



Drumbeat: January 3, 2011

Posted by [Leanan](#) on January 3, 2011 - 10:11am

[UK joins 'gas rush' despite pollution fears](#)

A controversial new technique for drilling gas wells, which campaigners say has polluted water courses in America, is to be tried for the first time in Britain later this month.

Supporters of hydraulic fracturing or "fracking" say it could unleash so much gas across the globe that it will solve the energy crisis for the next century, as well as help reduce carbon emissions.

But an Oscar-shortlisted documentary film, released in Britain later this month, claims the use of the process in America has resulted in gas contaminating water supplies. Such is the concern that New York has introduced a moratorium on exploration of gas in the state while safety concerns are looked into.

[2010 Oil Production Was Very Disappointing, And The EIA Is Playing Number Games](#)

The dramatic fall of Mexican oil production, and its largest field Cantarell, is often cited as a signature example of the problems facing Non-OPEC supply. Since the production highs of 2004-2005, Mexican production has lost over 800 kbpd (thousand barrels per day) which is fairly dramatic for a country that was producing around 3.4 mbpd as recently as 5-6 years ago.

But as accelerated as these declines have been in Mexico, another oil producing region has seen even quicker declines. The North Sea, which comprises "United Kingdom Offshore, Norway, Denmark, Netherlands Offshore, and Germany Offshore" has just lost 25% of its production in less than 24 months, falling over a million barrels a day.

[Bolivian president cancels gasoline price increase](#)

LA PAZ, Bolivia — Bolivian President Evo Morales says an abruptly canceled plan to hike fuel prices is the right thing to do, and his country should prepare for it to happen "someday."

Morales says the measure "was not an error" and must be resurrected at some point.

Gas and diesel prices have been frozen for six years, and officials say Bolivia is paying \$380 million a year to subsidize gasoline imports. Much of that is smuggled to

neighboring countries where prices are higher.

[Ashraf blames previous govt for energy crisis](#)

Addressing the inaugural ceremony, the minister blamed the previous government for the energy crisis in the country, saying that that energy had been the greatest challenge for the government, which it had inherited from the previous regime. "The failure of the past government is manifested from the fact that it did not add even a single megawatt to the national grid, thus widening the power supply and demand gap in the country," Ashraf said.

[Pakistan: Cutlery export declines 40pc](#)

SIALKOT - The unending prolonged power and gas loadshedding has badly affected the 75 per cent production of cutlery industry. The cutlery manufacturers and exporters have expressed grave concern over the worst energy crisis, aggregating day by day in export-oriented Sialkot city.

[Petroleum products: 'fresh increase to prove catastrophic for economy'](#)

FAISALABAD: New hike in Petroleum products would drastically increase the cost of production of exportable goods which would become unacceptable to foreign buyers. This will create multiple problems for overall economy and badly hit particularly the industrial sectors apart from adding untold miseries to the common man, said Wasim Latif, Chairman and Adil Manzoor Ellahi, Vice Chairman Pakistan Textile Exporters Association(PTEA) while talking to newsmen.

[Civil disobedience if hike in POL prices not withdrawn: PTI](#)

RAWALPINDI: Pakistan Tehreek-i-Insaf (PTI) chairman Imran Khan on Sunday warned the government of launching civil disobedience if it failed to withdraw hike in fuel prices that gave a blow to the common man struggling to keep intact the relation of his body and soul.

[Fired up without any gas](#)

Tempers are rising across Punjab over the lack of gas reaching homes and industries. In some cases, it seems we have reverted back to the Stone Ages. People desperate to make a meal collect wood to light outdoor fires. In factories, efforts are being made to run machinery manually.

[Bangladesh: Energy situation: No room for foot-dragging](#)

In spite of all assurances coming from the policymakers of the incumbent government for the last couple of years, the energy crisis instead of subsiding has turned rather serious. Indications are galore that the crisis might aggravate further in the coming months.

