



## Drumbeat: September 14, 2010

Posted by [Leanan](#) on September 14, 2010 - 9:27am

Topic: [Miscellaneous](#)

### [Russia 2010 oil output to exceed 500 mln t-Energy Min](#)

(Reuters) - Russian oil production will hit a new post-Soviet high this year of more than 500 million tonnes, Russia's Energy Minister said on Tuesday.

Sergei Shmatko also said that a more moderate rouble appreciation will offset the negative impact from tax hikes in the domestic oil industry.

world's oil production and consumption situation. I'm concerned that media reports that dismiss the concept of peak oil paint a picture that hurts the cause of conservation of what is so obviously a finite resource.

To give you some background, I am a geoscientist with nearly three decades of experience in the oil industry.

### [Running out of oil?](#)

Energy transitions are driven by technological shifts. For this reason, coal was replaced by oil, with oil giving way to gas and nuclear at least in power generation.

Oil, in the same way with coal, may rendered obsolete not because we are running out of oil.

Just like the combustion engine made coal obsolete, the electric cars may render oil a relic of the past.

### [Transocean and Peak Oil](#)

I understand why people won't listen to peak oil theories. They're skeptical of radical schools of thought, opting instead to listen to "experts" who say everything is okay, that oil will keep flowing for decades to come.

But it simply isn't so.

Peak oil does not mean the world is running out of oil; it means we've peaked as far as

finding cheap oil supply.

And we don't believe the world will just "eventually" run out of cheap oil in 10 to 12 years. It's already happening.

Peak oil critics don't fully grasp the concept of peak oil is —which is also a common problem among the public. People are confusing peak oil with oil running out in the world.

### [Iran insists global gasoline market over-supplied, sellers setting terms](#)

TEHRAN: Iran, under sanctions that affect its ability to import gasoline, believes the market for the fuel is oversupplied and that buyers, not sellers, are setting conditions, its OPEC governor said on Monday.

"Currently the number of buyers in the market is limited and it is a buyer's market and not a seller's [market]," Mohammad Ali Khatibi was quoted as saying by Iran's official news agency IRNA. "In a way it is the buyer who determines the conditions for the supply of this product in the market."

### [U.S. crude turns negative on Enbridge restart news](#)

(Reuters) - U.S. crude oil futures prices turned negative on Tuesday after Enbridge Inc said it had restarted a Canada-to-New York crude pipeline after a one-day shutdown and that it may be able to restart the key 670,000 barrel-per-day Canada-to-U.S. line 6A without submitting a formal restart plan to U.S. regulators.

### [BP's Hayward to testify to UK lawmakers on spill](#)

LONDON – Outgoing BP CEO Tony Hayward will come under scrutiny from British lawmakers Wednesday over the Gulf of Mexico oil spill, months after he offered few explanations for the accident at a testy hearing in Washington.

Hayward is scheduled to give evidence to a British parliamentary committee studying the fallout of the spill and the future of deep water drilling.

### [EPA to Widen Drilling Study](#)

Environmental Protection Agency officials said that they plan to widen their investigation into a natural-gas drilling technique that the energy industry says is critical to tapping huge new supplies of natural gas.

### [Justice Department 'expects it may' sue BP](#)

New York (CNN) -- The Justice Department says it may sue BP for damages from the Deepwater Horizon oil spill, according to a filing made Monday night with the U.S. District Court in New Orleans, Louisiana.

"At this juncture, the United States expects that it may file a civil complaint related to the Deepwater Horizon disaster," the court document says.

### [Musings: Gas Shales: Good News, Bad News](#)

The Pennsylvania Department of Environmental Protection has released Marcellus gas shale production data for the 12 month period from July 1, 2009 through June 30, 2010. The 632 producing Marcellus wells released 180 billion cubic feet of gas, more than double annual natural gas production in Pennsylvania from years before gas shale exploration began. The data was made public in response to changes to the state's oil and gas disclosure law that mandates well-by-well production totals be released every six months. The revision to the disclosure law eliminated the provision that would have kept this data confidential for five years.

### [Brazil's Libra Discovery May Hold 8 Billion Barrels of Oil, Rivaling Tupi](#)

Brazil's deepwater Libra field may hold as much as 8 billion barrels of oil, rivaling nearby Tupi as the Americas' biggest crude discovery in three decades, according to an official of the country's Energy Ministry.

Initial estimates for the Santos Basin field off the coast of Brazil are between 7 billion and 8 billion barrels based on seismic and drilling data, Marco Antonio Almeida, head of oil and gas at the ministry, said today in Rio de Janeiro. That would rival the 5-billion-to-8-billion barrel estimate for Tupi.

### [Ukraine and Kazakhstan re-start Europe taps](#)

Ukraine and Kazakhstan today agreed to re-start and to increase the transit of oil to Europe, Ukrainian President Viktor Yanukovich said.

### [4 Reasons to Be Long Oil - And Nothing Else](#)

Oil recently dipped to 3 month lows on fears about global demand and currently hovers around \$72 dollars a barrel (as of August 31st). Meanwhile, global economic and geopolitical concerns continue to lend themselves to a higher price per barrel in the

coming year. The recent decline in the price of oil presents the investor an opportune speculative and defensive window, especially if oil continue to tracks demand destruction rather than inflationary pressures.

