplies will be insufficient to perpetuate our American way of life, for both geological reasons and geopolitical reasons.

[The Dark Side of Transition Towns? Worldchanging Slams Transition Movement](#)

We TreeHuggers have long been inspired by the Transition Movement's positive response to peak oil. From planting nut trees for food security to launching local currencies, Transition Initiatives are promoting real, boots-on-the-ground action. But they have not been without their critics, arguing that Transition feels like a rebranding of the back-to-the-land movement, or hinting that it is deeply skewed to the left-leaning, hippy end of the cultural spectrum. Now Alex Steffen of Worldchanging has weighed into the debate, claiming that Transitioners exhibit a "*casual eagerness for the death of others.*"

[BG Group Plans to Invest \\$20 Billion in Brazil Over 10 Years](#)

(Bloomberg) -- BG Group Plc, the U.K.'s third- largest natural-gas producer, plans to invest \$20 billion in Brazil over the next 10 years, Chairman Robert Wilson said today at the Financial Times Investing in Brazil Summit in London.

[Sweden gives green light to gas pipelines in Baltic Sea](#)

STOCKHOLM (Xinhua) -- The Swedish government on Thursday gave the green light to the construction of two pipelines to transport natural gas from Russia to Germany through its economic zone in the Baltic Sea.

"This is an important decision according to the international right with consideration of the environmental concerns," Environment Minister Andreas Carlgren said at a press conference.

[Japan's 1st pluthermal power generation begins 10 years behind schedule](#)

FUKUOKA — Japan began operating a nuclear power reactor Thursday using plutonium-uranium mixed oxide (MOX) as fuel for the first time in the country, about 10 years behind the initial plan for the so-called pluthermal electricity generation. Nuclear fission began at the 1.18 million-kilowatt No. 3 reactor at Kyushu Electric Power Co's Genkai nuclear power plant in Saga Prefecture, southwestern Japan, after a control rod was removed from the reactor at 11 a.m., company officials said.

[Toyota reports surprise profit](#)

TOKYO (Reuters) -- Toyota Motor Corp. reported a surprise quarterly profit and slashed its annual loss forecast by more than half as sales and cost cutting beat its forecasts, putting it on track to follow Japanese rivals into the black next year.

[Why Biofuels are Good for the Us, the Environment and the Economy](#)

Food vs fuel proponents argue biofuels replace food crops, therefore causing food shortages

For the following reasons this is a short sighted argument.

1. Most crops used for biofuels production in the US aren't for human consumption, their alternative use is as animal feed
2. A co-product of the ethanol production process is a feed ingredient that replaces much

of the nutrient value derived from the corn

3. Biofuels reduce the demand (and price) of oil which encourages further world trade

[Native Recipe for Health](#): *The Tohono O’odham Nation tackles diabetes with a return to desert foods.*

Historically, the Tohono O’odham were slender and athletic. People ran between villages to share news or simply visit. For recreation, races between villages were organized. And in order to survive in the arid terrain (Tohono O’odham means “Desert People”), they spent much of their time gathering food—from the fruit pods of the saguaro cactus to the mesquite beans that would be ground into flour.

“We’re living in a very different time period,” said Danny Lopez, a tribal elder who was born in 1936 and taught the O’odham language and history at the local community college. Lopez, who passed away in 2008, served as a link to traditional O’odham ways, teaching the youth songs and storytelling, and stressing the importance of speaking the language. “Can you believe when I was growing up,” he said, “we didn’t even have a word for diabetes?”

[Community Gardens may be a sign of the times but they are in Chicago to stay](#)

The city of Chicago has over 10,000 acres of vacant land within its borders and much of it has been vacant for several decades. This acreage exists in all parts of the city, many of them places where homes once stood. For many people they have come to represent urban decay; symbols of their neighborhood’s fall from grace. For a time, the city government had a policy of tearing down all abandon homes, in order to prevent their use as crack houses.

While this vacant space may be the holes knocked in to our neighborhoods by the recession, they also represent a unique opportunity to bring us closer as neighbors. There are stories coming out of Detroit about community gardens that are springing up in abandoned lots throughout the city. A city that has known recession much longer than the rest of the country Detroit had a period in the 80’s and 90’s in which abandon hundreds of houses were burned on “Devils Night” as combination of entertainment and protest.