The cooking stoves at homes in Dhaka and other cities remain gas-starved since morning until late afternoon. Gas- based mills and factories are operating well below their capacities. CNG filling stations are being kept closed between 5pm to 9pm everyday to save gas. New mills and factories set up at an estimated cost of over Tk.60 billion could not be pressed into operation because of gas supply shortage. The loss of production due to non-availability of enough gas, according to an unofficial estimate, is equivalent to 2.0 per cent of the country's gross domestic product (GDP).

[Energy crunch dims investment hope](#)

Industrialists and entrepreneurs look to the New Year amid high hopes after searching for answers to power shortage and gas crisis and wobbly infrastructure in the immediate past year.

[On the domestic front, rising food and fuel prices remains a major concern for the authorities](#)

But the rising crude oil prices in the global front and the food output shortage in the major producing states and nations due to bad weather is causing the trouble. The food inflation which came out the other day rose to 14.44% in the week ended 18 December from 12.13% in the previous week while the fuel price inflation rose to 11.63% against 10.74%.

[Swaziland: No fuel, govt cars grounded](#)

MBABANE – Some vehicles used by government ministries and departments were grounded during the Christmas holidays because their drivers were not allowed to get fuel from the Central Transport Administration (CTA) depots.

[Why permaculture: Energy descent, solar case study](#)

What I am finding is that a solar electric system, despite having three solar arrays does not cover the energy needs of our farm. The chart below shows this year's actual power use vs. what we generate. This chart would be more favorable in the southwest four corners area of the U.S. where we used to get 300 sunny days per year. But in the Pacific Northwest and other parts of the country where we have largely cloudy winters, we use up any surplus generated during the summer and the system runs in a deficit. Note how the green kwh generated line only rises above usage for about three plus months. The end of the year is shocking as generation drops off to almost zero and energy use rises just from electric space heat.

[Kurt Cobb: The Electric Car Fetish](#)

Many automobile enthusiasts believe that the electric car is the wave of the future that will help save the environment while expanding the availability of private transport to the world's growing middle class. They are likely wrong on both counts.

[Cleaner tractors get cool reception from farmers](#)

MILWAUKEE – Farm equipment manufacturers are rolling out cleaner tractors to meet stricter new federal air regulations, but many in the industry say the challenge will be getting farmers to put the high-priced models into fields during hard economic times.

[Used Car Prices Higher Than Ever](#)

Lately, the used-car market has thrived as the new-car market has struggled. The problem for consumers is that used-vehicle demand has outstripped supply, sending prices skyward. It's not unusual for price tags to be up \$3,000 in some product segments in the last five years.

[Moped laws on agenda as fatalities continue to climb](#)

Too slow to keep up with highway traffic and too fast to be easily passed, mopeds increasingly are involved in fatal accidents across the USA. The National Highway Traffic Safety Administration (NHTSA) reports the number of fatalities involving mopeds doubled between 2005 and 2009, from 48 to 96.

Legislation aimed at cutting down that figure is pending or was adopted last year in a dozen states, according to Anne Teigen of the National Conference of State Legislatures (NCSL).

[Leak shuts Exxon Mobil platform in Gulf of Mexico](#)

(Reuters) - An Exxon Mobil oil and gas production platform in Gulf of Mexico block West Delta 73 has been shut due to a small leak, a filing with the U.S. National Response Center said Monday.

[Homo Economicus versus person-in-community](#)

The problem with Homo economicus (the abstract picture of a human being on which economic theory is based) is that she is an atomistic individual connected to other people and things only by external relations. John Cobb and I (For the Common Good) proposed instead the concept of “person-in-community” whose very identity is

constituted by internal relations to others in the community. I can only define myself by reference to these relations in community.

[Cornell University engineers bring clean water to thousands of Hondurans](#)

The crucial component to the AguaClara technology is its simplicity and cost effectiveness. The team of Cornell engineers under the lead of Dr. Monroe Weber-Shirk, were able to create a technology comprised of low-cost filters and chemical treatments harnessing natural gravitational forces rather than expensive electrical currents. The five plants currently installed in small towns throughout Honduras are built with local materials, operated by local people, and cost residents less than \$2 a month for clean potable drinking water.