### [America over a barrel](#)

While many North Americans may be aware of the financial and environmental price we pay for a litre of gas or a barrel of oil, Sun Media columnist Ezra Levant argues that it is time we consider ethical factors as well. In his new book Ethical Oil, Levant exposes the hypocrisy of the West's dealings with the reprehensible regimes from which we purchase the oil that sustains our lifestyle.

### [Heads in the sands](#)

Only in Alberta's oilsands do companies not only volunteer to dig up naturally occurring petroleum that's bubbling out of the soaked ground and oozing into the rivers, they spend billions of dollars for the privilege of doing it. You might call it the largest cleanup of an oil spill in the history of the world.

### [Deep in Ecuador's Rainforest, A Plan to Forego an Oil Bonanza](#)

Ecuador's Yasuni National Park is one of the most biodiverse places on Earth and is home to remote Indian tribes. It also sits atop a billion barrels of oil. Now, Ecuador and the United Nations are forging an ambitious plan to walk away from drilling in the park in exchange for payments from the international community.

### [Yergin: Availability of Investment is Key to Meeting Accelerating Growth of Energy Demand](#)

CAMBRIDGE, Mass. – As the world puts the economic downturn behind, it will face a major challenge of meeting substantial growth in world demand, said Daniel Yergin, chairman of IHS CERA, in the opening address to the World Energy Congress in Montreal.

Yergin cited the new IHS CERA Energy Scenarios, which show world demand increasing by 32% to 40% over the next 20 years. “This demand growth will require investment measured in many trillions of dollars,” he said, “and it will pose a dramatic challenge to all the energy industries.”

### [Natural gas fastest, cheapest route to clean energy - Shell](#)

Natural gas provides the “fastest, easiest and most affordable” route to cleaner electricity, Shell CEO Peter Voser said on Monday.

Addressing the World Energy Congress in Montreal, he said modern gas power stations produced between 50% and 70% less carbon dioxide emissions than coal plants, and could be installed much more quickly and at a lower cost than it would take to build coal, nuclear, wind or solar power plants.

“As a result, for most countries, natural gas offers the fastest, lower-cost and easiest way to reduce carbon emissions in the coming years,” Voser said.

### [Opec members ‘need to look beyond oil’](#)

Members of the Organisation of the Petroleum Exporting Countries need to wean themselves from oil revenues in the future, Opec chief Abdalla el-Badri said yesterday ahead of the group’s 50th anniversary.

“Oil is a finite product”, the secretary general said at Opec’s Vienna headquarters. “I think we need, after 50 years, to find another source of income. “I’m not saying they should abandon oil, but they should use oil to find another source of income”, be it from industry, tourism or alternative energies.

### [Saudi Aramco plans strong capital program](#)

MONTREAL (UPI) -- Saudi Aramco is planning one of its most ambitious spending efforts in the petroleum industry to meet rising energy demands, a chief executive said in Canada.

Khalid al-Falih, president and chief executive officer of Saudi Aramco, told the World Energy Congress in Montreal that a pragmatic approach to energy was needed to address the expected increase in global energy demands.

He said global progress and development meant that more people would need more energy.

"Consequently, we will have to meet the world's increased energy needs and do so in the most responsible manner," he said in his prepared remarks.

### [Fifty years on, OPEC can no longer be ignored](#)

Fifty years after its creation, Opec’s carefully-worded announcements are now pored over like statements from the Kremlin at the height of the Soviet era. Nuanced phrasing and tone are studied for a sense of what member countries might do in terms of production.

## [Big Birthdays for Clean Air Act and OPEC](#)

Today is the 40th birthday of the Clean Air Act and the 50th birthday of OPEC, the Organization of Petroleum Exporting Countries. A 50th anniversary Web page has lots of pictures (none of the long lines of cars waiting for gas in the United States in 1973) and statements about the enduring influence of this small cluster of countries.

## [Opec's 50th birthday party: not so easy](#)

Bringing Iraq back under that umbrella is one of the cartel's greatest challenges as Opec turns 50 today.

As oil majors invest in Iraq's under-developed oil industry, the war-torn country could see its output rise five-fold to as much as 12m barrels a day over the next decade.

## [Iran's lonely walk down the nuclear path](#)

Iran's insistence on continuing enrichment programme leaves international community guessing at the regime's intent.

## [Forget Oil, Worry About Phosphorus](#)

Modern farming methods depend increasingly on fossil fuels and major plant nutrients: nitrogen, phosphorus, and potassium.

We know that peak oil is fast approaching, if it has not already arrived. This isn't the only shortage that should concern us. We are seeing the same coming shortages in nitrogen, phosphorus and potassium.

## [My 10-Mile diet ... in a global food system](#)

Local eating is not meant to simply pull up the drawbridge and take care of me and mine.

## [Speakers warn of farming crisis](#)

So this is the way the world ends?

Two speakers told the Corvallis City Club on Monday that the Willamette Valley faces a looming agricultural crisis that could leave us unable to produce enough food for our own needs.

