



Drumbeat: January 23, 2010

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Topic: [Miscellaneous](#)

[Disorder in the houses of OPEC](#)

Political turmoil in the homelands of some oil exporters is threatening the group's ability to respond to a global return to demand as the tough economic conditions ease. And analysts say prices are about to become more sensitive to supply disruptions. Tamsin Carlisle reports

More than half of OPEC's members are facing severe political problems, posing a threat to the group's ability to respond to resurgent oil demand as the global economy recovers.

At any other time, such a situation would already have pushed oil prices sky high. The bull run that ended in July 2008 with crude hitting US\$147 a barrel was preceded by "a simultaneous collapse" in output from Iran, Iraq, Nigeria and Venezuela, Prince Turki Al Faisal, the former Saudi ambassador to Washington, has pointed out.

[Mexico crude output slide slows in 2009](#)

MEXICO CITY (Reuters) - Mexican oil production fell for the fifth year in a row last year but the pace of the slide slowed and output rose in December from November, according to data released by state oil monopoly Pemex on Friday.

Mexico pumped 2.601 million barrels of oil per day in 2009, the lowest annual rate of production since 1990, as yields at the giant Cantarell field continued to decline and output at Pemex's flagship Chicontepec project failed to increase.

[Analysis: 2009 Top Discoveries](#)

Looking back at 2009, crude oil prices rebounded nicely from the 2008 rollercoaster of record highs and devastating lows. The recovery, which primarily occurred in the last three quarters of the year, made it one of the strongest years for crude oil since 1973 on a percentage gain basis. Crude oil gained about 75% in 2009, and natural gas ended the year flat compared to 2008.

However, 2009 will also be remembered for its significant offshore oil and gas discoveries worldwide. Of the 10 top discoveries for the year, two were made in the GOM, two were found off Australia, and one each off Brazil, China, Israel, the UK, Venezuela, and West Africa.

[ExxonMobil Sees Alaska as Major Natural Gas Supplier](#)

With large North Slope resources, Alaska has the opportunity to be a major supplier of natural gas to North America, Rich Kruger, president of ExxonMobil Production Company, said today in a keynote address at the 2010 Meet Alaska Conference in Anchorage.

[Prosperity Without Growth: Economics for a Finite Planet by Tim Jackson](#)

Tim Jackson states the challenge starkly: "Questioning growth is deemed to be the act of lunatics, idealists and revolutionaries. But question it we must." And that is the core mission of this perfectly timed book. Had he published it before the financial crisis, he would probably have been dismissed as another green idealist, at best. But in the wake of the crisis, more people are questioning the primacy of growth at all costs. President Sarkozy, the Nobel-prizewinning economist Joseph Stiglitz and elements of the Financial Times's commentariat are among those now arguing that prosperity is possible without GNP growth, and indeed that prosperity will soon become impossible because of GNP growth. A new movement seems to be emerging, and this superbly written book should be the first stop for anyone wanting a manifesto.

[Harrabin's Notes: Cash for influence](#)

The Supreme Court decision could prove a landmark in US environment politics, as some US environmentalists view corporate lobbying and campaign financing as the single biggest obstacle to environmental reform.

Just one oil firm - Exxon Mobil - was recently reported by the London-based New Energy Finance to have spent \$14.9m lobbying in six months, 23% more than all the clean energy firms put together.

The report added that oil and gas companies spent a total of \$82.2m on Washington-based lobbyists.

[Why Is a Utility Paying Customers?](#)

FOUR decades ago, when Sid Erwin began his career as an inspector at the Idaho Power Company, a string of new hydroelectric plants was pumping out power faster than locals could buy it. Soon enough, Mr. Erwin recalls, the utility began sending representatives

to rural areas, urging farmers to use more electricity when irrigating their crops.

These days, Idaho's farmers are being paid to stop using power.

[Oil baron O'Malley eyes Valero plant for U.S. return](#)

NEW YORK (Reuters) - The last time refining maverick Tom O'Malley bought the oil refinery in Delaware City, Delaware, he doubled his money in two years.

Now he may be vying to do it again.

[Petraeus: Missile-Shooting Ships on Station in the Gulf](#)

The U.S. military is keeping at least two Navy ships on station in the Persian Gulf, ready to track and possibly intercept missiles, according to the top U.S. general in the region.

Speaking today at the Institute for the Study of War, Gen. David Petraeus, the head of U.S. Central Command, said two cruisers equipped with the Aegis Ballistic Missile Defense System "are in the Gulf at all times now."