[Iraq, Jordan Agree to Build Crude Oil Pipelines, Develop Risha Gas Field](#)

Iraq, holder of the world's fifth- biggest crude reserves, agreed to build pipelines across its shared border with Jordan to increase supplies of oil to its western neighbor, Iraqi State Minister Ali al-Dabbagh said.

...The proposed pipeline marks another step in Iraq's effort to rebuild and reintegrate itself into the regional economy, after suffering for years from war and sanctions. Iraq's government plans early this year to invite bids for the construction of oil and gas pipelines into Syria, to complement its existing export link for crude terminating at the Mediterranean port of Ceyhan, Turkey.

[Iran Assumes OPEC Presidency](#)

Iran assumed the presidency of the Organization of Petroleum Exporting Countries as of January 1, 2011, for the first time in 36 years.

Iranian oil minister Masoud Mir-Kazemi was elected as OPEC president at a one-day meeting of the Vienna-based Organization.

[Aramco Receives Bids for Shaybah Gas Project, Al-Riyadh Says](#)

Saudi Aramco, the world's largest state-owned oil company, received bids for the construction of a \$1.07 billion plant to process non-associated gas, al-Riyadh reported, citing a Saudi firm bidding for the contract.

[Marathon cancels Gulf of Mexico rig deal](#)

(Reuters) - Noble Corp said on Monday that Marathon Oil Co has canceled a \$752 million contract for a deepwater drilling rig due to work in the Gulf of Mexico.

Noble believes the Noble Jim Day rig is ready to begin operations and should have been accepted by Marathon.

[Kunstler: Forecast 2011 - Gird Your Loins for Lower Living Standards](#)

The outstanding question from the get-go of 2011 is just this: can a political economy be kept floating along like a Winnie-the-Pooh balloon on gusts of sheer fakery? To me, the simple answer is no. The people running things in the USA have tried everything from pervasive accounting fraud to complete opacity in trading procedures to looting the republic's future. The consensus trance of "recovery" makes itself manifest through every conduit of public utterance - cable TV news, The New York Times, the pronouncements of every last elected official - even though the Gross Domestic Product index omits items such as food, gasoline, and heating oil in its calibrations, while heaping on fictional "hedonic" adjustments.

[Drilling Is Stalled Even After Ban Is Lifted](#)

More than two months after the Obama administration lifted its ban on drilling in the deep-water Gulf of Mexico, oil companies are still waiting for approval to drill the first new oil well there. Experts now expect the wait to continue until the second half of 2011, and perhaps into 2012.

The administration says it is simply trying to enforce new safety rules adopted in the wake of the April 20 explosion of the Deepwater Horizon drilling rig, which killed 11 workers and set off the worst offshore oil spill in U.S. history. Environmental groups say the administration is right to take its time because the Gulf disaster exposed the risks of offshore drilling.

But the delay is hurting big oil companies such as Chevron Corp. and Royal Dutch Shell PLC, which have billions of dollars in investments tied up in Gulf projects that are on hold and are paying hundreds of thousands of dollars a day for rigs that aren't allowed to drill. Smaller operators such as ATP Oil & Gas Corp., which have less flexibility to focus on projects in other regions, have been even harder hit.

[New Scrutiny Slams Near-Shore Exploration](#)

Heightened regulatory scrutiny brought on by the Gulf of Mexico oil spill is taking a toll on companies that drill much closer to shore than the deep-sea depths where BP PLC's Macondo well blew out.

[MPs rule out deep-water drilling ban](#)

Deep water drilling could take place at hundreds of sites off the British coast after MPs ruled out a moratorium, despite concerns the practice could lead to a disaster worse

than BP's oil spill in the Gulf of Mexico.

[Crude Advances to 27-Month High on Bets Economic Recovery May Boost Demand](#)

Oil rose to its highest price in 27 months on speculation the U.S. will sustain an economic recovery into this year, bolstering consumption in the world's largest crude user.