### [Greece's Truckers Protest Austerity](#)

ATHENS—The Greek truckers' union's decision to stop work on Monday to protest liberalization of the sector has reignited fears of a severe fuel shortage after a paralyzing strike in July.

### ['Deflationary Spiral' Looms as Consequence of Premature Austerity, UN Says](#)

Premature fiscal austerity in Europe and the U.S. is pushing the global economy closer to a “deflationary spiral” that will choke consumption and leave millions of people without work, the United Nations said.

China, Germany and Japan need to boost domestic consumption while U.S. citizens must start consuming less to start fixing world economic imbalances, the UN said today in its annual Trade and Development report.

### [Kurt Cobb: Class interests and the future of inflation](#)

No doubt there are many unforeseen events which might halt the world's slide into the deflationary mire--perhaps a large-scale war or central bank policies that essentially print paper money and hand it out to the populace. But barring such extraordinary events, inflation is likely to show up only as a latecomer to the global economy's wake. What course inflation will take and whether governments and central banks will once again be capable of stemming the losses of the wealthy is impossible to know. That they will try to stem the losses of the wealthy is beyond question.

### [The Case Against Homeownership](#)

For the better part of a century, politics, industry and culture aligned to create a fetish of the idea of buying a house. Homeownership has done plenty of good over the decades; it has provided stability to tens of millions of families and anchored a labor-intensive sector of the economy. Yet by idealizing the act of buying a home, we have ignored the downsides. In the bubble years, lending standards slipped dramatically, allowing many Americans to put far too much of their income into paying for their housing. And we ignored longer-term phenomena too. Homeownership contributed to the hollowing out of cities and kept renters out of the best neighborhoods. It fed America's overuse of energy and oil. It made it more difficult for those who had lost a job to find another. Perhaps worst of all, it helped us become casually self-deceiving: by telling ourselves that homeownership was a pathway to wealth and stable communities and better test scores, we avoided dealing with these formidable issues head-on.



## [Is Immigration a Green Issue? \(Video\)](#)

TreeHugger is a blog about environmentalism, not racism, ethnicity or immigration.

Yet from holocaust deniers at the Copenhagen climate talks to the sometimes xenophobic undertones of energy independence debate, there are times when these subjects collide. When David posted about a Yale essay that claimed open immigration and sustainability were incompatible, one commenter rejected his post as "poorly disguised racism". Now activists from both sides of the immigration debate are stepping up to win the hearts and minds of environmentalists.

## [Dmitry Orlov: The future is rated "B"](#)

My voluminous fan mail has made me aware a curious fact: many of my readers seem persuaded that the future is either *Mad Max* or *Waterworld*. As far as they are concerned, there just aren't any other options. What's more, some people have even tried to venture a guess as to which of the two it shall be by watching what I do. I live on a boat, and that is apparently an indication that the future must be *Waterworld*-like. But I have also been seen rattling around town on a rusty old motorcycle, and that is taken as an indication of a more *Mad Max*-like future.

It saddens me that so few people bring up the film *Blade Runner*, and it is even more sad that George Lucas's *THX 1138* or Jean-Luc Godard's *Alphaville* are almost never mentioned, because these particular films have in many ways proven to be predictive of the present rather than just the future.

## [Which Comes First – Peak Everything or Peak Us?](#)

Another way to frame the question is to ponder evidence that we're different than bacteria on agar (see bacterial growth in the time-lapse video above). Through science, we are getting the growing impression that our petri dish has an edge. Do we grow unabated until fundamental resource constraints rein us in, or can we modulate behaviors to soften the transition to some steadier state?

## [Chances of climate bill making a comeback appear unlikely](#)

WASHINGTON – Record-high temperatures across the country. Massive flooding in Pakistan. Devastating drought and wildfires in Russia.

The summer has been marked by severe weather worldwide, a phenomenon that some scientists say matches the expected outcomes of global warming. But few who follow climate change legislation think recent events will revive the bill, which was declared effectively dead in the Senate in July.



### [Don't wait for US on cap-and-trade, OECD urges Canada](#)

MONTREAL (AFP) – Canada could gain credibility at home and abroad if it unilaterally applied a cap-and-trade system to reduce carbon emissions instead of waiting for Washington to do it first, the OECD said.

### [Amid Trade Tensions, U.S. Creates More Clean Tech Research Partnerships With China](#)

The number of clean energy partnerships between the United States and China reached a new peak when the U.S. Energy Department announced two new consortia aimed at tackling clean vehicles and 'clean' coal technology earlier this month.

### [Italy seizes \\$1.9 billion of assets as Mafia goes green](#)

ROME (Reuters) – Italy Tuesday seized Mafia-linked assets worth \$1.9 billion -- the biggest mob haul ever -- in an operation revealing that the crime group was trying to "go green" by laundering money through alternative energy companies.

Investigators said the assets included more than 40 companies, hundreds of parcels of land, buildings, factories, bank accounts, stocks, fast cars and luxury yachts.

### [Russia 2010 oil output to exceed 500 mln t-Energy Min](#)

(Reuters) - Russian oil production will hit a new post-Soviet high this year of more than 500 million tonnes, Russia's Energy Minister said on Tuesday.

Sergei Shmatko also said that a more moderate rouble appreciation will offset the negative impact from tax hikes in the domestic oil industry.

