



Drumbeat: December 26, 2009

Posted by [Leanan](#) on December 26, 2009 - 9:09am

Topic: [Miscellaneous](#)

[Ten years that shook, rattled, rolled and helped repair the world](#)

Everyone expected resource wars as scarce petroleum and water supplies led nations and communities to battle over their access. That didn't quite happen; something less violent but more dramatic did.

The threshold occurred early in 2006, when the price of oil, propelled by Chinese and Indian demand, reached somewhere between \$55 and \$60 (U.S.) a barrel. At that point, all at once, the world's investors realized that other forms of fuel – notably from vegetable sources such as corn – could be refined and burned at the same price or less.

From that point onward, the price of food became directly linked to the price of energy. The two have followed one another up and down since, with huge repercussions. The global food riots of 2008, the first events of their kind in three decades, were a direct effect: The rapid rise in the price of grains hit the dinner plates of a billion people.

[Iraqi and Iranian forces in oil well standoff](#)

AMARA, Iraq (Reuters) -- Iraqi and Iranian forces are dug in on either side of a disputed inactive oil well in the sensitive border area, with Iraqis vowing to fight if necessary to fend off another occupation of the well by Iranian soldiers.

Iraqi troops say they will defend the well, where Iranian troops raised a flag for several days this month.

It is unclear how many troops are involved in the stand-off, but as many as 30 lightly armed Iraqi troops usually occupy border outposts in sensitive areas, and up to 10 in other areas. Some 11 Iranian soldiers are stationed near the disputed well.

[Iraq Ministry to Visit Disputed Al-Fakah Oil Well Tomorrow](#)

(Bloomberg) -- Iraq's Oil Ministry and the state-run Missan Oil Co. are organizing a press tour to the disputed Al-Fakah oil field site tomorrow, the ministry said in a press release.

The delegation will visit all wells belonging to the field on the border with Iran with the aim of “delivering a clear picture to the public and clarifying the circumstances of the case,” said the statement.

[Energy markets prove buoyant](#)

For an industry tossed about by unprecedented oil price volatility, changing energy consumption patterns and a worldwide drop in fuel demand, the once unassailable energy sector demonstrated remarkable resilience this past year.

[Al-Khafji oilfield projects bid deadline extended](#)

KHOBAR, Saudi Arabia (Reuters) - A joint venture between Saudi Arabia and Kuwait has extended the bidding deadline for two projects at al-Khafji oilfield to Dec. 28, bidders said on Saturday.

The original deadline for both contracts was Sept. 28, but has been extended several times at the request of bidders.

[Causes of energy crisis](#)

There is only sufficient oil to last 44 years if oil production stays constant until it is used up. As oil reserves become depleted, there will be less which will make keeping production constant impossible. Likewise, there is only enough coal to last 133 years and only enough natural gas to last 61 more years. Certainly by now, everyone realizes that gas and oil will become expensive and scarce within the lifetimes of our children or their children. There will inevitably be a transition to more renewable energy sources. That transition may be haphazard or planned — it is on us to decide. 66.3 percent of the world’s gas reserves are in the Middle East and the Russian Federation. The United States have 3.4 percent. On the other hand, The United States consume 25 percent of the world’s oil and 70 percent of that is imported.

[Age of Anxiety](#)

Our sense of panic is only inflated by books such as Our Final Century, by Royal Society president Martin Rees, who lists bio-engineered viruses, asteroids, nanotechnology and nuclear war as among the many dangers we face. Tomes on peak oil theory such as Richard Heinberg's The Party's Over and The Long Emergency by James Kunstler take moral panic to pragmatic levels.

Perhaps this propensity for doom mongering is something of a cultural peccadillo, an impulse rooted in our Christian heritage and its prophecies of end-times and the Judgement Day to come. On the other hand, doomsday movies and books -- say, for

example, Cormac McCarthy's *The Road*, or Stephen King's *The Stand*, or, my favourite, George Stewart's *Earth Abides*, a 1949 novel in which most of the human race falls victim to an airborne pandemic -- may provide a cathartic release from the undercurrent of anxiety that, in the words of British sociologist Phil Hubbard, "saturates the social space of everyday life."

