



## Drumbeat: May 23, 2011

Posted by [Leanan](#) on May 23, 2011 - 9:30am

### [Commentary: ASPO-USA asks: "What are we missing?" - Part 1](#)

There are so many challenges facing us as a result of Peak Oil and related issues that it is easy to miss something important. ASPO-USA asked more than 50 leaders on Peak Oil to share what they felt was the most critical issue we've all been missing, the thing every one of us should be talking about - but aren't. The answers were eye-opening, and have started a discussion that continues. Over the next three weeks, in place of a traditional commentary, Peak Oil Review will run a range of perspectives on this issue - from geologists to food experts, from social critics to scientists - what are we missing? Where should we be putting more attention, more resources? All of us miss things - but between so many working minds, we have a better chance of covering the expansive ground that we have to address. We thank all of our contributors for expanding our vision!

### [Once upon a time a peak oil aware candidate ran for president of the United States](#)

The unsavory collection of clowns, hucksters, frauds and charlatans currently running for president makes me long for a time when serious-minded people who care about the long-term stability and sustainability of their country actually had a viable candidate to support. The fact that it has been over three decades since there has been such a candidate speaks volumes for how low we have sunk as a nation in terms of the sheer volume of feel-good lies that we tell ourselves.

The story of the presidential campaign of former U.S. Representative John B. Anderson is so at odds with anything we see going on in politics today that it almost seems like it happened in a whole other country if not to say on a completely different planet.

### [The Shale Gas Boom: Energy Exploration in Carolina](#)

For now, state geologists are finished with their research in central North Carolina.

After studying 59,000 acres in the Deep River basin for 15 years, they have concluded that Lee, Chatham and Moore counties could produce enough natural gas from shale to make North Carolina self-sufficient for 40 years at current levels of consumption.

"That's what we think," said Kenneth Taylor, chief of the N.C. Geological Survey. "We could become a net exporter."

### [PUC Gives Nod to Eminent Domain Power for Pipeline Company](#)

The state Public Utility Commission intends to declare natural gas pipeline company Laser Northeast Gathering a public utility, giving it the power to condemn private property by eminent domain.

### [Mexico oil production flat in April vs March](#)

(Reuters) - Crude oil production in Mexico amounted to 2.573 million barrels per day in April, flat compared to March this year, state oil monopoly Pemex reported via its Twitter account on Monday.

During the first four months of the year, Mexico exported 1.335 million barrels per day of oil on average, some 74,000 more than in the same period in 2010, Pemex said on Twitter.

The Mexican government is expected to release more detailed oil field production data later on Monday.

### [\\$1b jumbo deepwater rig delivered to CNOOC](#)

SHANGHAI -- A 3,000-meter deepwater jumbo oil drilling platform was delivered here Monday to China National Offshore Oil Corp (CNOOC), the country's largest offshore oil producer, the latest step for China as it seeks more energy from the ocean.

It took 6 billion yuan (\$923 million) of investment and more than three years for China State Shipbuilding Corp (CSSC), the contractor, to build the CNOOC 981 rig for the offshore oil giant.

### [Ahmadinejad not to attend OPEC meeting](#)

(Reuters) - Iran's President Mahmoud Ahmadinejad said on Monday one of his ministers will take his place at the next OPEC meeting, the official IRNA news agency reported, a move seen as retreat in a power struggle with hardline rulers.

### [Kunstler: Get Real](#)

The global energy predicament really is a crisis, even though nobody is currently lining up at the gasoline pumps. It's a crisis because peak oil is for real and oil is the primary resource of advanced economies, and there are no miracle rescue remedies ("drill, drill, drill," shale oil, shale gas). Peak oil means that we can't increase supply in relation to still-growing demand, which creates disturbances in the energy markets. Peak oil also

leads directly to a crisis of capital (money), because a nation (an economy) that can't get increasing energy "inputs," can't create more wealth, can't generate more loans (debt), and most importantly can't expect what we've come to think of as normal economic growth. This creates further disturbances and distortions in financial markets.

### [Why oil prices will spike again soon](#)

Energy prices have been coming down this spring as fears of a Middle East blowup fade. But persistent global demand, tepid supply growth and easy money mean it may not be long till the next damaging spike, Goldman Sachs economists say.