[Kjell Aleklett: "US raises concern over China oil policy"](#)

Small oilfields in China constitute 30% of production and the trend is for continued increased production from these. However, in a few years the production declines in the giant fields will be so great that total Chinese production will decline. In coming years we will experience aggressive bidding from China whenever any oil production rights are offered for sale. The next step is for China to build new refineries in collaboration with major oil producing nations such as Saudi Arabia. When Peak Oil affects the world these refineries will, naturally, be first in the queue for Saudi oil. For the sake of its own survival, the OECD must take Peak Oil seriously and plan for its future energy needs post-Peak Oil.

[West dependent on China for key resources](#)

China controls the world's supply of rare earth metals. It might not be willing to share much longer.

[Lights Out in Chavez Land](#)

Maintenance of university buildings has not been so much deferred, as abandoned.

But while the university's decay is accelerated, the physical collapse can be seen everywhere. I'm in Maracaibo tonight, Venezuela's second city. Huge blocks of the city are dark, a consequence of the rolling blackouts that strike for 2 hours per day. The blackouts are worst in cities and states where the opposition is strong, as here. But even Caracas (with an opposition mayor, but firmly under central control) is not entirely exempt: the city does not go black, but it does go brown, with street lights shut even on highways and half the lightbulbs removed from public places.

[Shell denies blackmailing govt over imports seizure](#)

MANILA, Philippines - Pilipinas Shell Petroleum Corporation has clarified that it was not blackmailing the government when it said that the planned seizure of P43 billion worth of its fuel imports might result in the closure of its Bataan refinery.

[U.S. corn harvest sets record](#)

Some pondered whether fertilizer nutrient reserves were reaching critically low levels and contributing to market volatility. It was suggested that "peak phosphorus", like "peak oil", was a proven phenomenon and that P production had reached or exceeded its peak. In reality, at current production levels, world phosphate reserve and reserve base longevity are estimated to be 93 and 291 years, respectively.

[One quarter of US grain crops fed to cars, not people](#)

One-quarter of all the maize and other grain crops grown in the US now ends up as biofuel in cars rather than being used to feed people, according to new analysis which suggests that the biofuel revolution launched by former president George Bush in 2007 is impacting on world food supplies.

The 2009 figures from the US Department of Agriculture shows ethanol production rising to record levels driven by farm subsidies and laws which require vehicles to use increasing amounts of biofuels.

[Peak Oil Rock & Roll](#)

Three peak-oil/energy relevant songs are included here with lyrics: Peak Oil Blues, Americium, and Energy Matters. I also give a brief commentary on each song to improve your listening experience. Rock on.

[Peak Moment 160: A Young Couple Find Freedom in Simple Living](#)

Rather than follow the customary American dream, Tammy and Logan sold their home and car, and moved to a bikeable/walkable neighborhood in Sacramento, California. After reading Derrick Jensen's writings, this couple used Your Money or Your Life as a means to get out of debt and, they feel, regain their lives and their future. While they recount the psychological challenges of facing a future of declining resources, the catalyst that continues to move them forward is a dream of living in an affordable tiny house within a supportive community.

[Are We Ready for \\$7.00 per Gallon Gas?](#)

On September 29, 2009, the Business of Climate Change Conference took place in Toronto. The focus of the Conference was how businesses in Canada and elsewhere around the world were working towards a future low carbon economy. While the debate rages on the reality of global climate change, another driver towards finding alternatives to our petroleum-based energy world is the rising cost of oil.

[Oil Estimates in Venezuela Doubled](#)

Venezuela has long been known to hold some of the world's biggest deposits of oil sands — thick bituminous resources that require substantial investments and refining methods to develop.

In a new assessment ([PDF](#)), government geologists with the United States Geological Survey have provided a dramatic new estimate of how much oil is “technically recoverable” from these oil sands, in an area known as the Orinoco oil belt: 513 billion barrels of heavy oil.

The tally far exceeds previous estimates of around 235 billion barrels, and it represents “the largest accumulation ever assessed” by the U.S.G.S.

[Gas prices down 7 straight days; crude falls again](#)

NEW YORK – Gasoline prices have declined every day for a week following a similar slide in crude prices this month.

But with the national average at nearly \$2.73 a gallon on Friday, pump prices are still more expensive than any day last year. They've ridden a 10-month rally in energy commodities that doubled oil prices to nearly \$80 a barrel by the end of last year.

Experts say they still expect gas prices to reach \$3 a gallon sometime this spring, though it may take longer than originally expected.

