



## Drumbeat: November 7, 2009

Posted by [Leanan](#) on November 7, 2009 - 9:12am

Topic: [Miscellaneous](#)

### [Shrinking to grow: Is Conoco plan a model for industry?](#)

Although one company doesn't represent a whole industry, a shrink-to-grow strategy adopted by ConocoPhillips illustrates pressures on the biggest operators in a world of shrinking opportunity.

ConocoPhillips has disclosed plans to cut capital spending next year to \$11 billion from \$12.5 billion this year and \$14-15 billion in earlier years and to sell properties in 2010-11 worth \$10 billion.

"We will be somewhat smaller," said Chairman and Chief Executive Officer Jim Mulva in an Oct. 28 conference call.

Mulva noted recessionary effects on credit markets and said diminishing access to large opportunities "is and will continue to be quite an issue."

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### [Report Argues for a Decentralized System of Renewable Power Generation](#)

Most states could meet their demand for electricity with renewable energy sources inside their own borders, according to a new report from the [Institute for Local Self-Reliance](#), a nonprofit group in Washington that advocates for local sustainability solutions.

The report, called [Energy Self-Reliant States](#), examined the commercial potential for wind, rooftop solar, geothermal and small-scale hydro projects.

### [Marooned on Sea of Iraqi Oil, but Unable to Tap Its Wealth](#)

BASRA, Iraq — The orange glow of the giant natural gas flares in the oil fields around Basra represents this bustling city's wealth of natural resources. But for the impoverished people who live near them, the flames only serve as a reminder of their inability to share in the riches that lie beneath their feet.

### [Storm Ida Strengthens as Mexico Posts Hurricane Watch](#)

The agency's five-day forecast shows the system moving over the western Caribbean Sea today as a tropical storm and in the central Gulf of Mexico by 7 a.m. New York time on Nov. 9. The gulf is home to about a quarter of U.S. oil production.

### [Canada's Talisman strikes oil in Peru](#)

LIMA (Reuters) - Canada's Talisman Energy Inc has found light crude in an exploration bloc in northern Peru, President Alan Garcia said on Saturday, days after he announced a large natural gas find in an Amazon region.

### [Total Venture Ships First LNG From \\$4.5 Billion Yemen Terminal](#)

(Bloomberg) -- Yemen exported the first shipment from a \$4.5 billion liquefied natural gas plant, gaining a new source of revenue as oil production declines.

After the terminal in Balhaf on the country's Arabian Sea coast was officially opened by President Ali Abdallah Saleh, the Hyundai Ecopia set sail with a 147,000 cubic-meter cargo for Korea Gas Corp. of South Korea. Total SA of France, Europe's third-largest oil company, owns 40 percent of the venture.

### [ECUADOR - Energy Crisis](#)

Ecuador's President Rafael Correa warned that the energy supply problem can be "very serious" and may last several months, reiterating his call for "unity" for citizens facing power cuts occurring throughout the country since yesterday.

### [Farms going green to save and survive](#)

As Essex County farms strive to survive, many have turned their land into "green" acres. And they don't mean zucchini, lettuce, and cabbage. They mean wind turbines and solar panels that reduce energy costs. Compost, formed from scraps of nature, creates healthy growing conditions. Steel fences and drain pipes help to conserve and protect water supplies.

"We are naturally a 'green' industry," said state Agriculture Commissioner Scott Soares. "The changes farmers are making now are going to guide them into the future."

### [A Drought-Stricken Land Offers Help With Water](#)

PARIS — After more than a decade of failed rains, the Murray-Darling river system in the southeast of Australia — the catchment basin for roughly one-seventh of the country — dries up before it reaches the sea.

Intense drought has forced Australians to adapt and think about how to manage water. Despite usage restrictions and the building of new desalination plants, water remains scarce. At the end of August, reservoir storage levels in some metropolitan cities were as low as 28.4 percent of maximum capacity. The Pykes Creek reservoir in the state of Victoria, with a capacity of 22 billion liters, or 5.8 billion gallons, was barely 2.5 percent full.