### [OPEC says Russia may have to curb oil production in future](#)

Russia may have to slow down oil production in the future, OPEC Secretary General Abdallah Salem El-Badri said on Tuesday.

El-Badri said that so far Russian oil production did not affect OPEC's operations and its quota plans.

"But if this level of production is going to continue, Russia may have to slow down a bit," he said.

## [AP Analysis: Gov't approval of drilling permits in Gulf's shallow waters slows dramatically](#)

The drilling moratorium enacted after the BP oil spill applies only to the deepwater Gulf of Mexico. Yet energy exploration in the Gulf's shallow waters has come to a virtual standstill as drillers grapple with tougher U.S. federal rules since the spill.

## [Obama asks for millions for oil, gas oversight](#)

WASHINGTON — US President Barack Obama on Monday asked Congress for more than 90 million dollars to reform oversight of the offshore oil and gas industry, following the Gulf of Mexico oil disaster.

Some of the money would be raised by more than doubling the fees the government charges firms for inspecting their offshore facilities, Obama told House of Representatives speaker Nancy Pelosi in a letter.

## [Shell May Invest \\$1 Billion a Year in China, CFO Says](#)

Royal Dutch Shell Plc, Europe's biggest oil company, may invest \$1 billion a year in China should two wells in Sichuan province show potential for commercial gas production, its chief financial officer said.

## [Iraq output choked on pipeline woes](#)

Iraq's crude oil exports fell in August to 1.789 million barrels per day, due to several stoppages on the country's northern pipeline, a source at the Iraqi Oil Ministry said today.

## [UK: Gas storage project boosts energy security](#)

Around 700 million to 800 million cubic metres of additional gas storage will be provided by the Saltfleetby facility, the largest onshore gas field in the UK. This equates to a 15% increase in the UK's capacity — an increase that could prove very useful given the UK's growing reliance on imported gas. The decision will boost to the country's energy security.

## [Opec turns 50](#)

Fifty years into existence, Opec, the Vienna-based oil bloc, continues to dominate the global oil market. Its omnipresence is more acutely felt in the crude oil business. Politically, however, the organisation is not as potent force as it could be. Its dozen

members are incohesive and often pursue contradicting political agendas.

Organisation of the Petroleum Exporting Countries, as its known, is turning 50 today. It was founded in Baghdad, Iraq on September 14, 1960.

### [A decision that set a new international order in motion](#)

Fifty years ago today, the world's biggest oil exporters announced that they could "no longer remain indifferent" to what they saw as the unfair pricing policies of the international oil companies.

Thus was born the Organisation of the Petroleum Exporting Countries (OPEC), a group that a decade later would command the world's undivided attention.

### [OPEC is stabilising factor for world economy: UAE](#)

Abu Dhabi - The UAE has always been advancing OPEC's message to deliver balance and stability in the world economy, the UAE Minister of Energy Mohammed bin Dhaen Al Hamili affirmed today

In a statement to mark the 50th anniversary of the Organisation of the Petroleum Exporting Countries (OPEC), Al Hamili extended warm congratulations to the UAE leadership which underlined its consistent support for the oil group.

### [Crucial link for global oil consumers](#)

It has often been said, not least by OPEC itself, that if the group did not exist it would have to be invented.

From the start, the group founded by five developing nations that sought to reclaim control of their energy resources provoked suspicion and animosity from oil consumers. But rumours of OPEC's demise were always exaggerated.

Has the world, then, discovered it needs OPEC and allowed the group to attain respectability in middle age?

### [UAE faced a tough battle for a fair deal](#)

The UAE is one of OPEC's core producers, with a reputation for adhering to output quotas and remaining committed to building spare pumping capacity that can be activated in the event of a global oil crisis.

But the country had to fight hard in the 1980s and 1990s to achieve its vaunted position.

For much of the 1980s as oil prices rapidly dropped, the UAE was stuck with a total quota of under 1 million barrels per day (bpd), less than half its current limit.

Mana al Otaiba, then the UAE Minister for Oil, lobbied for a significant increase saying the country's share of OPEC's output was not commensurate with its huge reserves.

### [UK mulling options for green bank - minister](#)

LONDON (Reuters) - Britain has begun the process of setting up its Green Investment Bank to help fund the shift to a low-carbon economy and could make it commercially independent, the minister of state for energy and climate change said.

"We have begun the process of establishing the Green Investment Bank," Gregory Barker told a Confederation of British Industry event on Tuesday.

### [Canceled Coal Plants Show Carbon Trade Is Working, Barclays Analyst Says](#)

Planned investment by European utilities and RWE AG's cancellation of a coal plant in Poland demonstrates that emissions trading works, according to an analyst at the investment bank of Barclays Plc.

One European utility wants to boost its renewable energy capacity to 21 gigawatts by 2020 from 2.2 gigawatts this year, Trevor Sikorksi, a London-based analyst at Barclays Capital, said in a Sept. 13 research note, citing a speech at one of the bank's conferences. He didn't name the company.

### [Europe's climate chief scolds and praises China](#)

(Reuters) - China's climate negotiators are moving too slowly, but the country's green energy companies are advancing at an "astonishing" pace and threaten to outpace western competitors, Europe's climate chief said on Tuesday.