[Has The Left Missed The Boat On Climate Change?](#)

Of course equally restrictive caps for all is unfair. But sensible people, and even sensible governments, understand this. The European Union has assigned lower caps to more developed member countries like Germany and France and higher caps to less developed members like Portugal and Ireland. Once it is understood that *capping everyone does not mean the same cap for everyone* it is apparent that equity can be achieved at the same time that erosion of global emission reductions resulting from failure to cap emissions in all countries is prevented. Moreover, there is no reason we cannot allow poor countries to increase emissions for some time, as long as the increase is capped.

[Earth-Friendly Elements, Mined Destructively](#)

GUYUN VILLAGE, China — Some of the greenest technologies of the age, from electric cars to efficient light bulbs to very large wind turbines, are made possible by an unusual group of elements called rare earths. The world's dependence on these substances is rising fast.

Just one problem: These elements come almost entirely from China, from some of the most environmentally damaging mines in the country, in an industry dominated by criminal gangs.

Western capitals have suddenly grown worried over China's near monopoly, which gives it a potential stranglehold on technologies of the future.

In Washington, Congress is fretting about the United States military's dependence on Chinese rare earths, and has just ordered a study of potential alternatives.

Here in Guyun Village, a small community in southeastern China fringed by lush bamboo groves and banana trees, the environmental damage can be seen in the red-brown scars of barren clay that run down narrow valleys and the dead lands below, where emerald rice fields once grew.

Miners scrape off the topsoil and shovel golden-flecked clay into dirt pits, using acids to extract the rare earths. The acids ultimately wash into streams and rivers, destroying rice paddies and fish farms and tainting water supplies.

[Oil price might rise "reasonably" - Saudi king in paper](#)

RIYADH (Reuters) - Oil prices are stabilising and might even rise "reasonably," Saudi Arabia's King Abdullah was quoted as saying by a Kuwaiti newspaper.

The top OPEC oil exporter reiterated it saw a fair oil price between \$75 and \$80 per barrel, King Abdullah told the daily al-Seyassah in an interview.

"We expected at the start of the year oil prices between \$75 and \$80 a barrel, this is a fair price...Oil prices are heading towards stability and might rise reasonably," he said.

[Indonesia likely to miss 2009's oil output target](#)

JAKARTA, Dec. 26 (Xinhua) -- Indonesia may fall short of this year's oil-production target of 960,000 barrels per day due to technical problem, a media reported here Saturday.

Head of upstream oil and gas regulator BP Migas, Raden Priyono quoted by the Jakarta globe as saying that the total crude and condensate output is likely to reach only 950,000 bpd this year.

[Russia fears gas problems with Ukraine, stops oil](#)

MOSCOW (Reuters) - Russia has scrapped January oil exports via Ukrainian ports and also said it fears Ukraine will have problems paying for its gas, a sign of a possible repeat of New Year gas rows which have led to supply cuts in Europe.

[No reasons for Gazprom to worry about Ukraine's ability to pay for gas - Tymoshenko](#)

Kaniv, Cherkasy region (Interfax) - Ukrainian Prime Minister Yulia Tymoshenko has said she sees no reasons for Moscow to worry about Ukraine's ability to pay for natural gas imports from Russia.

"We have heard such statements at the end of every month for at least a year, and we, Ukraine, are confidently and steadily managing our financial affairs amid the crisis," Tymoshenko said at a Saturday news conference in Kaniv, the Cherkasy region, in commenting on Gazprom CEO Alexei Miller's Friday remark.

[Clashes With Police Reported in Iran](#)

TEHRAN (Reuters) - A reformist website said Iranian riot police armed with batons and tear gas clashed with opposition backers in Tehran who used a religious commemoration on Saturday to try to revive anti-government protests.

The opposition Jaras website said security forces fired warning shots in the air and tear gas to disperse protesters, and also attacked a building housing an Iranian news agency, ISNA, where it said some opposition backers had sought shelter.

If confirmed, the outbreak of clashes during a two-day major Shi'ite Muslim ritual would underline escalating tension in the Islamic Republic, six months after a disputed election plunged the major oil producer into turmoil.