[The Crude Truth About Oil Reserves](#): *The coming century will overflow with petroleum.*

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[Proved Reserves Of Crude Oil Fall In 2008, Reflecting Low End-Of-Year Prices](#)

The Energy Information Administration's (EIA) *U.S. Crude Oil, Natural Gas, and Natural Gas Liquids Proved Reserves, 2008* reports that proved reserves of crude oil fell by more than 10 percent in 2008, primarily because of low end-of-year prices used to estimate proved reserves, even though discoveries of crude oil rose for the third year in a row. In contrast, proved reserves of natural gas rose by 3 percent in 2008, despite low end-of-year prices.

Proved reserves are those volumes that geological and engineering data demonstrate with reasonable certainty to be recoverable from known reservoirs under existing economic and operating conditions. Under Securities and Exchange Commission (SEC) rules in effect since 1982, operators assessed their 2008 proved reserves based on the market price on the last day of the year.

[IEA to forecast natural gas glut: report](#)

LONDON (Reuters) - The International Energy Agency (IEA) is set to forecast global supplies of natural gas will rise faster than demand in coming years, the Financial Times newspaper reported on Thursday.

"Global gas markets have evolved from a seller's market, driven by tight supply and demand, to a buyer's market as demand weakens while new supply comes onstream," the IEA says in a draft report of its World Energy Outlook, to be published November 10, according to the FT.

[Energy famine is turning into a glut](#)

My colleague, Roland Gribben, tells me that back in the 1960s, the then chief economist at BP forecast that the world's oil wells would be largely dry by the mid-1990s. Even with burgeoning demand from the emerging markets of Asia and Latin America, I've always been suspicious of the "peak oil" brigade, which argues that sometime soon, demand is going to outstrip world capacity to produce. For further evidence of this fallacy, take a look at the International Energy Agency's forthcoming "World Energy Outlook", a copy of which has been leaked to the Financial Times.

[Oil: \\$20 a Barrel? Or \\$200?](#)

Whew--now that we have more fossil fuel than Saudi Arabia, I guess we have nothing

more to worry about. Uh, count me skeptical. The technological breakthrough is calling "fracking" for hydraulic fracturing, a technique which has been around for decades.

[Sounding an Alarm on Oil](#)

Mr. Ruppert: Two things are critically important: A real worldwide transparent effort to determine how much oil is really left. Screw state secrets. I don't care what the Saudis, Russians, BP or Chavez want to hide. We have to clean up those books just exactly as the same way that we need to clean up the books on Wall Street. Secondly, we need to establish a second strategic petroleum reserve of refined product for state, county and municipal use because I really foresee a serious oil shock coming as soon as this ersatz recovery starts to push up the global GDP and demand for electricity. We have to make sure we have basic services.

[Oil crunch: Crisis or a rosy future?](#)

A string of impressive discoveries from America to West Africa have prompted optimism that a widely-touted supply crunch may not be as imminent as industry watchers have suggested.

Some executives say that the drop in demand and the overhang in capacity will delay an oil crunch for some time to come.

[The Peak Oil Crisis: A Plan For Renewables](#)

There has always been a warm spot in the hearts of those of us following the peak oil story for Scientific America- the magazine that in 1998 published the seminal article by Colin Campbell and Jean Laherrère that launched the modern era of concern about peak oil.

In October, however, Scientific America slipped a bit when they published an essay by Leonard Maugeri, an executive vice president of the Italian oil company ENI and long-time publicist for the notion that there will be plenty of oil if only we rework existing oilfields with secondary and tertiary recovery methods. This reworking, of course is already being done, and has been for years wherever it is economically feasible. To claim that the world can be saved if only we tried harder to get more oil out of old fields has long been discarded as a panacea.

Anyway, this month Scientific America is back on track with a cover story entitled "A Plan for a Sustainable Future - How to get all energy from wind, water and solar power by 2030." Now this is more like it.

[Peak oil? Don't worry - Obama's on the job](#)

What if, as a result of efforts to fight climate change and boost energy efficiency, global oil demand peaked in the foreseeable future? You could argue that such an achievement would be one of the most historic accomplishments of human civilization to date, proof, indeed, that we are civilized. It's a task that will require lots of hard work all over the globe, but based just on the actions taken by President Obama in his first year of office, in the United States, we have made real progress toward that goal.

