



Drumbeat: August 22, 2011

Posted by [Leanan](#) on August 22, 2011 - 8:55am

[Libyan oil could take years to come back](#)

NEW YORK (CNNMoney) -- If the Libyan rebels have successfully overthrown the country's longtime dictator Moammar Gadhafi, as seems to be the case Monday, analysts say Libya's prized "light oil" should begin trickling back on the market within a few months.

But it could be years before it returns in any substantial amount.

[Oil companies see quick return to Libya, once peace restored](#)

WASHINGTON — With the regime of Moammar Gadhafi on the verge of collapse, international oil companies began preparing Monday for what they hope will be a quick return to production in Libya, a move that's expected to reduce the global price of crude and help drive down U.S. gasoline prices.

[Mexico's Pemex Finds Light Crude in Shallow Gulf Waters](#)

Pemex said the Kinbe-1 well reached an initial average production of 5,600 barrels of light crude per day. The well took more than a year to drill, and was finished Aug. 9. Kinbe-1 also has reached natural gas production of 9 million cubic feet per day on average, the oil monopoly said.

[Tumbling oil price puts squeeze on Rabigh](#)

Petro Rabigh, a Saudi joint venture between Aramco and Japan's Sumitomo Chemical, is likely to face margin pressure on its petrochemical products as oil sinks below \$110 a barrel.

[Shale gas EROI: Preliminary estimate suggests 70 or greater](#)

The key to the future of shale gas is its EROI. I've been unable to find estimates of the EROI of shale gas in the literature. However, I've made a preliminary first-order estimate that the EROI of shale gas is in the range of 70 to greater than 100. This is

probably significantly better than most other energy sources available today.

[API Expands Fracking Remarks to U.S. Energy Dept.](#)

The federal government should not tell states how to regulate natural gas operations within their borders, the American Petroleum Institute (API) told a U.S. Department of Energy (DOE) panel in formal remarks on the panel's preliminary findings.

[Can We Fix the Economy?](#)

The peak oil theory. Production of oil has pretty much maxed out, which means that every time the economy gets moving it will create a spike in oil prices, which will send the global economy back into recession. We're now in a continual oil-fueled boom/bust cycle that limits our long-term growth rate.

[Review: The End of Growth by Richard Heinberg](#)

The future of cities will rest on their ability to change economic thinking patterns that have only benefited the top few percent of corporate executives.

[Book Review: Life Without Oil: Why We Must Shift to a New Energy Future](#)

The first half of the petroleum age saw unprecedented prosperity. The second half won't be so pretty.

[Meditation On A Shrinking Planet](#)

I'm not sure who first mentioned Peak Oil when, but an early reference to it (not by that name, but in substance) occurred in 1957 in a speech given by Rear Admiral Hyman G. Rickover May 14, 1957.

[Kurt Cobb: Who are the real radicals?](#)

It is becoming standard procedure these days to decry those who oppose you politically as radicals as in "radical agenda," "radical views," "radical friends," and "radical past." Often this refers to suggested changes in policies that are no more than a few decades old. But I'd like to do something that will seem truly radical to those who are narrowly focused on the contemporary world. I want to look at what might be regarded as radical when considering not the last few decades, but the last 100,000 years.

[Large Zone Near Japanese Reactors to Be Off Limits](#)

TOKYO — Broad areas around the stricken Fukushima Daiichi nuclear plant could soon be declared uninhabitable, perhaps for decades, after a government survey found radioactive contamination that far exceeded safe levels, several major media outlets said Monday.

The formal announcement, expected from the government in coming days, would be the first official recognition that the March accident could force the long-term depopulation of communities near the plant, an eventuality that scientists and some officials have been warning about for months. Lawmakers said over the weekend — and major newspapers reported Monday — that Prime Minister Naoto Kan was planning to visit Fukushima Prefecture, where the plant is, as early as Saturday to break the news directly to residents. The affected communities are all within 12 miles of the plant, an area that was evacuated immediately after the accident.

[Brent Crude Slides as Libyan Rebels Enter Tripoli; Premium to U.S. Narrows](#)

Brent oil fell in London, narrowing its record premium to the main U.S. oil grade, as investors bet that Libyan production may recover after rebels entered the capital city of Tripoli in a push to force out Muammar Qaddafi.

The European benchmark contract tumbled more than 3 percent amid speculation Qaddafi's regime is crumbling. Libya's output dropped to 100,000 barrels a day last month, a Bloomberg News survey showed. That's less than 10 percent of the 1.6 million barrels the nation pumped before the uprising started in February. Prices rose in New York as the dollar weakened, making crude more attractive for protecting against inflation.

[With Gadhafi out of power, oil prices should fall](#)

NEW YORK — Oil prices around the world should start falling if Libyan rebels succeed in toppling Moammar Gadhafi's regime, though the full effect won't be felt for months.