### [The powerful coalition that wants to engineer the world's climate](#)

Businessmen, scientists and right-wing thinktanks are joining forces to promote 'geo-engineering' ideas to cool the planet's climate.

### [Arctic ice melting quickly, report says](#)

BREMERHAVEN, Germany (UPI) -- The ice around the North Pole has experienced another severe meltdown this year, German scientists said.

Around 1.9 million square miles of the Arctic Ocean will be covered by ice by the end of this summer, the third-lowest figure since satellite monitoring began in the 1970s, scientists from the University of Hamburg and the Alfred Wegener Institute for Polar and Marine Research said Monday.

### [Gov't to save Dead Sea hotels, but it may be too late](#)

Although the deteriorating sea dominates the discourse regarding the northern or “natural” part of the mineral-rich body of water, the focus of the Knesset’s discussion Monday was the rising water levels in the southern part, due to massive accumulation of salt at the bottom of what is known as Lake Number Five.

### [Smart grids lack cash incentive spark](#)

TIANJIN // Electricity “smart grids” could remove the same amount of carbon dioxide from the atmosphere as is produced by all of the cars and homes in the US, but pioneers of the technology fear they may never take off on a large scale.

### [‘Less power to deliver better results’](#)

q What is a smart grid?

a A smart grid in the most general terms is the application of IT technology to the electric power system. Specifically it involves the installation of sensors on the lines of the electric power grid itself. These sensors are embedded with chips that detect information on the operation and performance of the grid – such measurements as voltage and current. The sensors then analyse that information to determine what is significant – for example is voltage running too high, or too low.

### [Nottingham named England's least car-dependent city](#)

Nottingham's investment in cycle tracks, a tram network and buses made it the top ranking city for green transport.

### [Recharge your car as you sleep](#)

TIANJIN// Electric vehicles are the darling of the renewables sector. All of the major car makers are now at work on developing these vehicles to feed the growing demand

for sustainable transport.

Silent, energy-efficient cars are seen as being a major factor in the way smart grids optimise energy networks. With cars parked for most of their lives, charging them up during that period, especially overnight, would optimise efficiency, according to a process known as “valley filling”.

### [Embracing the Spectrum: The Clean Energy Czar](#)

I think the energy economy has become so complicated that you really start with the whole package. There are individual rich and poor nations around the world that have everything in common: advanced smart grids, the highest-tech solar, wind and nuclear power plants, the use of traditional biofuels. So I think that doing this job anywhere, not just at the World Bank, really involves embracing all ends of that spectrum.

So what I’m hoping, again, is that my work on everything from rural cookstoves in East Africa and Ethiopia, to advanced smart grid technologies, will all come into play and that I won’t forget one because of the other. And in fact I’m very confident that my colleagues at the World Bank are going to ensure that we don’t forget those things because there’s just such a diversity of needs and also of interests.

### [Interview with Bob Hirsch on his team’s new book—“The Impending World Energy Mess”](#)

**Andrews:** *In your earlier work dating back at least five years, you resisted forecasting a time frame for peak oil. There seems to be a bit of a change on that front in your book. Care to comment on that?*

**Bob Hirsch:** In years past, there was considerable uncertainty in my mind about when the decline of world oil production might begin. Recently it became clear to me that it’s going to be sooner rather than later. I believe that the onset of the decline of world oil production is likely in the next two to five years. And when I say “oil,” I mean all liquid fuels.

**Andrews:** *You say that once declining oil supplies hits, we’re likely to experience deepening worldwide economic damage. How is that likely to unfold? What is your most likely scenario?*

**Hirsch:** Our thinking is that what happened in the two sudden oil shocks of 1973 and 1979 is very likely to be repeated when oil decline sets in. Those were two real world examples of oil shocks surprising people and causing panic. We believe that the same kind of thing is going to happen again, except that the problem is going to last much, much longer because, unlike before, there will be no unused oil supply valves to turn on this time.

## [Crude Oil Falls in New York as Enbridge Makes Preparations to Fix Pipeline](#)

Oil declined for the first time in three days in New York as Enbridge Energy Partners LP prepared to repair a section of pipeline shut last week.

Oil dropped from near a one-month high as the dollar strengthened against the euro, curbing investor demand for crude as an inflation hedge. OPEC Secretary General Abdalla El-Badri said prices of \$70 to \$80 a barrel are comfortable for oil producers and for consumers.

## [Gas prices rise on broken Midwest oil pipeline](#)

NEW YORK — Retail gasoline prices increased Monday as crews continued to work on a broken Midwest pipeline that transports a quarter of the oil imported from Canada to the U.S.

In its weekly report on gasoline pump prices, the Energy Department's Energy Information Administration said Monday that the national average for a gallon of unleaded regular was \$2.721, up about 4 cents from a week ago. The Midwest showed the biggest jump in regional prices, up 10.4 cents from a week ago to \$2.778 a gallon. The average pump price in Chicago was \$3.018, up almost 16 cents from a week ago.