[Iraq's oil revenues up by 300 million dollars in December](#)

Baghdad - Iraq's oil revenues went up by 300 million dollars during the last month of 2009, Iraq's oil ministry said on Saturday.

The increase in revenue, to hit 4.499 billion dollars, was reached through the sale of 61.3 million barrels at a rate of 73.39 dollars per barrel.

[Sea ice pack grows in north China; oil threatened](#)

BEIJING (Reuters) - An ocean ice floe that has hurt transit and business along the north coast of China will expand over the next few days, official media said on Saturday, a further threat to undersea crude oil production.

[Reliance Net Beats Estimate After Boosting Natural Gas Sales](#)

(Bloomberg) -- Reliance Industries Ltd., India's biggest company by market value, reported its first profit increase in more than a year as higher natural gas sales outweighed lower earnings from processing oil.

Net income in the three months ended Dec. 31 rose 16 percent to 40.08 billion rupees (\$868 million) from a year earlier, the Mumbai-based energy explorer and refiner said in an e-mailed statement yesterday. The first increase in profit in five quarters beat the 39.14 billion-rupee median estimate of nine analysts surveyed by Bloomberg News.

[Belarus Calls Russia's Oil Export Duties Illegal](#)

MINSK (Reuters) - Minsk on Saturday accused Russia of acting illegally in applying full export fees to oil pumped to Belarus, in a sign that the dispute -- which some fear could disrupt supplies to Europe -- is far from resolved.

"Russia has effectively come out of the agreement one-sidedly and is illegally applying full duties to Russian companies supplying oil to Belarus," Alexander Shpilevsky, the head of the Belarussian customs committee, told a news briefing.

[North Dakota Raises Oil Forecast on Advances by Shale Explorers](#)

(Bloomberg) -- North Dakota raised its forecast for oil output on growth in and around the Bakken Shale formation, portending further gains nationwide after the largest U.S. increase since Dwight D. Eisenhower's first term as president.

Output may reach 300,000 to 400,000 barrels a day by mid- 2011 and stay at that level for 10 to 15 years, said Lynn Helms, director of the North Dakota Mineral Resources Department. The state's previous estimate was 220,000 to 280,000.

[Sniffing Oil From The Sky](#)

Here's a curious place to look for an oil field buried under thousands of feet of rock: the sky.

But that's where Royal Dutch Shell is heading in an attempt to survey huge tracts of rugged and remote terrain that might be hiding oil.

[Global warming? Don't blame the car](#)

Instead of CO₂-driven global warming, Lutz embraces the theory that the planet is actually cooling because of lower solar flare and sun-spot activity.

"It has got nothing to do with CO₂, it's got everything to do with solar activity, and when the solar flares stopped and the sun has been unusually quiet almost to the point of worrying people, then global temperatures go down."

So why is Lutz such a strong proponent of the Volt and the electrification of the automobile? Peak oil is the answer.

[The 'green' car market is here to stay](#)

Despite past discouragements like General Motors' still-lamented EV-1, an unprofitable electric car sold for a few years, then discontinued in 1999, there's evidence that today's wave of interest will produce a more durable impact on the market for autos.

That's true in spite of some significant problems, like the high cost of batteries and consumer concerns about the driving range and safety of electric cars, says Philip Gott, director of automotive Science and Technology at IHS Global Insight, a big economic consulting firm.

[California to Subsidize Solar Water Heaters](#)

California regulators on Thursday approved a \$350 million program to subsidize the installation of solar water heaters to reduce greenhouse gas emissions.

The program will allocate \$250 million for the replacement of hot water heaters fueled by natural gas and \$100.8 million for those powered by electricity.

[Q&A: Ken Greenberg on the Future of Urban Planning](#)

I'm pretty convinced we're in the midst of a transformation which is probably as profound as what happened immediately after the Second World War, when we got all excited about automobiles and in a sense turned our backs on cities. There are all kinds of things that are propelling this. Some of it has to do with the environment; much of it has to do with the cost of energy. I don't know if you know the book that came out recently called *Why Your World Is About to Get a Whole Lot Smaller*. It was written by Jeff Rubin, a former chief economist of the Canadian Imperial Bank of Congress who actually resigned to write this book. From an economic standpoint he is talking about peak oil and the effect it's going to have on cities. Right now I'm in the midst of a series of skirmishes, as people adjust to this new reality and we change our entire tool kit when it comes to how we deal with cities.