Oil prices could surge again by the end of 2012, economists Jan Hatzius and Andrew Tilton wrote in a note to clients this past weekend. They say the snail-like pace of global oil supply expansion – which Goldman projects at 1% or so annually – can't keep a petroleum-addicted world economy rolling without prices rising, perhaps sharply.

So don't get too used to paying a mere \$3 and change for gasoline. Higher prices are on the way soon enough, thanks to stretched supplies and a Federal Reserve spigot that is likely to remain wide open for years to come.

### [Oil Declines Amid Concerns Over U.S. Economic Growth, Greek Debt Default](#)

Oil fell in New York amid concern that Europe's sovereign debt situation may weaken fuel demand. The dollar rose to a nine-week high against the euro.

Futures slid as much as 3 percent after Spain's governing Socialist party suffered its worst electoral defeat in more than 30 years and Standard & Poor's said on May 20 it may lower Italy's credit rating. The Dollar Index climbed to its highest in more than nine weeks as declining Asian stocks spurred demand for safer assets.

### [Inland Empire can't afford high cost of oil](#)

Escalating gas prices have become a real worry for both consumers and the analysts who track economic trends. But the Inland Empire should be particularly concerned with high oil prices, according to a new University of Redlands study.

Residents in the San Bernardino and Riverside counties are feeling the worst pain at the pump in Southern California, according to the research, which looked at the amount of money residents spend on gas as a share of their disposable income by U.S. ZIP code.

### [Power shortage boosts diesel](#)

CHINA'S manufacturers turned on diesel-fueled generators as local governments rationed electricity to fight the worst power shortage in seven years.

Many factories in eastern Zhejiang Province, a manufacturing hub, are using diesel generators because of the rationing, state-run China Petrochemical Corp, the country's largest fuel supplier, said in a statement.

### [Reliance Fuel Exports Increase 25 Percent on Gasoline, Jet-Fuel Shipments](#)

Fuel exports by Reliance Industries Ltd. (RIL), India's largest publicly traded company, climbed 25 percent in the first half of May from a month earlier as it shipped more gasoline to the U.S. and demand for jet fuel grew.

### [Iraq signs natural gas import deal with Iran to ease power woes](#)

BAGHDAD — Iraq has signed a tentative deal with Iran to import natural gas to ease its electricity woes, an official said Monday, in a step that deepens economic ties with Tehran as U.S. troops prepare to leave at the end of the year.

Iraq's government has been struggling to rebuild its war-damaged electricity grid after power shortages last summer spurred demonstrations that turned deadly when security forces fired into crowds. But blackouts are still common despite billions spent on improving power stations and lines.

### [Iran-Bahrain gas project off again](#)

An on/off plan for Bahrain to import Iranian gas is off again over another diplomatic tiff.

Manama said yesterday it had frozen plans to import fuel from Iran's biggest gasfield through a proposed undersea pipeline because of Iranian meddling in the country's internal affairs.

### [Bangladesh approves gas exploration plan by ConocoPhillips](#)

Bangladesh at present faces acute gas shortages, with production at around 2,000 million cubic feet (mmcf) per day against demand of more than 2,500 mmcf a day.

The government forecasts that current gas reserves will run out in the next five years at the present consumption rate.

The shortages have prompted the government to shut down fertiliser plants, suspend operations of compressed natural gas filling stations for four hours a day and introduce staggered holidays in industry.

### [Ensco, U.S. Jointly Seek More Time to Reach Deep-Water Drilling Suit Deal](#)

Ensco Offshore Co., along with the U.S. Justice Department, is seeking more time to negotiate an end to its lawsuit over deep-water oil drilling permits.

Attorneys for both Ensco and the government filed a joint request with U.S. District Judge Martin Feldman, seeking a delay in the court's May 10 order that requires regulators to act on six pending permit applications by June 20.

### [Shell Rapped For Norway Oil Field Error That Risked Leak](#)

LONDON -(Dow Jones)- Royal Dutch Shell PLC has been rapped by Norway's Petroleum Safety Authority for an error in a maintenance procedure on an oil well that had "major accident potential" and risked an oil leak, the authority said on its website Monday.

The incident occurred on Dec. 4, 2010 on Norway's Draugen field, which produces around 50,000 barrels of oil a day, the PSA said. An operation to replace a subsurface gas valve went wrong and the device became stuck inside and blocked the operation of another piece of machinery called a Christmas Tree, which sits atop the wellhead, it said.