[Pertamina to Boost Oil Production](#)

Indonesian state oil company Pertamina would almost double oil production from reactivated old fields to 7,600 barrels of oil per day (bopd) by end-year from 2008 levels, as the country struggles to halt declining output.

[Alberta must prepare for riskier world](#)

One scenario "behind our back" is that the world, a generation from now, will continue to produce as much energy from fossil fuels as it does presently and, in these conditions, Alberta will be a major international energy producer. That may in fact turn out to be the case. But, of course, it also may not be the case. Do we have "peak" oil? What will be

the acceptance of electric cars as their trip range increases and battery costs fall? How will the reality of climate change be addressed? What about a carbon tax? Will the response to a fossil fuel price bubble foster even stronger efforts to reduce the unit cost of alternative energy sources? Will wind power and solar become more cost competitive? These and many more questions about energy are "behind our back." So I conclude that whether it is the most probable scenario is far from clear; what is clear is that it is not the only scenario.

[Are we all wrong about end of America?](#)

As per Daily Crux, by the 2020s, the capital of energy is likely to shift back to the Western Hemisphere. It must be noted that prior to the ascendancy of Middle Eastern oil suppliers such as Saudi Arabia and Kuwait in the 1960s, the US was the leading supplier of hydrocarbons. Thanks to the country's abundant reserves of unconventional oil, the old pecking order is all set to reemerge. Geologists believe that the US' endowment of unconventional oil is more than 2 trillion barrels. Add to that another 2.4 trillion in Canada and 2 trillion-plus in South America. That makes it more than 6 trillion barrels of oil reserves. In comparison, the conventional Middle Eastern and North African oil resources are just 1.2 trillion! That clearly proves who can benefit with oil prices going up.

[Disco Aside: Are the 1970s Returning for Commodity Investors?](#)

In terms of excess return, defined as return over the risk-free rate indicated by three-month U.S. Treasury bills, commodities offered an average of 18.2 percent excess return in the 1970s, and an average of only 1.82 percent in the 1980s and 1990s.

Why? Because, Credit Suisse tells us, the high prices of crucial natural resources did exactly what textbooks indicate they do. They "encouraged new production and exploration activity and increasing efficiency standards." Importantly, this happened in – and made major oil exporters out of – non-OPEC nations such as Russia. This led to excess capacity, which in turn created a lower volatility and return environment.

[Top Frontier Oil Countries: Potential, exploration opportunities and risks](#)

Fiscal growth in non-OECD countries, particularly in developing countries such as China and India, and a predicted increase in vehicle numbers to 2bn by 2030, are the chief factors in forecast growth in global energy demand, forecast to grow by 40% by 2030 compared with 2008 levels. Despite rising concerns about emissions from the burning of fossil fuels and the effects on the global climate and increased investment in renewable energy sources, fossil fuels are forecast to account for more than three quarters of this energy demand growth.

[Syria's Assad: 'I am not worried' about security](#)

BEIRUT (AP) — Syria's president said Sunday he was "not worried" about security in

his country and warned against any foreign military intervention in a speech designed to portray confidence as the regime comes under blistering international condemnation for its crackdown on dissent.

[Analysis: Gaddafi collapse will embolden Arab rebels](#)

BEIRUT (Reuters) – The implosion of Libyan leader Muammar Gaddafi's 41-year-old rule will put a new spring in the step of the Arab revolutions and demonstrate once again that these entrenched autocratic governments are not invincible.

[As Governor, Perry Backed Wind, Gas and Coal](#)

In the opening days of his presidential campaign, Gov. Rick Perry of Texas has railed against a favorite target, the Environmental Protection Agency, and declared himself a “skeptic” on the subject of humans as the cause of global warming.

If Mr. Perry wins the White House, his national energy policy will focus on cutting federal regulations, especially at the E.P.A., his spokesman, Mark Miner, said.

[China says ConocoPhillips finds 9 oil seep sites](#)

BEIJING (AP) — A Chinese authority said the local unit of ConocoPhillips has found nine oil leak sites amid intensifying pressure on the company to clean up oil spills in the Bohai Bay. The company says it believes the source of the seeps is not new.

[Laser Advances in Nuclear Fuel Stir Terror Fear](#)

In a little-known effort, General Electric has successfully tested laser enrichment for two years and is seeking federal permission to build a \$1 billion plant that would make reactor fuel by the ton.

That might be good news for the nuclear industry. But critics fear that if the work succeeds and the secret gets out, rogue states and terrorists could make bomb fuel in much smaller plants that are difficult to detect.

[Hedge Funds Buying Corn to Silver to Soy After Commodities Futures Decline](#)

The rout that drove commodities to a nine-month low is proving irresistible to speculators anticipating that even slowing economic growth will cause shortages of raw materials.