### [In Texas, oil sands firms fight for their share](#)

There is an air of disquiet along the Gulf Coast of the United States, an industrial strip that could have a profound influence on the future of Canada's oil-fuelled economy.

The refineries that dot the coast represent a major new market that could fuel the expansion of Canada's oil sands producers, as well as a major pipeline player. And indeed, on the surface, growth appears to be the order of the day. But after a brief golden age, there is a growing fear along refiners' alley that the bubble has burst.

### [Suncor To Expand In Oil Sands](#)

CALGARY - Suncor Energy Inc., with its massive slate of oil-sands assets, will be a buyer rather than a seller of bitumen-laced properties as it reshapes itself following its merger with Petro-Canada, the company's chief executive said yesterday.

### [Tenaris Says Pemex to Cut Chicontepec Wells by 60%](#)

(Bloomberg) -- Tenaris SA, the world's largest maker of steel pipes for the oil and gas industry, said Petroleos Mexicanos may drill about 600 wells at Chicontepec next year, about a third of the wells that the state-owned company planned.

### [Raising output not on OPEC agenda now](#)

DUBAI - United Arab Emirates Oil Minister Mohammed Al Hamli said on Saturday raising oil production was not currently on the agenda for OPEC.

'Right now increasing production is not on the agenda,' Hamli told reporters in Dubai.

### [Hugo Chávez's support is slipping away as water shortages and soaring crime bite](#)

President Chávez came to power promising to harness Venezuela's vast oil resources to create a 21st-century nation in which no one was deprived. Now, with water and electricity shortages and soaring crime and inflation, even his ardent supporters are beginning to turn away.

In Caracas, which has the world's highest murder rates and runaway food prices, residents now face two days a week without water until May next year as the Government imposes rationing to cope with a 25 per cent shortfall in supply.

### [Mexico puts cost of new refinery at \\$9.65 billion](#)

MEXICO CITY (Reuters) - Mexico's planned new oil refinery at Tula will cost 129 billion pesos (\$9.65 billion) state oil company Pemex [PEMX.UL] said on Friday.

The new cost estimate represents a increase over Pemex's previous forecast made in April that the new refinery would cost \$8.95 billion. Pemex did not provide an explanation for the increase.

### [Oil spill sends fishermen bankrupt](#)

An environmental lawyer in Indonesia says local fishermen are going bankrupt because the Timor Sea oil spill has ruined fish stocks.

The West Atlas oil rig spewed hundreds of thousands of litres of oil and gas into the sea for 10 weeks and last week caught fire. It was plugged earlier this week with mud.

### [Deutsche Bank Hails Saudi Prospects](#)

JEDDAH — Saudi Arabia has a very promising economy because of its strong oil price, continued public sector investment in infrastructure and diversification, according to a Deutsche Bank report.

“In 2010, we expect the Saudi economy to grow by 3.8 per cent, well ahead of all the other countries in EMEA except Turkey and Qatar,” said the report on the kingdom issued on Tuesday, which also forecast oil price to peak \$175 a barrel in 2016.

### [Edison Third-Quarter Net Falls Less Than Estimated](#)

(Bloomberg) -- Edison International, the owner of California's largest electric utility, said third-quarter profit declined less than analysts estimated on increased rates in the state

and lower costs.

### [Britain in push for new nuclear plants](#)

LONDON - Britain could face a serious energy crisis unless plans to build new nuclear power stations are implemented, the energy minister revealed in an interview on Saturday.

### [Norwegian Firm In The Clean Energy Race](#)

Norwegian state-owned utility Statkraft is widening its global presence and pioneering cutting-edge technology to get ahead in the clean energy race, company chief executive Bard Mikkelsen says. Statkraft supplies power and heating to more than 600,000 customers in Norway and Sweden, mainly from hydropower, wind power and gas power. It claims to be the largest renewable energy supplier in the world. Low demand for electricity from industrial companies with falling output has been challenging this year but an ambitious renewable energy growth plan continues.