### [Attacks kill four in Iraq's disputed Kirkuk](#)

KIRKUK, Iraq — Two bombings in Iraq's disputed northern oil province of Kirkuk killed two policemen and two soldiers on Monday, the latest in a string of attacks in the region, security officials said.

The violence further raised tensions in Kirkuk, an ethnically-mixed province which Kurdish leaders want to incorporate in their northern autonomous region over the opposition of its Arab and Turkmen communities, in a dispute US officials have long said is one of the biggest threats to Iraq's stability.

### [Syrian Forces Kill Mourners at Funeral; Yemen's Saleh Agrees to Exit Plan](#)

Syrian forces killed 12 people in a funeral procession for anti-government activists, raising the two-day civilian death toll to at least 62, activists said.

### [Pakistan navy regains control of naval base from militants, ending humiliating siege](#)

KARACHI, Pakistan — Pakistani commandos regained control of a naval base Monday from a team of Taliban militants who had attacked then occupied the high-security facility for 18 hours, dealing a bloody and humiliating blow to the military.

The attackers destroyed at least two U.S.-supplied surveillance planes and killed 12 security officers.

### [Statoil says N.Sea helicopters unaffected by ash](#)

OSLO (Reuters) - Oil and gas producer Statoil, the biggest operator of offshore platforms off Norway, said ash from an Icelandic volcano was so far not affecting helicopter traffic to and from installations.

### [Special Report - Inside Tepco's bailout: Japan Inc saves its own](#)

(Reuters) - In a choreographed act of contrition, Masataka Shimizu, the president of Tokyo Electric Power, bowed deeply and resigned to take responsibility for the worst nuclear disaster since Chernobyl.

From the outside, the news conference on Friday appeared to follow the familiar script for a Japanese corporate shaming. But behind the scenes, it also represented the successful culmination of a period of intensive deal-making by Tokyo Electric, its powerful allies in Japan's bureaucracy and its main bank.

### [Kan denies ordering TEPCO to stop seawater injection at reactor](#)

TOKYO — Prime Minister Naoto Kan on Monday denied having instructed Tokyo Electric Power Co to stop injecting seawater into the troubled No. 1 reactor at the Fukushima Daiichi nuclear power plant, brushing aside criticism that an alleged suspension order from him may have worsened the situation.

### [Stockholm could teach Abu Dhabi a few green lessons](#)

They are poles apart in climate, but Abu Dhabi and Stockholm have a surprising amount in common.

For a start, they are both built on clusters of islands, imposing special challenges for urban planners. That similarity was never more striking than at present, when many fear global warming will raise sea levels worldwide.

### [Sea levels set to rise by up to a metre: report](#)

SYDNEY (AFP) - Sea levels are set to rise by up to a metre within a century due to global warming, a new Australian report said Monday as it warned this could make "once-a-century" coastal flooding much more common.

The government's first Climate Commission report said the evidence that the Earth's surface was warming rapidly was beyond doubt.



## [Climate change beyond denial and planting trees won't cut it - Climate Commission report](#)

JULIA Gillard has responded to Barnaby Joyce's claim that Australia cannot effect climate change saying the country does not have time for false claims.

The Prime Minister told reporters that she accepts the government's peer-reviewed report on Climate Change which warns that people are to blame for rising temperatures, with the last decade the hottest on record.

## [Sea-level fright as climate report goes public](#)

Global warming is real, man made, and could cause the world's sea level to rise a metre by the end of the century, much higher than previously thought, according to the federal government's Climate Commission.

Melbourne faces extreme and more frequent flooding, while higher sea levels are already "bad news" for fragile areas including Kakadu and the Great Barrier Reef, says Commissioner Will Steffen.

## [A City Prepares for a Warm Long-Term Forecast](#)

CHICAGO — The Windy City is preparing for a heat wave — a permanent one.

Climate scientists have told city planners that based on current trends, Chicago will feel more like Baton Rouge than a Northern metropolis before the end of this century.

So, Chicago is getting ready for a wetter, steamier future. Public alleyways are being repaved with materials that are permeable to water. The white oak, the state tree of Illinois, has been banned from city planting lists, and swamp oaks and sweet gum trees from the South have been given new priority. Thermal radar is being used to map the city's hottest spots, which are then targets for pavement removal and the addition of vegetation to roofs. And air-conditioners are being considered for all 750 public schools, which until now have been heated but rarely cooled.



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