



Drumbeat: December 17, 2010

Posted by [Leanan](#) on December 17, 2010 - 10:04am

[Russia fully replaced oil and gas reserves-ministry](#)

MOSCOW (Reuters) - Russia, the world's top energy exporter, fully replaced its oil and gas reserves in 2010 despite extracting crude at a record-high speed, a federal agency of the Natural Resources Ministry said on Friday.

Rosnedra said according to preliminary estimates, oil and condensate reserves grew by 750 million tonnes this year due to oil companies' own exploration efforts, while gas reserves increased by 810 billion cubic metres.

[Fuel Consumption Surged 6.5% to 20 Million Barrels a Day in U.S., API Says](#)

U.S. fuel consumption jumped in November from a year earlier, a signal that the U.S. economy is rebounding, according to the American Petroleum Institute.

Total deliveries of petroleum products, a measure of demand, climbed 6.5 percent to 20 million barrels a day last month, the industry-funded group said today in a report. Consumption during the first 11 months of 2010 climbed 2.4 percent to 19.2 million barrels a day.

[Millions facing fuel rationing over Christmas as heating oil runs low](#)

An estimated two million homes, schools and hospitals face fuel rationing over Christmas after MPs warned that supplies of heating oil would hit "crisis" point during the cold snap.

As snow began falling again across the country, the Government confirmed that the situation could become "very serious," with some households already facing waits of up to four weeks before they can receive supplies.

[UK: Government Denies Heating Oil 'Crisis'](#)

As the temperature drops and concerns over heating oil supplies grow, the Government has said it will relax the laws governing drivers' hours to give them more time to make

crucial deliveries.

[Elderly at risk as money for heating help runs out](#)

Concerns are mounting that the icy conditions will have a devastating effect on those suffering from fuel poverty, especially the elderly, following yesterday's revelation that the Warm Front fund, which helps people with heating and insulation, would not take on any more cases until next April. With many of the big energy providers having already hiked up their prices, the immediate future looks bleak, with forecasters predicting that December temperatures will be as vicious as November, Europe's coldest on record.

As Energy and Climate Change Secretary Chris Huhne announced this year's budget for Warm Front was fully allocated, a spokeswoman for Age UK said it was "disastrous" for those who would normally have turned to the scheme for help.

[Argentina's YPF Imports Fuel to Offset Shortages, Cronista Says](#)

Repsol YPF SA's Argentine unit will import fuel for the second time this year as a union strike leads to shortages, newspaper El Cronista reported, citing analysts which it didn't identify.

A labor conflict in the southern Argentine provinces of Chubut and Santa Cruz cut the supply of crude oil to refineries, the Buenos Aires-based newspaper reported.

[Shell sorry for second fuel shortage](#)

Shell Australia has apologised after Perth customers have been hit by second fuel shortage in as many weeks.

The company said it had experienced persistent problems meeting high customer demand from local supply.

[China's December Fuel Oil Imports May Drop 4%, C1 Energy Says](#)

China's fuel oil imports may drop 4 percent in December from a month earlier, commodity researcher C1 Energy said.

The country's fuel oil imports may drop to 1.54 million metric tons from an estimated 1.6 million tons in November, the Shanghai-based company said in an e-mailed report today.

[British Airways increases long-haul fuel surcharge](#)

LONDON (AP) — British Airways PLC is increasing its fuel surcharge on long-haul flights for the first time in more than two years because of recent oil price rises.

[Oil bull sees hyperinflation — and a coming China crunch](#)

NEW YORK (MarketWatch) — Oil has been twitching, but a long-time oil bull is positively convulsive.

Actually, under Byron King's editorship, Outstanding Investments has been somewhat less outspokenly apocalyptic about The Coming Energy Crisis.

[Analysis: A Healthier 2011 for the Energy Industry?](#)

Despite the Gulf of Mexico moratorium, IHS reported seeing a healthier growth outlook for the energy industry in 2011 thanks to rising oil prices, unconventional North American drilling and multiple offshore opportunities worldwide.

