



Drumbeat: November 19, 2011

Posted by [Leanan](#) on November 19, 2011 - 10:24am

[Increase in Kuwait's oil output timely](#)

News reports suggesting Kuwait's oil capacity reaching a sustainable 3 million barrels per day (bpd) is timely for a country engulfed in political turmoil. The reference is to the storming of the national assembly by tens of angry Kuwaitis demanding the removal of the country's premier. The allegation is the government payment of bribes for some MPs in return for favours.

[Kuwait increased oil output to 3.05m barrels a day last week](#)

Kuwait pumped 3.05 million barrels a day of oil last week, Kuwaiti industry sources said, its highest output this year, and evidence that Gulf countries continue to strive to push world oil prices below \$100 a barrel.

Gulf Arab Opec producers Kuwait, the United Arab Emirates and Saudi Arabia have been trying to compensate for the loss of Libyan supplies and to prevent high fuel prices dragging on weak world economic growth.

[Pemex to Drill 175 Shale-Gas Wells in 4 Years, Morales Says](#)

Petroleos Mexicanos plans to drill 175 shale-gas wells in the next two to four years, said Carlos Morales, the head of exploration and production of the company, at an event in Mexico City.

[Fracking and Quaking: They're Linked](#)

Many geologists in the oil patch have warmed about the hazards of induced seismicity for decades.

In 1995, Jack Century, now a retired Amoco employee, recommended that the industry "educate the public about those fields where induced seismicity has already been accepted as scientifically proven."

The U.S. Department of Agriculture Forest Service has withdrawn over 3,000 acres of public lands in Ohio from the U.S. Bureau of Land Management's Dec. 7 oil and gas lease sale.

Wayne National Forest Supervisor Anne Carey on Nov. 15 said the lands were being withdrawn so that the Forest Service could study the potential impact that shale gas exploration, particularly deep horizontal drilling, would have on these lands.

[Aden: No Crude Oil Left](#)

An official from Aden Oil refinery in south Yemen announced today to the press that management had to halt all activities given the lack of needed raw materials required for its production.

Production stopped entirely on Saturday, following an attack in Marib on the country's oil pipelines.

[Sudan Faces Fuel Dilemma](#)

Oil Companies operating in South Sudan's Unity State face shortage of fuel for operation. This was contained in a statement to the media made on 15th November instant by the governor of Unity State, Taban Deng Gai who revealed his worries that the oil producing land-locked country could be under difficulty in executing developmental programmes due to lack of fuel.

[No serious OPEC quota talks seen until June](#)

LONDON/RIYADH (MarketWatch) -- Less than a month before OPEC meets formally, the organization once again is riven over production increases implemented by Saudi Arabia and its allies outside the group's formal quota system.

Yet while the bickering will no doubt continue through the Dec. 14 meeting in Vienna, few expect a serious discussion of the organization's official quota system. Rather, some key OPEC figures are beginning to center on the June meeting as the next time OPEC will take out its sketchpad and debate whether output allocations need to change.

[Iraq sees Exxon's interest in south larger than Kurd deal](#)

BAGHDAD (Reuters) - Iraq believes Exxon Mobil has less interest in pursuing a disputed oil deal in the country's semi-autonomous Kurdistan region because it has much larger contract in southern Iraq, its oil minister said on Saturday.

[Saudi Aramco wants to build crude oil refinery in BD](#)

Oil-rich Saudi Arabian Oil Company -- Saudi Aramco, has shown interest in building a crude oil refinery plant in Bangladesh at a cost of around US\$ 2.5 billion, a top government official said Saturday.

[Alberta truckers frustrated with diesel shortage](#)

The shortage of diesel in Alberta is taking a toll on companies that use heavy equipment. For the past two weeks, companies such as Whitecourt Transport Inc. located northwest of Edmonton have been scrambling to find enough fuel to keep vehicles running.

[Ivory Coast Calls For End to Drilling in Disputed Waters](#)

The government of Ivory Coast has called for unauthorized drilling for crude oil to stop in waters disputed with neighboring Ghana, a ministry official said Friday.