Futures gained as much as 0.8 percent before today's publication of the Institute for Supply Management's factory index, which may show that manufacturing in the U.S. grew at the fastest pace in seven months in December. Fuel demand in the country climbed to the highest since May 2008 in the week ended Dec. 24, Energy Department figures published last week showed.

[Oil's Top Forecasters See Third Year of Gains as China Leads 2011 Recovery](#)

Oil demand increasing at almost twice the pace of supply is spurring the most-accurate forecasters to predict the second-highest price on record in 2011.

Sanford C. Bernstein & Co., whose estimate last January was within 1 percent of 2010's mean price of \$79.60 a barrel, says crude will average \$90 this year. Natixis Bleichroeder Inc., which tied with Bernstein, sees \$100 a barrel, 26 percent higher than in 2010. Global oil use will increase 1.7 percent to a record 87.8 million barrels a day this year, and output will rise 0.9 percent, according to the U.S. Energy Department.

[GCC oil revenues up by almost 16%](#)

A fresh report published in Kuwait has indicated that oil revenues in GCC countries rose by 15.6% or the equivalent of US\$ 63 billion over the past year to reach US\$ 465 billion. The report issued by the Diplomatic Center for Strategic Studies in Kuwait conveyed that the average price of a barrel of oil rose to US\$ 75 for the first ten months of 2010 compared to US\$ 59 a barrel for the year 2009.

[Dramatic spike in gas prices forecasted](#)

Oil and gasoline prices have risen to their highest levels in two years, and analysts say prices could shoot up dramatically this year as the thirst for fuel grows in the U.S. and around the world.

[Iraq weighs new gas round](#)

Iraq is considering holding a fourth bidding round for international players interested in the country's gas play, government officials said.

[Oman to Spend \\$78 Billion in Five-Year Plan, Focusing on Oil, Gas Output](#)

Oman plans to spend 30 billion rials (\$78 billion) in its five-year development plan to 2015 and is forecasting economic growth of 5 percent a year, the official Oman News Agency said.

The program is based on an average oil price of \$59 a barrel, the agency cited National Economy Minister Ahmed bin Abdulnabi Macki as saying. Oil production is projected at 897,000 barrels a day during the five-year period, the Muscat-based news agency said.

[Russia says 11.5% increase in gas output 2010](#)

The natural gas output in Russia has increased by 11.5 percent in 2010, while the coal output has grown by 6.5 percent, a statement issued by the Russian Energy Ministry on Sunday said.

Russian enterprises have recovered the total of 650,311 billion cubic meters of gas the last year; 184,944 billion cubic meters of them were exported abroad. That way, in 2010 the national gas export has grown 10.6 percent in comparison with the 2009 figures.

[Maine using less oil heat than any time since '80](#)

PORTLAND, Maine—New census figures show that fewer Maine residents are using oil to heat their homes than at any point since 1980.

The figures show that in 2009, 71.4 percent of Maine residents used oil as their primary heat source, down from 80 percent in 2000.

The decline in oil heat coincides with an increase in the number of Mainers using wood to heat their homes.

[As electric rates go up, consumers consider alternatives](#)

MEADVILLE — Walter Niwa of Vernon Township isn't taking much comfort in the fact that Pennsylvania Electric Co. customers like him have been hit with a 16.6 percent increase in electric rates — instead of an estimated 60 percent or more that was forecast three years ago.

[Malta: Fuel and gas price hikes 'worst possible start to 2011'](#)

The price of petrol has increased by 18 per cent over one year and is at its highest point ever despite how the international price of oil is not similarly at an all-time high, says

Labour deputy leader Anglu Farrugia.

In a statement reacting to the new fuel and gas price hikes, Farrugia described the latest increase in fuel and gas prices as “the worst possible start to the new year” for Maltese and Gozitan families and businesses. He added that government “insists on not taking any action, save doubling its own wage.”