## [Oil Supply Falls for Second Week as Imports Drop in Survey](#)

U.S. crude supplies probably fell for a second week as imports dropped before refiners close plants for maintenance and a pipeline shutdown threatens to curtail shipments from Canada, a Bloomberg News survey showed.

Inventories declined 2.5 million barrels, or 0.7 percent, in the seven days ended Sept. 10 from 359.9 million a week earlier, according to the median of 10 analyst estimates before an Energy Department report tomorrow. The decrease would leave stockpiles at the lowest level since Aug. 13.

## [Energy Boom Is Coming Regardless of Slowing Global Economy, Officials Say](#)

The world must prepare for the next energy boom, officials meeting this week in Montreal said, as long-range forecasts that demand will surge eclipse concern that the pace of the global economic recovery is slowing.

Electricity and fuel consumption will climb 30 to 40 percent in the next 20 years, spurred by rising incomes in emerging markets and global economic growth, Daniel Yergin, chairman of IHS-Cambridge Energy Research Associates, said yesterday at the World Energy Congress in Montreal.



### [OPEC's El-Badri Says \\$70- \\$80 Price Range Is Comfortable for Group Members](#)

Oil prices at \$70 to \$80 a barrel are comfortable for crude producers and consumers, and have not been affected by OPEC overproduction of about 2 million barrels a day, its Secretary-General Abdalla El-Badri said.

“If the situation stays as it is, \$70- \$80 a barrel price is comfortable,” El-Badri said in an interview from Vienna on Bloomberg Television’s “The Pulse” with Andrea Catherwood.

### [Aramco pins hopes on unconventional](#)

Saudi Aramco's boss Khalid al-Falih today said the kingdom's large reserves of unconventional gas could help it meet burgeoning domestic demand and free up more crude for export.

Falih told the Financial Times that the kingdom could hold hundreds of trillions of cubic feet of unconventional resources including shale gas, more than doubling its proved reserves tally of 280 trillion cubic feet.

The newspaper said Falih's announcement confirms that Riyadh has not found as much conventional gas as it had hoped.

### [Aramco CEO Says World Is Likely to Rely Mostly on Fossil Fuel for Decades](#)

Saudi Arabian Oil Co. Chief Executive Officer Khalid al-Falih said the world probably will rely for decades to come on fossil fuels, mainly oil, natural gas and coal.

“Even though the share of fossil fuels in the energy mix may decline over the longer term, the absolute quantities of energy from these sources will continue to rise simply because total energy demand is set to expand so significantly,” he said in a speech today at the World Energy Congress in Montreal.

### [Gulf oil spill energizes foes of NY shale drilling](#)

BINGHAMTON, New York (Reuters) – Critics of natural gas drilling in New York on Monday urged U.S. regulators to enact tougher regulations, saying the BP oil spill in the Gulf of Mexico proves the industry cannot be trusted.

More than 1,600 officials and citizens were due to testify over two days at a U.S. Environmental Protection Agency stakeholder meeting in Binghamton, in upstate New York.

### [State tracks anti-Marcellus Shale drilling groups, notifies law enforcement](#)

Big Driller may be watching you.

According to recently leaked documents, the Pennsylvania Office of Homeland Security has been tracking anti-gas drilling groups and their meetings — including a public screening of the film “Gasland,” a documentary about the environmental hazards of natural gas drilling.

### [OPEC's First Lady Alison-Madueke Grapples With Nigerian Reform](#)

Diezani Alison-Madueke will take her seat as the first female oil minister in OPEC when the group meets in Vienna next month. A far tougher role may be the one she’s playing at home in Nigeria.

### [Enbridge Fixing Damaged Pipeline in Illinois as Smaller Link Is Shut Down](#)

Enbridge Energy Partners LP halted a third smaller oil pipeline to U.S. refiners as crews prepared to repair a section of a link that leaked last week, prompting one buyer to seek alternative supplies of oil.

Yesterday, Enbridge shut a 70,000-barrel-a-day link from Ontario to Kiantone, New York, to investigate a possible leak. Its workers started repairing damaged section of the 6A line in Illinois that ships 670,000 barrels a day of crude from Canada to refiners in the U.S. Midwest. In July, Enbridge shut pipeline 6B near Marshall, Michigan.

### [PG&E sets up \\$100 million fund for San Bruno victims](#)

The owner of the gas pipeline that exploded and leveled a California neighborhood, killing at least four people, is creating a \$100 million fund for the victims, the utility announced Monday.

### [Long-delayed BP well kill back on in Gulf of Mexico](#)

WASHINGTON (AFP) – BP began drilling Monday the final stretch of a relief well that will allow engineers to permanently seal its disastrous Macondo well in the Gulf of Mexico.

Drilling stopped more than a month ago due to the threat posed by a tropical storm, and a lengthy debate over how best to proceed then delayed the final kill operation by several weeks.

## [Gulf Drilling-Ban Foes Ask U.S. Appeals Court to Uphold Judge's Order](#)

The U.S. defended its moratorium on deep-water drilling in the Gulf of Mexico as offshore oil- services companies asked an appeals court to uphold a New Orleans judge's decision blocking enforcement of the ban.

## [BP and partners say most victims not yet entitled to sue](#)

WILMINGTON, Delaware (Reuters) – BP Plc and its partners in the blown-out Gulf well said on Monday that thousands of fishermen, seafood processors, restaurants, hotel owners and others may not yet have the right to sue over the spill, according to court papers.