[Chevron says pressure error led to Brazil leak: report](#)

(Reuters) - A miscalculation of the pressure in Chevron's offshore Frade project led to an oil spill off Brazil's coast last week, a local newspaper said on Saturday, citing the president of Chevron Brasil.

The leak occurred because there was a mistake in the injection of heavy mud in the reservoir to prevent the return of oil through the pipe, O Estado de S.Paulo newspaper said.

[Brazil official: Chevron unprepared for leak](#)

SAO PAULO—U.S.-based Chevron Corp. was not prepared for the offshore oil leak at one of its wells, the head of environmental affairs for Brazil's federal police said Saturday

Fabio Scliar said Chevron personnel at the well told his investigators that they were "completely unprepared to handle an emergency such as this." He spoke to The Associated Press by telephone.

[Technology will change our energy future unless Washington stops it](#)

In Yergin's words, this surge in Western Hemisphere production occurred "not as a part of some grand design or a major policy effort, but almost accidentally." Implicit in Yergin's

writings are two assumptions central to minimizing our energy vulnerability: first, that oil-and-gas exploration will increase in response to high price incentives and confidence in future demand; and second, that policymakers will allow energy companies to access the oil-and-gas resources that technological innovations have made available.

[Matt Ridley: How Fossil Fuels Helped End Slavery](#)

This excerpt from Matt Ridley's brilliant 2010 book *The Rational Optimist: How Prosperity Evolves* explains how non-renewable, finite energy sources paradoxically made economic growth sustainable. With inanimate objects doing the work instead of slaves, we can, as he says, all "live the life of a Sun King."

[Richard Heinberg: What we are for](#)

Energy is arguably the most decisive factor in both ecosystems and human economies. It is the fulcrum of history, the enabler of all that we do. Yet few people have more than the sketchiest understanding of how energy makes the world go 'round.

Basic energy literacy consists of a familiarity with the laws of thermodynamics, and with the concepts of energy density and energy returned on energy invested (EROEI). It requires a familiarity with the costs and benefits of our various energy sources—including oil, coal, gas, nuclear, wind, and solar. It also implies numeracy—the ability to meaningfully compare numbers referring to quantities of energy and rates of use, so as to be able to evaluate matters of scale.

[Peak oil and significant change for rural Australia](#)

The peaking of world oil supply will have significant economic and social impacts for rural Australia. This paper looks at the peaking of world supply, the role of energy in our global industrial society and its use in agriculture. It further looks at replacement fuels and how we will be unable to sufficiently replace conventional oil in its role as a transport fuel or in our society as a key driver of our industrial economy.

It then considers Australia's awareness, planning and policy responses and argues that this represents a critical risk management failure. It concludes by looking briefly at what this may mean for rural Australia and options for response that could build an economically and ecologically sustainable future for rural society.

[John Michael Greer: Aristotle's Secret](#)

Those of my readers who have looked on from a distance as a large car wreck took place have some idea of my state of mind over the last week. Each of the three high-stakes poker games I mentioned in last week's post—the European financial mess, the evolution (or devolution) of Occupy Wall Street, and the seismic shifts in world politics driven by the rise of China—have continued along trajectories that are pretty much

guaranteed to end messily.

[Peak Oil - assessing the economic impact on global oil supply](#)

Addressing the peak oil debate has never been more essential. As the economic downturn bites, what affect will this have on production and the uptake of unconvensionals. Have we reached the end of cheap oil and if so what effect will this have? This popular one-day conference will shed light on the topic through expert presentations and debate giving delegates the information needed to effectively plan their future operations.

[Helium to Move from Byproduct to Primary Drilling Target](#)

Helium is likely to move from a derived product of natural gas production in the United States to a primary drilling target in the next five years. Historically produced as a byproduct of natural gas, the US helium supply is declining, which has caused alarm throughout the industry.