[Iran says no gap in oil exports to India](#)

TEHRAN: A senior Iranian Oil Ministry official said yesterday Iran's oil exports to long-time trading partner India had continued despite a dispute over the method of payment, student news agency ISNA reported. "There has been no disruption in the sale and exports of oil to India in recent days," said Ahmad Qalebani, the head of state National Iranian Oil Company (NIOC). India buys about 400,000 barrels per day of Iranian crude.

[Iran's nuclear power plant to go on line in February](#)

Tehran - Iran's nuclear power plant is to be connected to the national electricity network in February, one month later than state earlier, the country's Atomic Energy Organization chief Ali-Akbar Salehi said Monday.

In November, Salehi had said that the Russian-built 1,000-megawatt reactor at Bushehr would be on line by January. The announcement of the new deadline was reported by ISNA news agency Monday.

[Pakistan government scrambles to survive](#)

ISLAMABAD (AFP) – Pakistan's government scrambled Monday to survive after losing its majority, flinging the nuclear-armed state into a political crisis threatening to destabilise the US ally in the war on Al-Qaeda.

The decision by the Muttahida Qaumi Movement (MQM) to quit leaves Prime Minister Yousuf Raza Gilani's coalition hanging by a thread at a time of economic meltdown and heavy US pressure to do more to crack down on militants.

[Afghan violence in 2010 kills thousands: government](#)

KABUL (Reuters) – The number of Afghan police killed during 2010 fell about seven percent to 1,292, the government said on Monday, despite violence spreading across the country as the war entered its tenth year.

Foreign military and civilian casualties are at record levels despite the presence of about 150,000 NATO-led troops, with 2010 the bloodiest year on record since the Taliban

were ousted by U.S.-backed Afghan forces in late 2001.

[Conoco tops lobby league](#)

A US firm that last year abandoned a project for Abu Dhabi's Shah sour gasfield spent more on lobbying US politicians than any other oil and gas firm in the same period.

The third-largest US oil producer, ConocoPhillips, spent US\$16.8 million [Dh61.7m] last year, 68 per cent more than the next-biggest lobbying spender in the sector, according to US government figures.

[LNG output to rise half as fast in 2011](#)

IEA's 2010 WEO shows clearly that peak oil is behind us and that a new "Saudi Arabia" every 5 years is needed to maintain conventional crude production. Clearly an impossibility! Liquids demand this year returned to the record levels of 2008 and it is pure myth that 6 million b/d of spare capacity exists.

[Why You Should Bet on Energy in 2011](#)

Let's begin with an issue that people are finally warming up to: Peak Oil.

With nearly all of the world's giant oil fields in decline, the majority of production will be shifting to smaller fields. In other words, say goodbye to the cheap, easy-to-get oil.

Even the mighty OPEC won't be able to hide their data forever...

[Crafting Energy Security in the 21st Century: A German View of the Challenge](#)

Germany is, in terms of oil and gas, an energy dependent country as it is importing 80 percent of its energy resources. Almost 50 percent of oil and gas are coming from the Commonwealth of Independent States, primarily Russia; 30 percent from Norway and Great Britain; 15 percent from Africa and 5 percent from the Middle East.

Obviously, a 50 percent dependency on Russia – despite all special relations – is no energy security at all. While some top political leaders in Germany appear to believe in Germany's special relationship with Russia to secure its energy supply, Russia, most recently at the Munich Security Conference in 2007, made it very clear that it plays according to the rules of geopolitics, interests and power.

[The End of The End: How the Peak Oil Movement Failed](#)

When I first began reading about peak oil in 2003, the year 2010 seemed like a distant, dire time, the Post-Peak Era, when suburbia and all its accessories would End.

It is now 2011, and the same world is still too much with us. The traffic on our road keeps increasing, and the acquisition of the last technological marvel is still the important issue of the day. As a critical thinker, I'm committed to changing my mind when predictions are invalidated. My view of "peak oil" has evolved from True Believer into Ambivalent Agnostic. The scales are dropping from my eyes.