[PUC tells PG&E to cut pressure on natural gas pipes](#)

SAN FRANCISCO -- State regulators ordered Pacific Gas and Electric Co. on Thursday to cut pressure on large, urban natural gas transmission pipelines with the type of weld being looked at closely in the investigation into the disastrous San Bruno explosion.

[Despite green talk, crude is still king in Norway](#)

Doomsayers fearing an early end to Norway's staggering petro-wealth — with its trunk lines to Europe's gas grid — are being drowned out these days by cries over power bills and trumpeting over record-high investments in offshore oil fields.

[Pemex Sees Debt Soaring to Record \\$56 Billion in 2011](#)

(Bloomberg) -- Petroleos Mexicanos, Latin America's largest oil producer, said debt may rise to a record \$56 billion next year as it boosts spending to stem output declines.

[Chevron Says Documents Show Ecuador Plaintiffs Worked With Government](#)

A nagging question has always been at the center of crusading attorney Steven Donziger's \$100 billion lawsuit against Chevron over pollution in the Ecuadorean jungle: Why isn't he suing the government of Ecuador? While Chevron's Texaco unit operated the wells until 1990, Petroecuador, the state-owned oil company, was majority owner for most of that time and took over operations after Texaco left the country. If shoddy

drilling practices have poisoned tens of thousands of Ecuadoreans, as Donziger alleges, surely the owner of the business should bear some of the blame.

[Nigeria drops case against former US VP Cheney](#)

LAGOS, Nigeria — A spokesman for Nigeria's antigraft body says they have dropped charges against former U.S. Vice President Dick Cheney and his former company Halliburton.

[Ethanol Subsidy Support Running On Empty](#)

At a time when U.S. gasoline consumption has actually dropped, the agency has refused to provide relief from federally mandated renewable fuel consumption quotas and has raised the allowable blend from 10% to 15% for late-model cars--effectively maxing out ethanol production capacity.

[Why Kenya must develop a long-term energy plan](#)

Today, almost 20 million Kenyans have cell phones. Computers are becoming the way of life, while TVs, fridges, and other household devices have become products people cannot live without.

More homes are getting connected with electricity supply.

At this rate, household power consumption will end up sucking dry all the energy from the national grid.

[Object shot out of sky above Israeli nuclear plant, military says](#)

Jerusalem (CNN) -- The Israeli Air Force shot down an unidentified flying object over the Dimona nuclear plant in the Negev Desert Thursday, the Israel Defense Forces said.

[High-speed rail derails in Wisconsin](#)

The loss of a total of \$810 million in high-speed rail funds in Wisconsin means the promise of thousands of new jobs will not be realized.

[John Michael Greer: Two lessons in practical ecology](#)

Food storage is a subject that calls up strong and often contradictory emotions, and sometimes inspires actions that don't necessarily make much sense. Rumors are flying just now in some corners of the peak oil community, for example, that the sales freeze-

dried food has spiked so sharply in recent months that suppliers are unable to keep up with the demand. This may well be true, but if so, it shows a certain lack of common sense; unless you plan on living out of a backpack during a financial crash – and this is arguably not a good idea – there are many better and cheaper ways to make sure you have some food put by to cope with breaks in the supply chain.

[Inequality and Economic Collapses](#)

"Inequality, Leverage and Crises," an IMF paper written by Michael Kumhof and Romain Rancière, is full of long equations populated by many Greek letters. I won't even pretend that I can evaluate it. However, their introduction is pretty easy to understand: they've constructed a simple model for financial crises that essentially proposes the following narrative: (a) growing inequality produces less money for the middle class and more money for the rich, (b) the rich loan much of this money back to the middle class so they can continue to improve their living standards even with stagnant incomes, (c) the financial sector balloons to mediate all this, and (d) the system eventually collapses since, after all, this kind of thing can't last forever.

[The Energy Future Ain't What It Used To Be](#)

The price of natural gas and electricity will be low over the next quarter-century, and crude oil will become more expensive but not radically so, the Energy Department predicted on Thursday, in a report that contradicts widely held notions.

And even without a national global warming law, American carbon dioxide emissions will not inexorably set new records; they will stay below the rate of 2005 for the next 15 years because of economic forces, the forecast said.