[U.S. Coal Exports are Surging and Wyoming Coal is Being Shipped to Asia](#)

No issues are simple when one considers all aspects. Here in this case, as usual, the only answer seems to be becoming smaller users or consumers of electricity while increasing energy efficiency if we want to make any real progress.

[The Electric Car Paradox: Can We Switch To Electric Cars ?](#)

The simple answer is no - and the complicated answer is also no.

[Jeremy Leggett urges India to claim full nuclear liability from suppliers](#)

THIRUVANANTHAPURAM: "India should make the Nuclear Suppliers' Group face the full liability costs in case of an eventuality," says Jeremy Leggett, an international climate campaigner and Greenpeace UK's chief scientist and author of 'Half Gone oil, gas, hot air and the global energy crisis'.

[2011 U.S. Ethanol Exports Set to More than Double Over Last Year](#)

By my estimates, more than 7% of this year's U.S. ethanol production will be exported.

[Kunstler podcasts now available in book form](#)

TROY -- A podcast featuring suburban sprawl critic James Howard Kunstler is now available as a book.

"The KunstlerCast: Conversations With James Howard Kunstler" is essentially a transcript of some of the more interesting podcasts between Kunstler, who lives in Saratoga Springs, and Troy resident Duncan Crary, a co-host of the show who is credited as the book's author.

[Carl Pope: New Horizons and Broader Visions](#)

"Why? You've been happy with the Club for 38 years -- why move on now?"

My simple answer is that the most important insight we environmentalists need if we really want to respond to the climate crisis, the collapse of biodiversity, and the impending arrival not just of "peak oil" but of "peak stuff," is to recognize that we cannot solve these problems on our own. There are not enough environmentalists to save the environment. There are not enough workers-rights advocates to protect workers. American manufacturing companies cannot compete, on their own, with China's. America must build much bigger coalitions with much broader visions if we want to lead the 21st century.

The first project I'm undertaking could well be called "Made in America." Its premise is that the climate crisis, the implosion of the American economy, our continued dependence on coal and oil, and the erosion of the American middle class have a common remedy -- using innovation and sustainability, in combination with smart public policy, to restore the preeminence of the United States in manufacturing.

[Oil Declines in New York on Speculation Pipeline Reversal Won't End Glut](#)

Oil in New York declined, widening its discount to Brent crude, on speculation that the reversal of the Seaway pipeline won't be enough to eliminate a glut in the U.S. Midwest.

...“People realized that they overreacted when the Seaway pipeline news was announced,” said Phil Flynn, an analyst with PFGBest in Chicago. “One pipeline isn't enough to alleviate the glut and the reversal isn't necessarily a bullish event.”

[Saudi Arabia to overtake Russia as biggest oil producer by 2015](#)

Russia would be beaten by Saudi Arabia as the world's largest crude oil producer by 2015, according to a report published by International Energy Agency (IEA). The agency suggested it is the result of the output at new Russian fields that failed to compensate rapidly declining mature deposits.

IEA mentioned in its World Energy Outlook that Russia would now concentrate on supplying natural gas to China and transforming itself into a major source of the fuel rather than gas export monopoly. Russia took over Saudi Arabia's production of oil

during the economic crisis in 2009 when OPEC's crude output declined.

[North America back in saddle as black gold superpower](#)

The real price of oil has been a mystery for the past two years. In Europe, the benchmark Brent crude climbed while North America's benchmark, West Texas intermediate, went in the opposite direction. The result was a mismatch between the two that bore no relation to economic reality.

[China's refined oil products output remains flat in October](#)

BEIJING (Xinhua) -- China produced 20.53 million metric tons of refined oil products in October, marking the same amount as a year earlier, according to the country's top economic planner.

Meanwhile, the apparent consumption of refined oil products rose 3.4 percent year-on-year to 21.24 million metric tons during the period, according to a report posted on the website of the National Development and Reform Commission.

[Levant gas finds add to volatility](#)

Rich in history and culture, the Levant has so far been exempt from the vast hydrocarbon wealth that defines the Middle East in the eyes of the rest of the world.

