



Drumbeat: October 28, 2010

Posted by [Leanan](#) on October 28, 2010 - 9:18am

Topic: [Miscellaneous](#)

[The Peak Oil Crisis: The Midterms](#)

As we approach another round of Congressional elections, it is a good time to review how the peaking of the world's oil supply fits into the American political scene. It has been obvious to anyone who cared to look at the issue that for the last six or seven years something has been seriously wrong with the global supply of oil.

Prices have moved to up from their traditional \$10-20 a barrel range to roughly four times higher. Looking behind this number, it does not take long to learn that world oil production has been static for the last five years and that demand for oil in China, India, the oil-exporters, and a few other developing countries is moving up rapidly. Indeed, a few knowledgeable observers are beginning to say that it was the rapid increase in oil prices and the concomitant inflation and higher interest rates between 2002 and 2006 that started the ball rolling towards our current global recession. The great oil price spike to \$147 a barrel in the summer of 2008 was the icing on the cake. The great financial/credit bubble that had been growing in the U.S. and Europe for several decades began to deflate.

il exporter.

[Analysis: U.S. O&G Drilling Rises from 2009 Slump](#)

After slumping in 2009, U.S. oil and natural gas drilling is on the upswing in 2010, the American Petroleum Institute (API) reported this week. An estimated 11,297 oil wells, natural gas wells and dry holes were completed in the third quarter of 2010, a 45 percent jump from last year's third quarter, according to API's newly released 2010 Quarterly Well Completion Report: Third Quarter.

[Tax to fall to 2/3 of Russia oilco sales in '20-oilmin](#)

(Reuters) - Russia wants to cut the tax burden on its oil companies to around 65 percent of revenues from the current 73 percent with a view to encouraging investment, its energy minister told reporters on Thursday.

[Saudi Aramco issues rare gas oil spot tender-trade](#)

The state oil giant is usually a buyer of gas oil. But traders said demand had waned as the peak season was over.

"It is the first spot sale since May," one middle distillates trader said, adding such a sale reflected the bearish fundamentals of the gas oil market.

[Yet another fuel shortage looms over Kathmandu](#)

KATHMANDU: Kathmanduites may possibly face yet another fuel shortage due to delay in negotiation by Nepal Oil Corporation (NOC) with agitating Nepal Petroleum Transporters' Federation (NPTF).

[Islamabad votes in favor of TAPI pipeline](#)

ISLAMABAD, Pakistan (UPI) -- Islamabad voted to give the green light to the Turkmenistan-Afghanistan-Pakistan-India natural gas pipeline, a minister announced.

Pakistani Information Minister Qamar Zaman Kaira said it was vital for Pakistan to approve the multilateral pipeline from Turkmenistan to stave off an energy crisis in the country, Pakistan's Daily Times newspaper reports.

[Exxon not shutting N. American gas wells](#)

(Reuters) - Exxon Mobil Corp has not shut off any North American natural gas production because of current low prices for the fuel, an executive said on Thursday.

"We have not shut in any gas wells," David Rosenthal, an investor relations executive for the oil company told analysts on a conference call.

[Transneft may speed up Pacific oil pipeline start](#)

(Reuters) - Russian oil pipeline monopoly Transneft may commission its Pacific link, by one year earlier than planned, the company head Nikolai Tokarev said on Thursday.

The completion of the East Siberia-Pacific Ocean-2 pipeline is scheduled for 2013-2014.

[Operational woes hit Canada oil sands producers](#)

CALGARY, Alberta (Reuters) - Canadian oil sands producers, including Nexen Inc and Cenovus Energy Inc, struggled with operational problems in the third quarter, which pressured returns, prompting investors to pull their shares lower.

The issues were both internal and external, and highlighted the complexities of developing Alberta's oil sands, the largest crude oil source outside the Middle East.

[Resource boom leads to huge wage growth](#)

The boom in the mining, oil and gas industries has led to spectacular wage growth for their workers, Statistics Canada said Thursday in its monthly earnings survey.

[Energy superpower -- policy midget](#)

Sometimes governments do things that are so controversial and divisive the issue can never be discussed rationally again. Think of the Mulroney government's efforts at constitutional reform -- the failed Meech Lake and Charlottetown Accords -- for example.