### [China to Slow Vegetable Oil Imports Amid High Stocks](#)

(Bloomberg) -- China, the world's largest consumer of vegetable oil, may slow imports in 2009/2010 amid high domestic stockpiles, an executive from Cofco Oil & Grains Co. said.

Soybean oil imports will fall 20 percent to 2 million metric tons and palm oil shipments will be "mainly flat" at 6 million tons, Wang Yinji, deputy general manager, said at a conference in Guangzhou today. Rapeseed imports will more than halve to 1.3 million tons to 1.4 million tons, Wang said. Cofco Ltd. is China's largest grains trader.

### [The great global land grab](#)

News of another big land deal between a rich nation and a poor developing country is becoming a common occurrence. In August a group of Saudi investors said that they would be investing \$1 billion in land in Africa for rice cultivation. They are calling it their '7x7x7 project', since they are aiming to plant 700,000 hectares of land to produce seven million tonnes of rice in seven years. The land will be distributed over several countries: Mali, Senegal and maybe Sudan and Uganda.

A few weeks earlier South Korea acquired 700,000 hectares of land in Sudan, also for rice cultivation. India is funding a large group of private companies to buy 350,000 hectares in as-yet unspecified countries in Africa. A group of South African businessmen is negotiating an 8 million hectare deal in the Democratic Republic of Congo. And so it goes on. The United Nations believes that at least 30 million hectares (about 74 million acres, well over the size of the UK) were acquired by outside investors in the developing

world during the first half of this year alone.

### [Low-carbon farms can raise food output - FAO](#)

Low-carbon farming can both curb climate change and boost food output in developing nations and so must be rewarded under a global climate deal due in December, the UN's food agency said.

Steps to cut carbon emissions on farms in developing countries could also boost yields where food is shortest, the Food and Agriculture Organisation (FAO) said in a report .

More than one billion people are undernourished now and the world will have to feed an additional three billion by 2050, many in areas expected to be worst afflicted by climate change, experts say.

### [Collapse Director Chris Smith on His New Doc and the Impending Fall of Civilization](#)

My opinion on these issues changes on a daily basis. This film made me think about these issues and to try to educate myself. And I discovered that there's a huge number of scientists and scholars that fall on both sides of every issue that Michael talks about. The conclusion I've since come to is that no one really knows anything. Some think we're headed for another crash, some people think that the market will continue to recover. There was a huge meeting on peak oil in Denver recently and so many articles came out of that. Different Ph.D.'s and industry experts say that we're at this point in history where oil may have passed its peak. But then there was an article in the *New York Times* a month ago or so that was very convincing, and it said that we might actually have endless resources. I know a lot more about it than I did going into it, but I haven't formed any conclusions.

### [All Fall Down: Chris Smith's "Collapse"](#)

At the turns of decades and centuries, it's fairly common for sky-is-falling prognostication to spike wildly. This angst often finds expression in popular entertainments, such as the appearance, as if on cue, of the clunky misfire "Knowing" and the upcoming sure-to-be tedious "2012." What these kinds of spectacles provide is something like diversionary exorcism—the world outside may seem bad, but there's some comfort in recognizing that visual effects artists can always imagine even worse. These films are about as easy to dismiss as History Channel specials on Nostradamus, and probably less fun, so Chris Smith's often unnerving documentary "Collapse" arrives as something of a minor key paranoiac balm. Based on real events and plausible conjectures, its world crisis feels terribly immediate.

### [Crude Oil Tumbles as U.S. Jobless Rate Climbs to 26-Year High](#)

(Bloomberg) -- Crude oil tumbled after the Labor Department reported that the U.S. unemployment rate surged to a 26-year high, undermining speculation that fuel consumption will rebound next year.

Oil dropped 2.8 percent after the report showed that payrolls fell by 190,000 workers in October, sending the unemployment rate to 10.2 percent. Total U.S. fuel demand over the four weeks ended Oct. 30 was 4.5 percent lower than a year earlier, the Energy Department said on Nov. 4.