Oil has risen 8 percent since plunging 25 percent in the two weeks to Aug. 9. Copper has rebounded 4.6 percent after sliding 16 percent. The Standard & Poor's GSCI Enhanced

Commodity Index rose 4.2 percent since bottoming almost two weeks ago. Goldman Sachs Group Inc. expects the gauge to gain 20 percent in 12 months, led by energy and industrial metals.

[Sitting on a Powder Keg](#)

One of the defining characteristics of globalization is its tendency to produce winners and losers by polarizing communities – economically, socially, and politically – within and between nations.

Globalization's benefits have been privatized, while its costs have been socialized. The appearance of severe inequalities – in incomes, opportunities, and future prospects – after decades of generally narrowing gaps, has been one of the most worrisome consequences. The triumph of neo-liberalism has social democracy on the run most everywhere, and not least in Canada. However much this may please special-interest groups such as business communities and the wealthy, a smaller state almost inevitably translates into program and service reductions for the disadvantaged and those least able to defend their interests.

[Department of Energy Announces Loan Guarantees to Alternative Energy Projects](#)

The Department of Energy secretary announced Friday the department has finalized a loan guarantee of \$197 million to SoloPower and a \$133.5 million loan guarantee to Abengoa Bioenergy.

[Mass. OKs utility deals to buy wind power](#)

BOSTON (AP) — Massachusetts regulators have approved deals by the state's second-largest utility to buy power from three land wind farms scattered around New England, the firm announced Friday.

[Windfarms prevent detection of secret nuclear weapon tests, says MoD](#)

The Ministry of Defence (MoD) is blocking plans for hundreds of wind turbines because it says their "seismic noise" will prevent the detection of nuclear explosions around the world.

[Stunted corn crop could lead to higher food prices](#)

Smaller-than-expected corn harvests are likely to keep corn prices elevated into next year, economists say, driving up retail food prices. That could further dampen consumer spending in an economy hobbled by high unemployment and modest wage increases.

Corn is the single-biggest driver of food prices, says Bob Bresnahan, CEO of agriculture consulting firm Trilateral. It's used in everything from animal feed to cereal.

[Blasda blasts off on the Black Isle](#)

THE Black Isle is to take part in Scotland's first nationwide celebration of local food, Blasda.

Community groups from across the country are joining forces to host great food experiences, including ceilidhs, suppers and feasts, picnics, talks, food-films and soup kitchens.

[What Drives Cities' Runaway Growth?](#)

In a finding surprising to anyone who knows the history of cities like Los Angeles, the authors write that "urban growth is driven, at least in part, by the economic incentives of local officials to increase their revenue by obtaining rural land and transferring land use rights to developers."

The highest rates of urban growth are in the developing regions of China, India and Africa, but the greatest absolute loss of rural land to the cities occurred in North America.

[PM brings soft power and firepower to bear in the North](#)

Stephen Harper has been pounding the drum of Arctic sovereignty even before he became Prime Minister. And in 2007, he rattled his sabre and said the Conservative government would buy as many as eight ships to allow the military to conduct regular patrols of northern waters.

His plan, however, to open his sixth annual visit to the Far North with a display of Canada's military capabilities has been turned on its heels by the horrific plane crash on Saturday that killed 12 people.

[A carbon tax is good for Australia's mental health](#)

Unmitigated climate change will be a lot more expensive and the cause of much more anxiety and financial loss than a carbon tax.

The twin impacts of climate change and peak oil will drive up prices of food, water, petrol, electricity, transport, housing and telecommunications, not to mention the huge unexpected costs incurred by increasingly intense and frequent extreme weather events.

[Hopes low before South Africa climate change talks](#)

JOHANNESBURG (AP) -- South Africa's foreign minister said Monday she is hoping for compromise but expects only incremental progress in climate change talks she's hosting, further lowering hopes the Durban meeting will produce a dramatic agreement to stop global warming.

There are fears that "politics cannot deliver on what science requires," Maite Nkoana-Mashabane told South African business leaders in a speech Monday.

[Vietnam's rice bowl threatened by rising seas](#)

Vietnam is listed by the World Bank among the countries most threatened by rising waters brought about by higher global temperatures, with only the Bahamas more vulnerable to a one-metre rise in sea levels. Such a rise could leave a third of the Mekong Delta underwater and lead to mass internal migration and devastation in a region that produces nearly half of Vietnam's rice.

"If there was a one-metre rise, we estimate 40% of the delta will be submerged," says Tran Thuc, director general of the Vietnam Institute of Meteorology, Hydrology and Environment. "There is also the threat of cyclones and storms linked to climate change. The people in this area are not prepared for any of this."



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