[Fuel for thought](#)

Last month Bahrain's oil minister urged an immediate rethink of the country's fuel price structure, in a bid to put a halt to soaring government subsidies, implement a system of "fair prices", and stop over-consumption.

"Fuel subsidies will continue to soar, exceeding their present level of \$500 million per annum," warned Abdulhussain Mirza, adding that the prices of some oil products on the local market dated back to 1983 levels.

While Bahrain residents have been paying bottom dollar on the forecourt, the government has been picking up the tab for close to three decades – and it's a story replicated across the region.

[Crude Trades Near Two-Week Low as Equities Slip, Dulling Demand Optimism](#)

Oil fell to trade near its lowest price in two weeks as retreating equity indexes countered

signs that the economic recovery is eroding surplus fuel inventories.

...“The physical market is tightening a little bit with the colder temperatures,” said Tobias Merath, head of commodities at Credit Suisse Group in Zurich. “But looking further into the future, inventories are still high, so I don’t know much further upside there is. Prices will remain around \$90.”

[Oil May Fall on Speculation of Gain in U.S. Crude Supplies, Survey Shows](#)

Oil may decline next week on speculation that the U.S. Energy Department will report an increase in supplies after the biggest drop in more than eight years in this week’s data.

[OPEC exports to rise in 4 weeks to Jan 1 - analyst](#)

Seaborne oil exports by OPEC, excluding Angola and Ecuador, will rise by 70,000 barrels per day (bpd) in the four weeks to January 1, an analyst who estimates future shipments said on Thursday.

Exports from the group will rise to 23.46 million bpd on average from 23.39 million bpd in the four weeks to December 4, UK consultancy Oil Movements said in its latest weekly estimate.

[Hedging Gas Tumbles to 30% of Production as Prices Slump](#)

Natural gas companies are slashing their hedging of future output as prices tumble, raising the prospect of declines in drilling and production.

[Sell December 2011 U.S. Oil Futures on Refining `Overkill,' JPMorgan Says](#)

Investors should sell West Texas Intermediate crude for December 2011 and buy Brent contracts for the same month as the discount of New York futures to the London benchmark widens, according to JPMorgan Chase & Co.

[Steve LeVine: Big Oil's big optimism](#)

Oil prices are up today, another apparent notch in the belt of conventional wisdom, which is that we are on the way to another historic price spike -- \$200 to \$300 a barrel and \$5 a gallon at the U.S. pump. The way this narrative goes is that these sky-high prices finally so aggravate U.S. consumers that they act on them: switching for good to hybrids and other high-mileage cars, weather-protecting their homes and buildings, and generally using much, much less oil. On the other side of all this, a decade or a bit more from now, we get a long, slow decline in global oil demand, paradise, and other fine

things.

But is this valid? Not necessarily, if one considers a pair of reports out today from Barclays Capital, the research arm of the investment bank.

[Total Pays \\$1.7 Billion for Stakes in Suncor Canadian Oil-Sands Projects](#)

Total SA, Europe's third-biggest oil producer, bought stakes in oil sands developments in Alberta from Suncor Energy Inc. for C\$1.75 billion (\$1.74 billion), as it seeks out unconventional crude sources to sustain output.

[Suncor Energy unveils ten-year growth plan](#)

BANGALORE (Reuters) - Suncor Energy Inc, Canada's biggest energy company, unveiled its ten-year growth strategy on Friday, which includes increasing production to more than 1 million barrels of oil equivalent per day by 2020.

Over the next ten years, Suncor said it is targeting oil sands production growth of about 10 percent and company-wide production growth of about 8 percent each per year.

[Turkey's Refiners Prepare for Switch to Lower Sulfur Diesel Fuel Jan. 1](#)

Turkey's refiners will have to produce cleaner diesel fuel as the country switches to a lower sulfur grade from Jan. 1, potentially reducing demand for imports from Russia.

[China extends sales tax to new areas](#)

China has extended its resource tax on domestic sales of crude oil and natural gas to 12 western regions and provinces, a government official said today.