### [Jim Rogers Vs Nouriel Roubini, Can The Commodities Boom Survive?](#)

Global climate mitigation effort and green energy expansion with feed-in tariffs, carbon taxes and other carbon finance trimmings, twinned with peak oil supply shrinkage impacts on world export offer will also rather surely raise energy prices. Higher energy prices is not good news for a limping, slow growing, slowly reviving OECD economy, still generating over 50% of world GDP.

On the other hand, the rapid growth in natural gas supplies, lowering gas prices, perhaps making electricity cheaper, will add more energy market confusion. Uranium prices, however look set to grow to extreme highs, unless supply can be cranked up. In several countries already, when the wind blows there is too much electricity, from windmills, leading to huge spot price swings and shedding of unsold, untransportable power. The ruined biofuels sector could or might revive, during the decade, perhaps capping oil price rises.

### [Canada steps up oil sands push in United States](#)

CALGARY -- Canada has mounted its biggest campaign yet to sell the United States on the energy security benefits of the oil sands as Washington debates new environmental policy, the country's energy minister said on Friday.

Canadian Natural Resources Minister Lisa Raitt said she and her staff are lobbying interests in the United States at all levels, trying to send the message that the huge heavy-oil resource in Alberta is being developed responsibly and that U.S. input on environmental fixes is welcome.

### [Big Oil Recruits No. 2 U.S. Senator's Nephew to Lobby Congress](#)

(Bloomberg) -- The lobbying group for oil companies such as Exxon Mobil Corp. and Chevron Corp. hired a nephew of U.S. Senator Richard Durbin to argue the industry's case against climate-change legislation that threatens to slash profits.

## [Insights from the ASPO Peak Oil Conference](#)

One of the more interesting themes that emerged from this year's ASPO peak oil conference was the problems of maintaining complex systems, and the role that energy plays in them.

## [Sen. Mark Udall and T. Boone Pickens: Natural gas should be the vehicle fuel of the immediate future](#)

With recent improvements in the techniques and technology to recover natural gas from the enormous shale deposits under the continental United States, studies indicate we could have natural gas deposits that would last for more than 100 years. This is a sea-change from what we thought our natural gas reserves were prior to being able to utilize these so-called "shale plays."

Going to domestic natural gas as a principal transportation fuel will also have significant, if not almost immediate, impacts on the U.S. economy. Along with jobs being created in other alternative energy areas, we can produce and/or save thousands of jobs in the supply chain of natural gas vehicles, from the well-head to the manufacturing floor and from sales and distribution to fueling and maintenance.

## [Rockland to Host Sustainable Island Living Conference November 13-15](#)

The Island Institute's second Sustainable Island Living conference, during the weekend of November 13 to 15 in downtown Rockland, features presentations by international energy consultant Matthew Simmons of Rockport and Houston on Saturday; Tom Chappell of Kennebunk, founder of Tom's of Maine, on Friday; and Roger Doiron, head of Kitchen Gardeners International, on Saturday.

## [Jolly eschatology](#)

Look, I'll put it very simply: what they sell us as realpolitik these days is a complete illusion, because it doesn't address any the problems of the future – climate change, dwindling resources, mounting water and food deficits, the escalating global conflict potential, the exploitation of our children's future. If you look at it this way, it's the realpoliticians who seem who have a fondness for crises. Crises also provide an excellent opportunity to score points for tireless crisis management. This is good for distracting from the fact that there is nothing on the political agenda.

## [Organoponico! Cuba's response to food security](#)

Although born out of necessity, organoponicos have proven that an oil-scarce society can survive, if not thrive. Many environmentalists have seen the Cuban experience as



something of a model for how to survive peak oil. Because of this, other countries have attempted to replicate it, although results have been variable.