Bordering countries with huge reserves of oil and gas, the states on the eastern shore of the Mediterranean have long relied on imports to supply their fossil-fuel-based power sector.

Things are about to change. Between 2009 and last year, a string of discoveries were made in the Levant Basin: the Dalit, Tamar and the Leviathan gas reservoirs. The Leviathan reservoir is estimated to hold 16 trillion cubic metres of natural gas, making it the biggest offshore gas discovery of the past decade.

[Hijackers take two boats, hostages, off Nigeria - sources](#)

(Reuters) - Gunmen boarded two fishing vessels just off the coast of Nigeria and took two people hostage, security sources said on Saturday, the latest in a series of hijackings in the waters around Africa's largest oil business.

[Takreer set to expand, export and go green](#)

The Abu Dhabi Oil Refining Company will back the country's petrochemicals industry

and the development of cleaner diesel fuel.

[Baker Hughes Chasing Shale Oil](#)

Baker Hughes Inc. is looking at deals as it tries to extract bigger profits from the boom in U.S. shale-oil exploration. That may put Key Energy Services Inc. and Lufkin Industries Inc. on its wish list.

[Bulgaria, Turkey to sign gas link deal, open to Caspian](#)

(Reuters) - Bulgaria and Turkey will sign a political accord to back the construction of a pipeline aimed to link the gas systems of the two neighbours and allow Caspian natural gas flows to Europe, Bulgarian energy minister said on Saturday.

[Exxon Mobil: Gas, coal to stay as region's main energy sources](#)

KUALA LUMPUR: Natural gas and coal will continue to be the main energy sources in South-East Asia, said Exxon Mobil Corporation.

Senior energy advisor, corporate strategic planning department, David S. Reed said Malaysia would continue to see rising demand for electricity driven by the residential, commercial and industrial sectors, mainly for air conditioning.

[Turkey threatens to cut electricity as Syria is more isolated](#)

Istanbul (CNN) -- Turkey threatened to cut off supplies of electricity to its neighbor Syria Tuesday, as the Damascus regime found itself under growing pressure from Arab, Turkish, European and North American governments for its ongoing lethal crackdown on pro-democracy demonstrators.

"We are supplying them (Syria) with electricity at the moment. If they stay on this course, we may be forced to re-examine all of these decisions," Turkish Energy Minister Taner Yildiz said Tuesday, according to Turkey's semi-official Anatolian Agency.

[Qaddafi's Son Seif al-Islam, Said to Be Captured in Libya](#)

TRIPOLI, Libya — Libya's transitional government said Saturday that its fighters in the western desert had captured Seif al-Islam el-Qaddafi, the last fugitive son and one-time heir apparent of Col. Muammar el-Qaddafi.

[Putin urges Rosneft to net hockey team](#)

Prime Minister Vladimir Putin said on Friday he had encouraged Russia's biggest oil firm Rosneft to take over the country's legendary ice hockey club CSKA, in a move likely to please sports fans ahead of the election, reports said.

[Shifting Energy Landscapes](#)

Q: Are we running out of oil? Should we be more concerned about the future of world energy supplies?

Basically, the peak oil argument is that half of the world's oil has been consumed and we are on this downward slope, and great crises are going to ensue. I think that the peak oil view played an important role actually in the price run up in 2007 and 2008, because beliefs matter in market and it was strong and very reinforcing. In our view, 20 percent of oil has been produced based on what we know today and technology has opened up new horizons. Right now, one of the hottest things in the United States is shale oil. US oil production is up 10 percent since 2008.

[Bondholders doubt the 'all is well' story](#)

Over in the energy market, oil has been the strongest of the lot. Earlier in the week, NYMEX crude was trading above \$100 per barrel, however, over the past couple of trading sessions, it has fallen sharply. You may recall that during the last recession, the broad stock and commodity markets peaked in October 2007, whereas oil continued to rally until mid-2008. During this business cycle, crude oil has demonstrated the same resilience and this is largely due to the prevailing supply and demand imbalances underpinning this commodity. Peak Oil notwithstanding, if the global economy slips into another recession, the oil price will probably deflate. Thus, this rally may be a good time to exit the sector.