This week marks the 30th anniversary of another such policy effort. On Oct. 28, 1980, the Trudeau government introduced the National Energy Program, and in so doing ensured this country would not have a serious conversation about energy strategy for another three decades.

[Report: Nigerian oil city evictions to affect 200k](#)

The evictions and demolitions are part of a master plan to redevelop the waterfront of Port Harcourt, long a hub for foreign oil firms exploring Nigeria's oil-rich Niger Delta. While foreign oil workers live in fortified compounds resembling Western suburbs, Nigerians living in the city have little electricity and access to clean drinking water.

[Indian electricity: so far behind China](#)

India may be catching up with China in terms of GDP growth but it still lags far behind on electricity provision. The contrast between the two global heavyweights is stark: nearly 404m Indians currently live without any electricity at all, compared to 8m Chinese.

[U.K. Extends Subsidies to Small Refurbished Hydro Power Plants in Rivers](#)

The U.K. Department of Energy and Climate Change said former mills and water turbines that are converted into hydroelectricity plants are now eligible for financial support under the government's feed-in-tariff system.

Hydropower projects that produce as much as 5 megawatts can claim feed-in-tariff support and those above 50 kilowatts can claim Renewable Obligation Certificates, the department said today on its website.

[Electric car rivalry could distract buyers](#)

Back in the 1960s, counterculture guru Timothy Leary urged people to "Turn on, tune in, drop out." In the coming months, American motorists will be urged to "plug in, turn on and buy," as the first mass-production electric vehicles hit the market.

By some estimates, as many as three dozen plug-in hybrids, extended-range electric vehicles and battery-electric cars will reach market by mid-decade, but industry executives say the coming months will be critical to building acceptance for vehicles that have some serious drawbacks compared to conventional, gas-powered cars, trucks and crossovers.

[The Peak Oil Crisis: The Midterms](#)

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[Crude Oil Trades Near \\$82 as Investors Buy Commodities on Dollar Weakness](#)

Oil traded near its highest price in a week as the dollar weakened, boosting investor demand for raw materials, and after a report yesterday showed U.S. gasoline stockpiles fell by the most in a year.

[Oil in New York Faces Resistance at \\$81.74 a Barrel: Technical Analysis](#)

Oil in New York is facing resistance at \$81.74 a barrel, setting the stage for prices to climb to \$87 or fall to \$78, based on levels using Fibonacci analysis, the Schork Group Inc. said.

[Natural-Gas Prices Swings in U.K. Decline to 11-Year Low](#)

U.K. natural gas is trading in the narrowest range in 11 years as increased imports and storage capacity counters concern that North Sea production is waning.

[Special Report: The Great Shale Gas Rush](#)

Exploring the promise and challenge of a new energy supply.

[ConocoPhillips Australian LNG Project Closing Gap With Rivals, Mulva Says](#)

ConocoPhillips, Origin Energy Ltd.'s partner in an Australian liquefied natural gas venture, said it aims to make a decision to proceed with the development at about the same time as rival projects in Queensland state.

[French protests weaken but still disrupt flights](#)

Though the strikes are tapering off, the fuel shortages they caused are still a problem. One in five gas stations are still empty or short of gas because of the refinery strike, said the national petroleum industry body.

Striking dock workers have exacerbated the shortages. Oil tankers are lined up by the dozens in the Mediterranean off the port of Marseille, waiting to unload. The Normandy port of Le Havre faces a similar situation. Dock workers have been protesting for a month, partly over the pension plan, though their central concern is port reform.

[Shell Says Repercussions of U.S. Drilling Moratorium Could Last Into 2012](#)

Royal Dutch Shell Plc, Europe's largest oil company, warned that the knock-on effects of the temporary ban on new deep-water drilling in the Gulf of Mexico could last for the next two years.

Shell has booked charges of \$115 million to date after idling rigs and expects further losses in the fourth quarter, Chief Financial Officer Simon Henry said today. Daily output from the region, which accounts for about a third of Shell's total production in the

Americas, will be 40,000 barrels less than previously expected in 2011.