### [Turkey Gets \\$1.2 Billion From Three Power Grid Sales](#)

(Bloomberg) -- Turkey raised \$1.2 billion by selling three power grids as it seeks to raise revenue and hand responsibility for developing the electricity network to non-government companies.

### [Wind sector cash inflow may blow small firms away](#)

LONDON/FRANKFURT (Reuters) - Small wind energy companies could be taken over cheap because fresh funding for the sector is set to flow selectively to bigger names, placing them in a stronger negotiating position.

Analysts say the big firms are unwilling to pay premiums for the "pipeline" projects at the smaller players -- wind farms approved or awaiting construction -- which are normally added to current operating assets to arrive at a valuation.

### [AES to Sell Stock, Wind-Power Stake to China's CIC](#)

(Bloomberg) -- AES Corp., the U.S. power producer with operations in 29 countries, agreed to sell stock and a 35 percent stake in its wind-power business to China Investment Corp. for \$2.2 billion to raise cash for expansion.

### [Chrysler dismantles electric car plans under Fiat](#)

DETROIT (Reuters) - Chrysler has disbanded a team of engineers dedicated to rushing a range of electric vehicles to showrooms and dropped ambitious sales targets for battery-powered cars set as it was sliding toward bankruptcy and seeking government aid.

The move by Fiat SpA marks a major reversal for Chrysler, which had used its electric car program as part of the case for a \$12.5 billion federal aid package.

### [First Look at Carbon Capture and Storage in a West Virginia Coal-Fired Power Plant \[Slide Show\]](#)

NEW HAVEN, W.Va.—A 100-story smokestack belches a roiling, white cloud of water vapor, carbon dioxide and other leftover gases after burning daily as much as 12,000 tons of coal at the Mountaineer Power Plant—a total of 3.5 million tons a year. The facility just outside the town of New Haven boasts a single 65-meter-high boiler capable

of generating enough steam to pump out 1,300 megawatts of electricity—enough to power nearly one million average American homes a month—continuously. And now roughly 1.5 percent of the CO<sub>2</sub> billowing from its stack is being captured in an industrial unit rising from the concrete in its shadow and then pumped underground for storage. In case you were wondering, this last phase is called "clean coal".

### [The scientific hoax of the century](#)

They say that "greenhouse gases" absorb infrared (IR) energy emitted by the earth and cause warming. Yet, in comparison to water in all its forms (polar ice, snow cover, oceans, clouds, humidity), human CO<sub>2</sub> emission is as significant for weather as a few farts in a hurricane. The earth's IR energy absorbed by greenhouse gases is reradiated to free space as soon as it is absorbed. The notion that the colder air above can radiate energy back to heat the warmer air below violates the 2nd Law of Thermodynamics. Heat flows spontaneously from a higher to a lower temperature, never the reverse. But the Senate can solve that problem and justify its proposed legislation by simply repealing the 2nd Law of Thermodynamics!

In truth, this entire notion of a "greenhouse effect" was shown as early as 1909 to be devoid of physical reality; that is, it simply doesn't exist. Thus the greenhouse belongs in the outhouse: It is a load of crap!

### [Freaking Out over Global Warming](#)

In this article I will link to some of the major commentary on the book so far, and try to explain to Austrian readers why the interventionists were understandably upset. In particular, I want to caution libertarians not to reflexively side with Levitt and Dubner because "they're on our side." I will remind readers of the admitted errors Levitt made in his battles (stemming from the *Freakonomics* era) with anti-gun-controller John Lott.

### [Climate change is a contact sport, expert says](#)

An "insider's discussion" of the decades-long battle to bring the dangers of global warming to public awareness will be held Friday afternoon (Nov. 13) featuring Stanford University-based climate expert Stephen Schneider.

### [Civil Unrest Has a Role in Stopping Climate Change, Says Gore](#)

Al Gore has sought to inject fresh momentum into the Copenhagen build-up, saying he is certain Barack Obama will attend and predicting a rise in civil disobedience against fossil-fuel polluters unless drastic action is taken over global warming.



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