[Ed Begley Jr.: Big green man](#)

Short of living in a yurt on the Bolivian Altiplano, Begley is as green as they come, certainly for someone inhabiting one of the biggest cities in the First World. His father was the Oscar-winning actor, and he's found his own way onto the small screen and large: from the complex 1980s hospital drama "St. Elsewhere" to "Six Feet Under," and current guest spots on "The New Adventures of Old Christine"; and film roles in droll mockumentaries like "This is Spinal Tap," the handiwork of Begley's friend, Christopher Guest.

[Glass and Cement Makers Settle With E.P.A.](#)

Federal officials announced two major settlements on Thursday for reducing emissions from 28 glass and cement plants across the country.

The plants were found to be violating the Clean Air Act by emitting excessive amounts of sulfur dioxide, nitrogen oxides and particulate matter each year, said Cynthia Giles, assistant administrator for the Environmental Protection Agency's office of enforcement and compliance assurance.

[Energy Debate Yields Little Middle Ground](#)

CHARLESTON, W. Va. — Speaking ahead of Thursday evening's debate between a coal executive, Don L. Blankenship of Massey Energy, and an environmental lawyer, Robert Kennedy Jr., the University of Charleston's president, Ed Welch, expressed hope that he might nudge the two men "beyond their talking points."

But such moments were rare over the course of the nearly two-hour forum (full audio is [here](#)). Mr. Kennedy broadly assailed the coal industry's highly mechanized surface-mining techniques, while Mr. Blankenship called environmental concerns over the coal business unfounded and an assault on American energy security and hardworking

families who depend on coal for a living.

[Greenland financial independence predicted by 2015](#)

Mineral and oil income is expected, within five years, to surpass the current handouts from Copenhagen that Greenland lives off.

Negating the need for the DKK 3 billion (USD 580 million) handout means that national financial independence may be just a few short years away, according to forecasts from the leader of the Raw Materials Directorate in Greenland in a report by Sermitsiaq.

['Peak water' could flush civilisation](#)

FORGET PEAK OIL. Forget climate change. Peak water is where it's at, according to Scottish journalist and broadcaster, Alexander Bell, who has just written a fascinating book, *Peak Water* (Luath Press, Scotland).

"It's the coming issue of our age," says Bell. "Civilisation is thirsty. It has never stopped to think about what would happen if the water ran out." And while Bell acknowledges tackling climate change is important, he firmly states peak water would have happened with or without it.

[Fewer temperature reports could mean warming underestimated: scientist](#)

Environment Canada says climate scientists who track global temperature trends may be underestimating the amount of warming in the Canadian Arctic, because they are working with data from a declining sample of weather stations across the region.

[Climate Cover Up: How to Manipulate Public Opinion](#)

Why do these organizations fight the idea of climate change?

The answer is very simple: there are hundreds of billions of dollars to be protected in the fossil fuel industry and these people are very interested in protecting their bottom line.

[A Drawback to Urban Green Spaces](#)

While city dwellers are always clamoring for more green space, urban parks may not always be as "green" as they seem.

A study on urban green space says that the irrigation, fertilizer, mowing and leaf blowing all add up, emitting more carbon dioxide and other greenhouse gases than the spaces absorb. The study has been accepted for publication in Geophysical Research Letters, a journal of the American Geophysical Union.

[Sundance film puts human face on climate change](#)

PARK CITY, Utah (AFP) – The devastating impact of global warming on communities worldwide is the subject of a powerful Sundance documentary aiming to put a human face on climate change.

Michael Nash's film -- "Climate Refugees" -- is a compelling look at the millions of humans displaced by disasters arising from incremental and rapid ecological changes to the environment and more frequent extreme weather events such as hurricanes, cyclones, fires and tornadoes.

[Nations stick to CO2 goals before January deadline](#)

OSLO (Reuters) - The world is showing only lukewarm enthusiasm for a "Copenhagen Accord" to curb climate change, with no sign so far of deeper-than-planned 2020 curbs on greenhouse gas emissions before a January 31 deadline.

[Glacier alarm 'regrettable error': UN climate head](#)

NEW DELHI (AFP) – The head of the UN's climate science panel said Saturday a doomsday prediction about the fate of Himalayan glaciers was "a regrettable error" but that he would not resign over the blunder.

Addressing a press conference in New Delhi, Rajendra Pachauri, chairman of the Nobel-winning Intergovernmental Panel on Climate Change (IPCC), said the mistake arose from "established procedures not being diligently followed."

[Worldwide Nitrogen Deficit Constrains Carbon Dioxide Uptake by Plants](#)

ScienceDaily — Nitrogen is an essential nutrient for plants; limits on available nitrogen constrain how much plants can grow. This in turn affects the amount of carbon dioxide plants can absorb, which affects the global climate.



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