[Sinopec finds industrial gas flows in China shale](#)

(Reuters) - Sinopec Corp has struck industrial gas flows from an exploration well in shale reservoirs in central China, in the state oil firm's early experiments with the unconventional gas resource.

[Statoil finds more oil in Brazil](#)

STAVANGER, Norway (UPI) -- Norwegian energy company Statoil announced that it struck oil at a shallow-water basin about 90 miles from the Brazilian coastline.

Statoil said it encountered an oil reservoir that was about 230 feet thick in the Espirito Santo Basin off the coast of Brazil. Analysis indicates the prospect contains medium crude oil.

[Cyprus, Israel define sea border for energy search](#)

NICOSIA (AFP) – Cyprus and Israel signed an agreement Friday that defines their sea border and allows the neighbours to forge ahead in the search for energy sources in the eastern Mediterranean.

[Russia Min: Plans To Keep Oil Output About 500 Million Tons/Year For Decade](#)

MOSCOW -(Dow Jones)- Russia plans to keep its annual oil production at around 500 million tons a year over the next 10 years, Russian Energy Minister Sergey Shmatko said Friday.

[Russia: No Immediate Risk Of Removing ExxonMobil As Sakhalin-1 Operator](#)

MOSCOW -(Dow Jones)- Russia isn't currently looking at the possibility of removing ExxonMobil Corp. as operator of the Sakhalin-1 project on Russia's Pacific coast, the country's Energy Minister Sergey Shmatko said Friday.

[Russia, China mull joint energy projects worldwide](#)

(AP:MOSCOW) Moscow and Beijing will discuss joint energy ventures in third countries next year and are will likely strike a deal to export Russian natural gas to the energy-hungry Asian neighbor, an official said Friday.

Russia is the world's biggest energy producer and China is the world's largest energy consumer, overtaking the United States last year. "That is a market that guarantees exports of our resources for decades," energy minister Sergei Shmatko said.

[Minsk and Moscow still battling over prices](#)

Russia and Belarus are still in talks over the price of Russian natural gas deliveries to Belarus next year, Belarus' Deputy Prime Minister Andrei Kobyakov said at a meeting with ministers today.

[Anti-Morales governor removed in Bolivia](#)

LA PAZ, Bolivia – Lawmakers in a natural gas-rich eastern province removed its

governor — a key opponent of leftist President Evo Morales — on Thursday after he was charged with dereliction of duty and causing economic damage.

[Massey Said to Consider Takeover of International Coal, May Sell Company](#)

Massey Energy Co., owner of the Upper Big Branch mine where 29 people died in April, is studying options ranging from a sale of the company to a takeover of Wilbur Ross's International Coal Group Inc., according to three people with knowledge of the matter.

[Records Show Concerns About Another BP Rig](#)

WASHINGTON — Months before the BP disaster, some Congressional officials were pressing federal regulators behind the scenes about numerous safety concerns related to offshore drilling, potential oil spills and BP itself, but they complained that they were rebuffed, previously undisclosed documents show.

Congressional officials raised particular concerns about the safety of a second BP oil platform in the Gulf of Mexico and about regulators' failure to spend millions of dollars approved for oil spill research, among other issues, according to e-mails between Congressional officials and regulators at the Minerals Management Service, as the agency was then known.

[BP investors spooked by oil spill lawsuit](#)

LONDON (Reuters) — Oil major BP was the biggest faller on Britain's blue-chip board on Thursday, as investors fretted that a U.S. government lawsuit might mean the cost of its oil spill will be far higher than predicted.

Legal experts have said BP's \$40 billion estimate for the total cost of the oil spill -- hitherto largely accepted by financial analysts -- could double if the U.S. government managed to convince a court that BP had been grossly negligent.

[Transocean rejects responsibility in US oil disaster](#)

ZURICH (AFP) — Offshore drilling group Transocean, the owner of the Deepwater Horizon platform that sank off the southern US coast, on Thursday rejected any responsibility for the subsequent giant oil spill.

[Almost no oil recovered from sand berms](#)

NEW ORLEANS — The big set of sand barriers erected by Louisiana's governor to protect the coastline at the height of the Gulf oil spill was criticized by a presidential commission Thursday as a colossal, \$200 million waste of BP's money so far.