[Living Better In 'The Finite World'](#)

A lot of things we use every day are about to get much less affordable.

That's the bottom line impact for the average family looking ahead at this next decade. This next ten years will be the time when serious world resource shortages begin to take hold, especially the expected Peak of world oil production.

[A Picture is Worth 1,000 Words \(x3\)](#)

Our friends at Peak Oil site TheOilDrum.com have an interesting year-end feature: The Chart of the Year. Lots of interesting graphs — have a look.

Three of my personal favorites are found below the fold, with minimal commentary from your humble correspondent.

[Qantas may build a jet biofuel plant in Sydney](#)

QANTAS will team with Solena Fuels to investigate the feasibility of constructing the world's second commercial jet biofuel plant in Sydney.

The joint-venture will aim to convert commercial waste to biofuel using a \$300 million plant based on the Fischer-Tropsch process already approved to produce jet fuel from coal in South Africa and gas in Qatar.

[Bali School Makes Sustainability a Way of Life](#)

SIBANG KAJA, BALI — Half a world away from Cancún, Mexico, and the international climate change talks that took place there last month, a school here in Indonesia is staging its own attempt to save the planet.

It is small-scale and literally grassroots — and possibly in some respects more effective than the tortuous efforts of politicians to agree on how to stop global warming.

[Chop, Fry, Boil: Eating for One, or 6 Billion](#)

One could set off a heated argument with a question like, “What are the three best basic recipes?” but I stand behind these: a stir-fry, a chopped salad, and the basic combination of rice and lentils, all of which are easy enough to learn in one lesson....

These recipes offer other benefits: They’re nutritionally sound and environmentally friendly. They’ve sustained scores of generations of societies worldwide, using traditional farming methods and producing little negative impact on the earth. (Almost without exception, your ancestors relied on something like one or more of these dishes.) All of them can be made with meat, poultry or fish, but they can be satisfying and delicious when made vegetarian or even vegan. In fact, if you cooked only variations on these three dishes you’d be well on your way to becoming an intuitive, fluid cook (the fanciest pilaf is essentially a rice-and-bean variation), eating more healthfully and with a lighter carbon footprint.

[A Diet for an Invaded Planet: Invasive Species](#)

There’s a new shift in the politics of food, not quite a movement yet, more of an eco-culinary frisson. But it may have staying power; the signs and portents are there. Vegans, freegans, locavores — meet the invasivores.

Some divers in the Florida Keys recently held a lionfish derby, the idea being to kill and eat lionfish, an invasive species. Local chefs cooperated by promoting the lionfish as a tasty entree. The idea drew editorial support from Andrew Revkin in a post on The Times’s Dot Earth blog in which he also mentioned an attempt by some fisheries biologists to rename the invading Asian carp “Kentucky tuna” to make it more appealing to diners. And the Utne Reader recently ran an article about Chicago chefs turning their attention to the same invasive fish.

[Green skeletons lurk in GOP closets](#)

It may be heresy to conservatives, but a trip down memory lane shows nearly all of the top-tier Republican presidential contenders want to save the planet from global warming.

On the campaign stump, in books, speeches and nationally-televised commercials, aspiring GOP White House candidates such as Tim Pawlenty, Mike Huckabee and Mitt Romney have warned in recent years about the threats from climate change and pledged to limit greenhouse gases. Some have even committed the ultimate sin, endorsing the controversial cap-and-trade concept that was eventually branded “cap and tax.”

[India's hidden climate change catastrophe](#)

India's 600 million farmers and the nation's poor are often the same people: a single failed crop tends to wipe out their savings and may lead to them losing their land. After that, there are few ways back. The drought, following a failed monsoon, that I saw in Andhra Pradesh in 2009 was the tipping point that drove Mr Naik to suicide.

Such tragedies and even the selling of children for marriage or as bonded labour – a common shock-horror news story in India – are the most dramatic results. But far more common is the story of rural families migrating, in tens of millions, to India's cities, swelling the ranks of the urban poor and leaving holes in the farming infrastructure that keeps India fed.



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