[Shell net profits hit £2.19 bln in third quarter](#)

LONDON (AFP) – Royal Dutch Shell said Thursday that net profits rose seven percent to 2.195 billion pounds in the third quarter, compared with the same period one year ago.

The group also revealed in a results statement that net earnings fell 21 percent in the third quarter, when compared with the previous three months.

[Sinopec's Third-Quarter Profit Beats Estimates as China Fuel Demand Rises](#)

China Petroleum & Chemical Corp., Asia's biggest refiner, posted a 15 percent gain in third- quarter profit, beating estimates, as faster industrial production growth boosted fuel consumption by factories.

Net income at Sinopec, as China Petroleum is known, rose to 19.6 billion yuan (\$2.9 billion), or 0.224 yuan a share, from a revised 17.1 billion yuan, or 0.197 yuan, a year earlier, the company said in a statement to the Hong Kong stock exchange today. That compares with a mean estimate of 18.16 billion yuan in a Bloomberg survey of seven analysts.

[Cnooc's Revenue Surges 64% as Output, Oil Prices Advance in Third Quarter](#)

Cnooc Ltd., China's biggest offshore oil producer, posted a 64 percent increase in third-quarter revenue as the company stepped up acquisitions and output to gain from higher crude prices.

Sales rose to 38.91 billion yuan (\$5.8 billion), from 23.76 billion yuan a year earlier, Cnooc said in a statement to the Hong Kong stock exchange today. The Beijing-based company, which gets almost all of its revenue from oil and gas production, doesn't report net income for the third quarter.

[S-Oil Third-Quarter Profit Triples as Diesel Demand Boosts Refining Margin](#)

S-Oil Corp., South Korea's third- biggest oil refiner, said third-quarter profit more than tripled, beating estimates, as margins from processing crude into diesel increased with rising fuel demand.

Net income rose to 243.7 billion won (\$216 million) in the quarter from a revised 78.9

billion won a year earlier, the Seoul-based company said in a regulatory filing today. The mean of 11 analyst estimates compiled by Bloomberg News was a profit of 231.9 billion won.

[Exxon Mobil Profit Rises as Demand Growth Boosts Energy Prices](#)

Exxon Mobil Corp., the world's largest company, posted its third consecutive profit increase as rising worldwide energy demand lifted commodity prices.

Third-quarter net income rose to \$7.35 billion, or \$1.44 a share, from \$4.73 billion, or 98 cents, a year earlier, Irving, Texas-based Exxon said today in a statement. Per-share profit was 5 cents more than the average of 14 analysts' estimates compiled by Bloomberg.

[Eni Posts \\$2.38 Billion Third-Quarter Profit, Beating Analysts' Estimates](#)

Eni SpA, Italy's largest oil and natural gas company, said third-quarter profit gained 48 percent, beating analysts' estimates, as crude prices rose.

Adjusted net income increased to 1.70 billion euros (\$2.35 billion) from 1.15 billion euros a year earlier, the Rome-based company said today in a statement, surpassing the 1.34 billion-euro average estimate in a Bloomberg survey of 16 analysts.

[Kuwait Energy Company plans IPO](#)

Kuwait Energy, which is part of two consortiums holding rights to develop Iraqi gasfields, is planning a share sale on one or both of the London and Kuwait stock exchanges within the next nine months.

If the offering goes ahead, the company would become the first Kuwaiti oil and gas producer with shares available to the public for investment.

[A Nano-Solution to Energy 'Vampires'](#)

Like a leaky faucet, today's transistors may be in the "off" position but are never fully closed, allowing small amounts of energy to steadily escape. But with nanotechnology, a far tighter "seal" may be achieved, greatly increasing efficiency, said the project's coordinator, Adrian Ionescu of the École Polytechnique Fédérale de Lausanne in Switzerland.

"It's old technology," Mr. Ionescu said of the current transistors, which are based on

designs that date back decades. "What we want to use is nanoscience and nanowires, so when you want to close it, you do close it."

[Ladle of Love Food Truck Needs a Place to Sleep](#)

The truck is one of four on the terrace of the newly opened visitor center from 10 a.m. to 10 p.m. Unlike the others, the Ladle truck is powered by an electric engine, travels at a maximum of 25 miles an hour, and can travel 40 miles before it needs another charge from its three-pronged plug. (It has an emergency gas generator on board in case it finds itself becalmed.)