Precious little oil ever washed up on the berms, according to the commission — a finding corroborated by a log of oil sightings and other government documents obtained by The Associated Press through a public records request.

[Pipes, pumps trouble Big Easy](#)

As with many other cities, New Orleans' aging infrastructure is low on the priority list in Washington, he says. "When the city is sitting on age-old infrastructure, something's going to give. That's true around the country," Landrieu says. "Congress and the federal government have not made it a priority. We're falling very, very far behind."

More than 1,000 aging water and sewer systems around the country need urgent upgrades, says Ken Kirk, executive director of the National Association of Clean Water Agencies. With the passing of the Clean Water Act in 1972, the federal government once paid about 75% of a municipality's upkeep of water and sewer treatment systems, Kirk says. Today, that number is closer to 3%, he says.

[Dominican citizenships put into doubt](#)

The constitutional change came two weeks after the earthquake in Haiti, which makes up the western portion of the island of Hispaniola. The Dominican Republic is on the eastern portion. The change denies citizenship to children born to undocumented residents.

..."We are a country of limited resources," says Prim Pujals Nolasco, chairman of the Senate foreign affairs and international cooperation committee.

[Oil or Terrorism: Which Motivates U.S. Policy More?](#)

The Great Game is still in full swing. "Since the U.S.-led offensive that ousted the Taliban from power, the project has been revived and drawn strong U.S. support" reported the Associated Press in 2005. "The pipeline would allow formerly Soviet Central Asian nations to export rich energy resources without relying on Russian routes. The project's main sponsor is the Asian Development Bank" — in which the United States is the largest shareholder alongside Japan. It so happens that the southern section of the proposed pipeline runs through territory still under de facto Taliban control, where NATO war efforts are focused.

Other evidence demonstrates that control of the world's strategic energy reserves has always been a key factor in the direction of the "War on Terror". For instance, the April 2001 study commissioned by then-Vice President Dick Cheney confirmed official fears of an impending global oil supply crunch, energy shortages, and "the need for military intervention" in the Middle East to maintain stability.

[Why electricity bills may go up with or without Huhne's reforms](#)

The facts are that we don't know when oil and gas reserves will start to run out; peak oil may or may not be only decades away. Exploitation will become more and more risky in some of the world's most politically unstable countries. "We don't want to be in hoc to these sorts of markets," Huhne pointed out.

Leave aside the issue of global warming, which often over-dominates the debate. The idea that we will be able to buy gas and oil in 2030 at the same price as today - in real terms - is utterly complacent. Is it time for the media to reflect that more prominently?

[New Zealand: Big changes needed for survival](#)

We are trapped in a very complex civilisation that is rapidly losing the sources of energy and numerous other raw materials that built and maintained it.

To continue with growth as we have been doing is not only foolhardy but unsustainable.

[Past Tense: Farmers had to adjust their thinking when coal-fired threshing machines arrived](#)

The threshing machine seen here is obviously belching out profuse amounts of smelly smoke, and with our current attitudes about the pollution and carbon emissions from coal-fired machinery, this thing looks like a monstrosity. I have heard of a farm in western Michigan that advertises it raises crops solely with horse-drawn equipment, and there are plenty of buyers ready and willing to pay for food raised without gasoline or coal on the farm.

In 1925, farmers were not worried about carbon emissions, asthma or lung disease. They realized they could grow a lot more corn or soybeans with a lot less laborious hand work, and the farmers said "yippee," or the 1925 equivalent.

[Getting Serious About Renewable Energy](#)

The planet is facing a looming energy crisis. Our global energy needs are estimated to increase more than 50 percent by 2030, as the world's population continues to increase to 10 billion by 2050. Time is running out for us to work out how we should bridge the resources gap between our ever-growing energy needs and the dwindling and increasingly costly supply from conventional sources.

[Wealth Is No Protection Against Future Dangers - Part 1](#)

Only a few people are willing to examine the future in a comprehensive way, nevertheless we are going to experience a wide range of increasing threats if we ignore

them. World societies must start tackling them simultaneously for our children sake. One reason there's little demands to effectively deal with those threats is that many people perceive that societies are incapable of solving problems of such magnitude. They also feel personally powerless to do much about it.