[Abiotic Synthesis Of Methane: New Evidence Supports 19th-Century Idea On Formation Of Oil And Gas](#)

ScienceDaily — Scientists in Washington, D.C. are reporting laboratory evidence supporting the possibility that some of Earth's oil and natural gas may have formed in a way much different than the traditional process described in science textbooks.

[U.S. oil market anti-manipulation rule takes effect](#)

WASHINGTON (Reuters) - A U.S. Federal Trade Commission rule takes effect on Wednesday that will hit energy traders and companies with fines of up to \$1 million a day if they manipulate the oil markets.

The FTC unveiled the rule back in August to go after fraud in oil markets that it said could cause widespread damage to the U.S. economy. The old fine was just \$11,000.

[Gold at \\$1,350. Oil at \\$100 in Six Months, Kang Says](#)

(Bloomberg) -- Gold will climb to \$1,350 an ounce and oil will top \$100 a barrel in the next six months, driven by a "herd mentality" fueling an investment boom, said Richard C. Kang, chief investment officer with Emerging Global Advisors LLC.

"Many investors, especially in the developed world, are underexposed to commodities from gold, metals to energy to agriculture," New York-based Kang said in an e-mail Nov. 3. "They are likely to move this up to somewhere between five to 10 percent of total portfolio holdings." Kang helps manage \$40 million invested in metals, energy and mining funds.

[Lukoil to Add Oil Storage Capacity in Persian Gulf, Singapore](#)

(Bloomberg) -- OAO Lukoil, Russia's second-biggest oil producer, plans to add storage capacity for oil products in the Persian Gulf and Asia to boost profit from those markets on bets that demand for fuels will rebound.

Lukoil International Trading & Supply Co. will increase its storage facilities for gasoline

and distillates in the Persian Gulf and expand storage in Singapore beyond the floating supertanker it uses to hold fuel oil, Gati al-Jebouri, chief executive officer of the Lukoil trading unit, said in an interview in Singapore yesterday.

[CNR profits plummet 77%](#)

Third-quarter profit at Canadian Natural Resources fell 77% as oil and gas prices plunged, Canada's second biggest independent oil explorer said today.

[Exxon follows China lead in clinching Iraq oil deal](#)

BAGHDAD (AFP) – US major Exxon Mobil has won a contract to develop West Qurna 1 field, the oil ministry said on Thursday, as the foreign role in Iraq's oil industry widens with China leading the way.

"Today we will sign with the consortium of Exxon Mobil and Shell a preliminary accord for the development of West Qurna 1" in southern Iraq, spokesman Assem Jihad told AFP.

[The Chinese navy is going blue water](#)

Today, more than 1,000 Chinese commercial ships and oil tankers are sailing through troubled waters every day, and China's commercial sea-borne trade volumes have escalated dramatically. China's commercial maritime interests exceeded \$800 billion by the end of 2008, and more than 60 percent of its oil imports transported by sea.

As Chinese cargo ships and oil tankers are becoming all the time more vulnerable on the high seas, Beijing sees it as vital to safeguard China's sea-lanes. Last week, the Chinese government vowed to make "all-out efforts" to rescue De Xin Hai, the Chinese ship hijacked by Somali pirates in the Indian Ocean northeast of the Seychelles.

[Flying Over Oil Fields, Watching Iraqi Money Burn](#)

He notices something else from the Black Hawk: gas flares down on the desert floor is Iraqi money going up in flames.

"The estimate from Shell Oil ... about \$6 million a day that is being flared off," said the general.

"If you convert that into 40 gallons LP cylinder tanks, which a lot of people use here for cooking, that's about 330,000 of those 40-pound cylinders per day that are being flared off here and not being captured here for a number of different things, for generating

electricity or for LP gas," he said.

[Iran's Military Power Subject to New U.S. Study Used for China](#)

(Bloomberg) -- Iran's military will be subject for the first time to the kind of U.S. assessment reserved for China's expanding forces as lawmakers seek a more accurate analysis of the Persian Gulf oil power's strengths and strategy.