But the truck's slowness and limited cruising range have been its undoing in the overnight department. Customarily Manhattan's food trucks are garaged in Brooklyn, where space is more abundant and parking tariffs are more affordable.

[Top scientists answer your 'toughest' energy questions](#)

Post your questions on peak oil, wind power, nuclear power and more for our panel of six of the world's leading energy scientists.

[Increasingly desperate stakes to make news heard](#)

When we watch, listen or read the news, we do so at a slight remove. If you really took onboard the full emotional impact of, for example, a fatal school bus crash, reading the news each day would be too difficult to endure. Even 15 minutes of watching violent news is enough to stress people out, according to a 2007 study in *Behavioural Medicine*. So we learn to build a wall between our intellectual absorption of the news and our emotional rendering of it.

[Surging price of oil forces US military to seek alternative energy sources](#)

Earlier this year a Joint Operating Environment report from the US joint forces command predicted that global surplus oil production capacity could disappear within two years and there could be a shortfall of nearly 10m barrels a day by 2015.

"Peak oil", said the generals, would impact massively on the US and other economies, and the US military would be compromised. Meanwhile Wesley Clark, former supreme allied commander in Europe, has argued strongly that America's addiction to foreign oil is unsustainable and, by extension, the military's \$20bn a year spend on oil and other energy must be reconsidered.

[US navy completes successful test on boat powered by algae](#)

It looked like a pretty ordinary day on the water at the US naval base in Norfolk, Virginia: a few short bursts of speed, a nice tail wind, some test manoeuvres against an enemy boat.

But the 49ft gunboat had algae-based fuel in the tank in a test hailed by the navy yesterday as a milestone in its creation of a new, energy-saving strike force.

[Jeremy Leggett: Solar storm coming: the battle for the UK energy industry](#)

"It is a great big battle of ideas, and we haven't won it yet," says Jeremy Leggett. The green guru and founder of Solarcentury – the solar-photovoltaic (PV) supplier that is Britain's fastest-growing energy company – is in the vanguard of the battle. And while the clean-energy industry is breathing a sigh of relief that last week's Government Spending Review did not axe the feed-in tariff (FIT) widely hailed as a cornerstone of Britain's renewable-energy revolution, Mr Leggett has no time for complacency.

[Global food crisis forecast as prices reach record highs](#)

Rising food prices and shortages could cause instability in many countries as the cost of staple foods and vegetables reached their highest levels in two years, with scientists predicting further widespread droughts and floods.

[Study finds trees not so large carbon sinks](#)

The capacity of trees to counter rising carbon dioxide levels in the atmosphere may not be as great as previously thought, according to a new study with significant implications for predicting future climate change.

[Companies want EPA to keep some global warming information secret in first-ever inventory](#)

WASHINGTON - Some of America's largest emitters of heat-trapping gases, including businesses that publicly support efforts to curb global warming, don't want the public knowing exactly how much they pollute.

Oil producers and refiners, along with manufacturers of steel, aluminum and even home appliances, are fighting a proposal by the Environmental Protection Agency that would make the amount of greenhouse gas emissions that companies release — and the underlying data businesses use to calculate the amounts — available online.

[Variable southeast summer rainfall linked to climate change](#)

DURHAM, N.C. – A doubling of abnormally wet or dry summer weather in the southeastern United States in recent decades has come from an intensification of the summertime North Atlantic Subtropical High (NASH), or "Bermuda High."

And that intensification appears to be coming from global warming, according to a new analysis by a Duke University-led team of climate scientists.

[Global warming 'unquestionably' due to humans: France](#)

PARIS (AFP) - Global warming exists and is unquestionably due to human activity, France's Academy of Science said in a report published Thursday and written by 120 scientists from France and abroad.

[Queensland getting hotter: report](#)

Queensland is getting hotter, sea levels will continue to rise and the impact of extreme weather will increase, according to a new state government report on climate change.

Minister for Climate Change Kate Jones tabled the report - called Climate Change in Queensland: What the science is telling us - in state parliament on Thursday.



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