BP and its partners such as Transocean Ltd and Halliburton Co said the majority of alleged victims who have brought about 400 lawsuits must first take their claims to a \$20 billion fund established by BP.

## [Gulf May Avoid Direst Predictions After Oil Spill](#)

How much damage resulted from almost five million barrels of oil pouring into the Gulf of Mexico is still being toted up in laboratories and government offices. It will be some time before the government releases its formal assessment of the effects – one that will define the scope of environmental restoration required by BP, Deepwater Horizon's operator, and other companies.

Separately, scientists are arguing heatedly about how fast a large plume of dispersed oil more than a half-mile below the surface of the gulf is breaking down and how great a threat it poses to sea life.

Yet as the weeks pass, evidence is increasing that through a combination of luck (a fortunate shift in ocean currents that kept much of the oil away from shore) and ecological circumstance (the relatively warm waters that increased the breakdown rate of the oil), the gulf region appears to have escaped the direst predictions of the spring.

## [Where's the oil? On the Gulf floor, scientists say](#)

NEW ORLEANS – Far beneath the surface of the Gulf of Mexico, deeper than divers can go, scientists say they are finding oil from the busted BP well on the sea's muddy and mysterious bottom.

Oil at least two inches thick was found Sunday night and Monday morning about a mile

beneath the surface. Under it was a layer of dead shrimp and other small animals, said University of Georgia researcher Samantha Joye, speaking from the helm of a research vessel in the Gulf.

### [Jockeying Delays Spill Research Money](#)

Gulf state governors, backed by the White House, protested that there would be no local input on how the money was allocated this way. So BP issued some \$30 million in fast cash and went back to the drawing board. Gulf scientists, some who had voiced the same worries, were torn between their skepticism of BP and mistrust of the governors' intentions.

### [Fifty Years of OPEC and the End of Cheap Oil](#)

Fifty years ago, five countries created an economic consortium to control the price and flow of crude oil: the Organization of Petroleum Exporting Countries. OPEC's birthday comes around the same time that a new paper by a German military think-tank sheds light on how close the world is coming to the potential moment of "Peak Oil."

### [Extreme caution](#)

What about oil? There is really no earthly reason for oil at 77 except for the peak oil enthusiasts but likely they have not been following the deep drilling well head pressures or the massive push off shale oil which is becoming more economical to collect and refine. We have more shale oil than Saudi Arabia has conventional reserves. But the reality is their has never been a good recovery without a big drop off of oil prices. Oil prices act as a tax on all businesses so low cost oil generates great bottom line results for both businesses and individuals. If gas prices were half what they are today, businesses would hire, and consumers would have more spending money. But here again we have a pipeline leak so oil has gone up over \$77 though there are no shortages of supply.

### [The future of worlds oil supply](#)

Experts are divided about when exactly oil will run out. There is a belief that the world's supply will last until about 2040. Large numbers of senior oil industry geologists and analysts have challenged this belief publicly. They believe that it is grossly optimistic.

### [Cuba's Peak Oil Experience: Looking Back Over 20 Years](#)

Mario Arrastia Avila, a Physicist in Cuba's energy transition agency Cuba Energia, spoke in San Francisco last week about the lessons of Cuba's transition after its own Peak Oil disaster struck in the early 1990s. At the time, the Soviet Union's collapse meant that

North Korea, Cuba, and other communist satellites faced the end of cheap imported oil that formed the backbone of the energy infrastructure in those countries.

The lessons of 20 years of energy efficiency upgrades, transition to renewables, community education around conservation, and utility-scale reinvention serve as a powerful model of what will be in the United States and elsewhere as we experience our own inevitable energy shocks. (As an aside, North Korea chose a different route, with disastrous consequences for its economy and political future....but that's another story).

### [What Kind of Jobs?](#)

Analysts warning about peak oil (such as the Post-Carbon Institute) were regarded as a fringe movement as recently as a few years ago, but since then the official international body charged with predicting production figures has been drastically revising its figures down, from the fantastic toward the present output. Even Lloyd's of London now acknowledges peak oil, which does not mean the exhaustion of oil supplies; it refers to the maximum global production, after which the graph starts sloping inexorably downward, whether or not demand is rising.

The peak is crucial, because for about a century our civilization has been increasingly built on oil. (The model-T Ford, in 1908, is a convenient starting point.) Oil yields gas and other fuels for civilian cars, trucks, farm equipment, planes, ships, and railroads; for military uses; pesticides; plastics; and many other modern conveniences. When oil gets expensive, we tend to have a recession, which is not a salubrious atmosphere for investment in energy alternatives.

### [The Investment Case - Sasol Ltd](#)

Some analysts believe that the world has already reached "Peak Oil" - the point from which natural oil production will steadily decline as reserves run out. Whether that is true or not, there is little argument that the supply of oil is stagnant at best. Yet global demand is increasing.

That being the case, coal-to-liquid and gas-to-liquid technologies are increasingly in vogue. Not only do they realise a product that is cheaper than oil, but they make use of commodities with much healthier global lifespans.