[Mercedes-Benz Electrifies Its Future](#)

The automobile, as we know it, is dead. So claimed Mercedes-Benz this past week in Valencia, Spain, as it presented its current crop of electrified cars to the world's motoring press. Why dead? According to Mercedes, in a mere 40 years, only 5% of its lineup will feature *just* an internal combustion engine. Don't forget: Aside from making such pulse-quickeners as the E63 AMG, Mercedes also makes Unimogs, city buses, and long-haul big rigs. Meaning that the 5% of Mercedes vehicles that will remain unelectrified are going to more closely resemble a Freightliner than a Gullwing. As Mercedes pointed out, a 52-ton battery would be needed for a semi-truck to go 3,000 kilometers.

[Firm extends life of two nuclear power stations](#)

Power firm British Energy today announced plans to extend the life of two of the UK's nuclear power stations for a further five years.

The Hartlepool and Heysham 1 plants have been dogged by output issues in recent years but British Energy (BE), owned by French company EDF Energy, said the reactors had passed a technical and economic evaluation.

[China's Push Into Wind Worries U.S. Industry](#)

While proponents say the Chinese manufacturers should be welcomed as an engine for creating more green jobs and speeding the adoption of renewable energy in this country, others see a threat to workers and profits in the still-embryonic American wind industry.

[Government pushes solar power in six western states](#)

WASHINGTON (Reuters) – The Obama administration on Thursday proposed special energy zones on public lands in six western states deemed good locations to build utility-scale facilities to produce electricity from solar power.

The Interior Department issued a draft environmental impact statement that looked at the effect of solar energy projects able to generate 20 megawatts of power in areas that have the highest solar potential and will do the least harm to the environment.

[Officials Back Plan to Restore California Bay Delta](#)

Federal and state officials said Wednesday that they supported construction of a massive structure around California's environmentally crippled delta to make deliveries of fresh water to farms and cities more reliable.

Interior Secretary Ken Salazar said such a structure would divert water from north of the delta, where the Sacramento and the San Joaquin Rivers meet, to water users in the Central Valley and in the southern part of California.

[California Approves Stringent Pollution Curbs](#)

SAN FRANCISCO — California regulators on Thursday adopted the nation's most comprehensive rules to curb emissions of carbon dioxide and other heat-trapping gases, a move that will put the state far ahead of the rest of the country in energy reform.

The regulations, which reward industries most effective in achieving the cuts by allowing them to sell credits to polluters, will create the largest market for carbon trading in the country. Ten states including New York, New Jersey, Delaware, Maryland and the New England states are participating in a less extensive system known as the Regional Greenhouse Gas Initiative, which covers only electric utilities.

[Critics Slam Fox News for Distorting Global Warming Debate](#)

Critics of Fox News' coverage of climate change issues were given a rich vein to mine in an email from a top editor to his staffers, which was made public recently.

In the email dated Dec. 8 and made public Wednesday by Media Matters for America, Fox News Washington managing editor Bill Sammon instructed staffers to "refrain from asserting that the planet has warmed (or cooled) in any given period without IMMEDIATELY pointing out that such theories are based upon data that critics have called into question.

[EU Says Carbon Market Rules After 2012 Approved Without `Major Changes'](#)

European Union member states approved a regulatory proposal without "major changes" for giving away about 100 billion euros (\$132 billion) of carbon permits after 2012.

[Australia: Council rejects rising sea level forecast](#)

The Gold Coast City Council in south-east Queensland says new Federal Government maps that show the likely effects of sea level rises are inaccurate.

[Global Warming Shapes Thai Farmers' Future](#)

BANGKOK (Bernama) -- Researchers say climate change or the global warming problem will continue to influence the future of Thailand's agricultural sector, Thai News Agency said Friday.

Thailand Research Fund (TRF)'s Director for Agriculture Associated Professor Dr Chancharat Ruangdecha said that Thailand's agricultural sector has been staggered by drought, floods, uncertainties in produce prices, high production costs and food safety-related problems over the past three years.



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