Congress ordered an annual report on Iranian military goals and capabilities, including the country's missile and nuclear programs, in a provision tucked into a 1,200-page measure authorizing defense spending. President Barack Obama signed the bill into law last week.

[How to boost fuel efficiency? Raise taxes, executives say](#)

DETROIT (Reuters) - There's a simple way to get Americans to drive fuel-efficient cars, according to auto executives, but they are not going to like it -- sharply hike the gas tax.

While politically unpalatable, gasoline that costs at least \$4 a gallon would have a far greater effect on American fuel usage than Washington's \$25 billion loan program meant to spark investment in new technologies, executives told the Reuters Auto Summit in Detroit.

[EDF Urged by French Government to Boost Nuclear Availability](#)

(Bloomberg) -- Electricite de France SA, Europe's biggest power generator, came under pressure from the French government today to increase the number of nuclear reactors online amid growing concerns over the reliance on imports.

EDF must "raise the rate of availability," of its reactors, French Environment and Energy Minister Jean-Louis Borloo said during an interview on RMC radio. That rate is currently "low," he said.

[Nuclear waste: Coming to a town near you?](#)

The nuclear industry could be on the verge of a major expansion just as the government cancels a plan to store the waste. Where's it going to go?

[Kansai Electric May Extend Lifespan of Atomic Reactor](#)

(Bloomberg) -- Kansai Electric Power Co., Japan's second-largest utility, is seeking to extend the lifespan of a 39 year-old nuclear reactor instead of replacing the unit.

The Osaka-based company filed a request today to Japan's Nuclear and Industrial Safety Agency for an extension beyond next November for the 340-megawatt No. 1 Mihama reactor, it said in a statement released in Tokyo. The unit, built in November 1970, is the second-oldest of Japan's 54 atomic plants.

[Our Planet, Our Selves](#)

As we move closer to the tipping point of climate change, where we'll lose control of our ability to influence atmospheric conditions on Earth, it's probably time to reevaluate how everyday habits got us here. As a polemic, it might be instructive to see those habits as different kinds of addiction.

[Former editor of the Watertown Sun releases book](#)

Dubbed "an agrarian primer for the 21st century," the sourcebook documents a range of positive pathways to food security, economic stability, environmental health and cultural renewal. To McFadden and others, the call of the land now is an SOS. The responses, from individuals, communities, cities, and institutions, are both imaginative and practical.

[Al Gore follow-up to 'An Inconvenient Truth' published](#)

NEW YORK (AFP) – Al Gore has released a follow-up to 2006 best-seller "An Inconvenient Truth," the former US vice president's rallying cry against global warming, a statement said Wednesday.

Gore, who was awarded the Nobel Peace Prize in 2007 following the book and movie versions of "An Inconvenient Truth," aims to offer clear strategies to tackle climate change in "Our Choice: A Plan to Solve the Climate Crisis."

[Landscapes now get 'green' ratings](#)

"Green" seals of approval are slapped on dishwashers, heat pumps, light bulbs and entire buildings. So why not the outdoors?

As of Thursday, even open-air spaces — from parks and parking lots to corporate and college campuses — will have their own environmental rating system.

[Amazon deforestation slows: Brazil](#)

BRASILIA (AFP) – Brazil lost 400 square kilometers (154 square miles) of Amazon jungle in September, but deforestation slowed by a third compared with the same month last year, according to official data released Wednesday.

[Deforestation as Carbon Culprit Drops Relative to Fossil Fuel](#)

(Bloomberg) -- Deforestation's relative contribution to global carbon emissions has declined as pollution from fossil fuels increased, according to a researcher at the faculty of earth and life sciences at VU University in Amsterdam.

[Warm winds slow autumn ice growth](#)

Sea ice extent grew throughout October, as the temperature dropped and darkness returned to the Arctic. However, a period of relatively slow ice growth early in the month kept the average ice extent low—October 2009 had the second-lowest ice extent for the month over the 1979 to 2009 period.

[Fix climate change or else, say military top brass](#)

IF THE world fails to act soon on climate change, "preserving security and stability even at current levels will become increasingly difficult". That's the blunt message of a statement released [in Washington DC \(PDF\)](#) last week by 10 high-ranking military officials from Africa, Asia, Europe, Latin America and the US.



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