### [Biotech Company to Patent Fuel-Secreting Bacterium](#)

A biotech company plans to announce Tuesday that it has won a patent on a genetically altered bacterium that converts sunlight and carbon dioxide into ingredients of diesel fuel, a step that could provide a new pathway for making ethanol or a diesel replacement that skips several cumbersome and expensive steps in existing methods.

### [Biofuels From Trash Could Replace Half of EU Gasoline by 2020, Study Says](#)

Biofuels made from plant waste and municipal trash rather than food crops could replace more than half of gasoline used in the European Union by 2020, Bloomberg New Energy Finance said.

The 27-nation bloc could produce 90 billion liters (24 billion gallons) of next-generation ethanol in 2020, or about 65 percent of predicted fossil gasoline consumption, the London-based research group said today in a study. At least 100 refineries a year could be built in the region from 2013, according to the report.

### [Three bizarre facts that changed Sarasin's investment case](#)

Now, with all this talk of peak oil, many companies are trying again, and some of them can make some pretty snazzy sports cars run on turbo-charged Duracells.

But the problem for Lindsay is that in the early part of the 20th century there were really no barriers to entry into the electric car market, and there are not any more today. For this reason, he argues that backing any single manufacturer of an electric car leaves you vulnerable to disaster, much like those pioneer investors were.

For this reason, he has rejected the electric cars from Tata and even the Hollywood-favourite Tesla, which can go from 0 to 60mph in four seconds. Instead, he has found a company that provides the basic stuff on which many still untested battery designs are based: lithium.

### [Recession sends used car prices sky high](#)

As the recession wears on, used car prices are hitting sky-high levels.

How high? So high that at Gerald Jones Honda in Augusta, Ga., owner Andy Jones paid \$6,000 at auction for a 2004 Buick Century with 70,000 miles that he fixed to sell for \$8,500 -- more than three times what a car like that would have been worth before the recession hit, *Automotive News* reports.

### [Breakfast in class: Fight against kids' hunger starts at school](#)

Although the number of hungry children in the U.S. is rising, fewer than half of the kids who could be eating a free or low-cost breakfast at school are getting one.

In Pueblo, school officials take a counterintuitive approach: They offer free breakfast to all children regardless of income, so no one is embarrassed to be eating it. In most schools here, breakfast is served right in the classrooms. As a result, 76% of Pueblo's



needy kids eat school breakfast. That's more than any state and almost every big city, according to the Food Research and Action Center (FRAC), which tracks participation in school meal programs.

### [Book review: The Coming Famine](#)

Not just peak oil, but peak land, and even peak people, have and will continue create vast pressures on the food chain, with humanity running through every available resource - nutrients, fish stocks, arable land, usable water, fertilisers - without regard for the future.

### [Health Dividend Seen in Deeper Emission Cuts](#)

Health advocates said Monday that adopting more ambitious targets for cutting greenhouse gases could save health programs up to 30.5 billion euros (\$38.7 billion) in expenditures each year in the European Union.

The study found that as greenhouse gases fall, so do other pollutants that set off respiratory diseases and other illnesses, which reduce in health care costs. Savings could also be achieved on health care costs associated with heat waves, floods, reduced food production and infectious diseases, the study said.

### [Thursday Shaping Up as a Senate Showdown Over EPA's Greenhouse Gas Regs](#)

Two Senate Democrats yesterday said they may support an amendment to block U.S. EPA climate rules, increasing the odds of its success when the Senate Appropriations Committee votes Thursday on EPA's budget.

### [Citing the Gipper in an Energy Debate](#)

California is in the midst of a big political fight over a proposal, backed by oil companies, to suspend the landmark climate-change law passed by that state in 2006. An interesting voice on the right has weighed in to defend California's policy and oppose repeal: that of George P. Shultz, who was Ronald Reagan's secretary of state.

### [Home of "Ice Giants" thaws, shows pre-Viking hunts](#)

JUVFONNA, Norway (Reuters) – Climate change is exposing reindeer hunting gear used by the Vikings' ancestors faster than archaeologists can collect it from ice thawing in northern Europe's highest mountains.



"It's like a time machine...the ice has not been this small for many, many centuries," said Lars Piloe, a Danish scientist heading a team of "snow patch archaeologists" on newly bare ground 1,850 meters (6,070 ft) above sea level in mid-Norway.

Specialized hunting sticks, bows and arrows and even a 3,400-year-old leather shoe have been among finds since 2006 from a melt in the Jotunheimen mountains, the home of the "Ice Giants" of Norse mythology.

### [Melting sea ice forces walrus ashore in Alaska](#)

WASHINGTON — Tens of thousands of walrus have come ashore in northwest Alaska because the sea ice they normally rest on has melted.

U.S. government scientists say this massive move to shore by walrus is unusual in the United States. But it has happened at least twice before, in 2007 and 2009. In those years Arctic sea ice also was at or near record low levels.

### [Fabled Northwest Passage open in Arctic again](#)

Arctic ice has melted enough again this summer for the legendary Northwest Passage to open up, according to the National Snow and Ice Data Center. It's the third time in history – and the third straight year – that both the Northwest and Northeast Passages are open due to a lack of Arctic ice.



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