[Brazil Officials Criticize Chevron Over Oil Spill](#)

RIO DE JANEIRO — Chevron came under intense scrutiny in Brazil on Friday over an oil spill at an offshore field the company operates, with federal investigators here threatening fines for Chevron and potential prison terms for its officials if they are found guilty of violating environmental contamination laws.

[Analysis: Energy Secretary Chu likely to survive Solyndra](#)

(Reuters) - Energy Secretary Steven Chu is taking the heat for government decisions on Solyndra, but he is unlikely to take the fall for taxpayer losses on a \$535 million loan guarantee to the failed solar company.

[EU Plans Probe of U.S. Bioethanol Imports, Threatening Taxes](#)

The European Union plans to threaten to tack tariffs onto U.S. bioethanol imports over concerns that American producers may be using trade-distorting government aid to sell in Europe below cost, an internal EU document shows.

[Brazil May Cut Taxes to Ethanol Producers, Estado Reports](#)

The measures may be taken to boost ethanol supplies and prevent price increases, the Sao Paulo-based newspaper said.

[Lego, Deutsche Bank, Motorola Pledging to Obtain 25% Wind Power](#)

Deutsche Bank AG, Lego A/S and Motorola Mobility Holdings Inc. are among 15 companies from 15 industries are getting at least 25 percent of their electricity from wind, or have pledged to do so.

They are the first companies certified to use the WindMade label, according to a statement today from WindMade ASBL, the Brussels-based organization that oversees the consumer brand.

[Zonline Netherlands Rooftop Solar Model Emulates U.S. Leases](#)

Zonline BV, a Dutch solar energy company, is offering rooftop power systems to consumers using a fixed-rate pricing model similar to the solar leases provided by a minority stakeholder, Sungevity Inc.

Dutch homeowners will agree to pay for 20 years a fixed rate for electricity generated by panels that the Amsterdam-based company installs for free, Chief Executive Officer Roebym Anders said yesterday in an interview.

[EFFICIENCY: The Energy Question](#)

Energy efficiency gains paradoxically result in increases in energy use (the modern day equivalent of the Jevons paradox). In the absence of efficiency gains, energy use will grow by the same quantum as economic growth ratios (energy intensity remains constant) when energy prices are fixed. Energy efficiency gains can increase energy consumption by two means: by making energy appear effectively cheaper than other inputs; and by increasing economic growth, which boosts energy use.

[After a Horrific Crash, a Stark Depiction of Injustice in China](#)

As China sped toward its new status as the world's second largest economy, the already yawning gap between the rich and poor grew wider. By sociologists' calculations, income inequality here is not that far from levels that have spurred social unrest in other

nations.

But some things are not easily reduced to statistics. There is an argument, buttressed by the Gansu tragedy, that what truly eats at people here is not so much the rich-poor gap as the canyon that separates the powerful from the powerless.

[Great Plains water pumping imperils fish](#)

CORVALLIS, Ore. (UPI) -- Great Plains river basins are threatened by pumping of groundwater from aquifers, risking a bleak future for native fish in many streams, U.S. researchers say.

Unlike alluvial aquifers, which can be replenished with rain and snow, these regional aquifers were created by melting glaciers during the last Ice Age, the researchers say, and when that water is gone, it's gone for good.

[Amid dire warming warnings, Canada is MIA](#)

At Durban, once again, Canada will be excluded from any serious deliberations. Canada is widely considered a climate-change miscreant. Nobody who knows the climate-change file in Canada or abroad believes the federal government's intention to reduce emissions by 17 per cent by 2020 from 2005 levels.

[New York as Venice, Minus the Romance](#)

Imagine one of those showplaces in East Hampton with inches of tide water pulsing across its marbled floors.

Low-lying coastal communities on Long Island and New York City "could find themselves repeatedly under water at high tide," the report says. Imagine paddling through the streets of Brooklyn's Bay Ridge section.



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