[EPA's regulatory grab invites court challenge](#)

Green groups were heartened because they believe they finally have manufacturers right where they've always wanted them: vulnerable to piecemeal regulation by an activist EPA without deliberation by Congress.

Lawyers were rubbing their hands together in anticipation of all the litigation that will come their way as companies fight for their lives to be free of burdensome regulation. That's the way it's always worked in Washington.

Then, a few days later, an EPA official made clear the Obama environmental strategy with a clear ultimatum to members of Congress who might not be on board with the administration's cap and trade bill. Requesting anonymity, the official said: "If (Congress doesn't) pass this legislation," the EPA is going to have to "regulate in a command-and-control way, which will probably generate even more uncertainty."

[China adopts law to boost renewable energy industry](#)

BEIJING (AFP) – China's national assembly Saturday signalled the country's commitment to reducing greenhouse gas emissions by adopting a law supporting its renewable energy industry.

The new law, an amendment to one on renewable energy adopted by the National People's Congress standing committee, obliges electricity grid companies to buy all the power produced by renewable sources.

[Natural Gas and Capitalism to the Rescue](#)

The Marcellus Shale formation reaching from the Appalachians to central New York State illustrates why natural gas is enjoying a new popularity in the energy limelight. Just seven years ago, the US Geologic Service estimated recoverable reserves in the Marcellus to be 1.9 trillion cubic feet (tcf). Then in 2008 a pair of geologists -- Englander and Lash -- recognizing how successfully the hydrofracing technique was applied to the Barnett Shale formation in north Texas, upped the ante considerably. They estimated that the Marcellus formation might contain upwards of 500 tcf.

Factors of 250 don't come easily in oil and gas exploration. Besides heaping ridicule on the commonly repeated theory that we are living in the era of peak oil, these numbers suddenly brought great attention to non-traditional geological storehouses of natural gas. This is especially true since gas shales are distributed much more democratically than other hydrocarbons.

[On the Edge with Max Keiser . . . and Gail Tverberg](#)

Max Keiser interviews Gail Tverberg of <http://theoil Drum.com/>

[Electric Vehicles: 10 Predictions for 2010](#)

A new era of electrified vehicles will soon be upon us. During the next decade, millions of vehicles that primarily run on electric power and are plugged in to be recharged will enter roadways.

[Another decade down: Farmers face new challenges and old ones](#)

Ten years ago, the likes of best-selling authors Michael Pollan (*The Omnivore's Dilemma*) and Eric Schlosser (*Fast Food Nation*), had not yet surfaced with their hard-hitting questions about modern agriculture, food policy and the linkages to public health. Pollan's influence on public perceptions has been so significant, some agri-industry donors have threatened to pull their donations if universities invite him to speak without also providing an industry speaker to counterbalance.

We'd never heard of a "locavore" a decade ago. And no one talked too much about the concept of "sustainability," a word that now peppers almost every dialogue related to food and agriculture. Biofuels were somewhat naively promoted as a solution to farm income problems as well as an answer for Peak Oil.

[When it comes to sustainability, act locally](#)

What will our local communities look like in 2025?

If peak oil is real, the supply of fossil fuels in the future will be severely limited and supplying it will be cost prohibitive. Cheap oil will be exhausted when the amount we can pump from the ground (or make from tar sands) is less than the amount we consume to run our economy. How will we heat our homes and gas up our cars and trucks in 2015, or 2025? How will we afford food grown thousands of miles away that needs to be refrigerated and shipped here? How can industries reliant on cheap oil continue to manufacture cheap goods and employ America's growing population? How will we get to work?

[Mass extinction due?](#)

If the course of human history is any model, then the wheels are already turning on Earth's sixth mass extinction, thanks to habitat destruction, pollution and global warming, a scientific analysis of millions of years of data reveals.

The study of the fossil and archeological record over the last 30 million years by researchers at the University of California-Berkeley and Penn State University shows between 15 percent and 42 percent of the mammals in North America disappeared after humans arrived.

That means North American mammals are well on the way -- perhaps as much as halfway -- to a level of extinction comparable to other epic die-offs, like the one that wiped out the dinosaurs.



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