



Drumbeat: December 10, 2011

Posted by [Leanan](#) on December 10, 2011 - 10:39am

[David Strahan: Has the world reached economic peak oil?](#)

Whisper it. Oil production in the US is increasing. The country where output peaked in 1970 and then shrank by 40 per cent over four decades, has turned some kind of corner. Between 2008 and 2010, production rebounded by 800,000 barrels per day to 7.5 million barrels per day, and analysts forecast more growth to come. Goldman Sachs predicts that by 2017 production in the US could reach almost 11 mb/d, just shy of its all-time high, restoring the country to its former glory as the world's biggest producer.

One reason is a sharp increase in production of "shale oil". In North Dakota, Texas and Oklahoma, companies are using hydraulic fracturing, or "fracking" – a controversial technique that has revolutionised US natural gas production – to extract a range of liquid hydrocarbons from non-porous shale that used to be thought unworkable.

[Saudi Manifa Oil Project to Cost \\$17 Billion, Aramco Says](#)

Saudi Arabia will spend about \$17 billion developing the Manifa oil field as the national crude producer shifts focus to developing natural gas deposits and refining and petrochemical plants, the company's head said.

[Radio China International and 20th World Petroleum Congress in Doha, Qatar](#)

Yesterday I received an email and a telephone call from Radio China International. They inquired if I would be willing to answer a few questions on the occasion of the 20th World Petroleum Congress in Doha, Qatar. Every third year the world's oil producers gather for a large congress. For the first time they have now gathered in the Middle East. The interview with Radio China International has now been completed and it is interesting to look at the questions that they wanted to discuss. It became apparent that the reason they were interested in discussing oil's future with me was a report I wrote in 2007 commissioned by the OECD, "Peak Oil and the Evolving Strategies of Oil Importing and Exporting Countries". In the report I asserted that that the growth in production that continued international economic growth required would not be possible in the future.

[World Petroleum Congress in Doha, Qatar - ExxonMobil: 'Technology to beat Peak Oil' and Total pulls itself into line](#)

Before the World Petroleum Congress in Doha, Qatar the newspaper Gulf Times wrote in an article that, “A highlight is the keynote speech that will be delivered by Total’s President and CEO, Christophe de Margerie on the theme: “Peak oil – ahead of us or behind us?” on December 7”. The fact that Peak Oil is the theme for one of the seven main presentations at the congress shows that Peak Oil is now an important topic of discussion in the international and national oil industries. Earlier, Total had indicated that they believed Peak Oil could occur before 2030 so it was with some suspense that we awaited the message from Total and their managing director de Margerie.

[Oil and Our Energy Future](#)

As growing demand for oil continues to have both financial and political implications across the world, energy has become one of the most significant issues of our time. In this video, CNBC’s Ron Insana speaks with Pulitzer Prize winning author Daniel Yergin, one of the world’s foremost authorities on oil and energy markets, about where this vital sector is headed.

[New Brunswick's Shale Exploration Stirs Opposition](#)

The oil and gas industry's efforts to map southern New Brunswick's commercially recoverable shale gas potential is being met with significant opposition from local citizens and community groups as the provincial government seeks to impose stricter regulations on oil and gas activity.

[Daniel Yergin: Development of alternative fuels need unprecedented efforts](#)

“Compared with other countries in the region Ukraine is at an early stage of assessing its reserves of shale gas and coal bed methane,” HIS Executive Vice President and HIS CERA COB Daniel Yergin told “k:” on the country’s prospects of the production of alternative fuel, according to KyivWeekly.

“The analysis conducted by HIS CERA shows that Ukraine could have quite substantial reserves of alternative fuel. <...> The main issues that have to be addressed are the potential volumes of production of such reserves and what will be the cost,” Daniel Yergin warned. “The experience of shale gas exploration in the U.S. points to the necessity of caution. It clearly shows that believing there are substantial resources without conducting a thorough inspection of this fact would have been a grave mistake.”

[Yemen seeks gasoline in January in tender](#)

Traders who supply fuel to Yemen and shipping sources said the impoverished country faces a repeat of last summer, when three months of pipeline and refinery shutdowns caused a fuel shortage and deadly petrol station fights.

Angry tribesmen blew up the pipeline in mid-March and prevented repair work, causing

severe fuel shortages. The refinery went back to production in July after Saudi Arabia donated 3 million barrels of oil to Yemen.

[Tajikistan: Energy Shortage Accelerates Deforestation](#)

“These hills used to be covered with trees in Soviet times,” says Umedjon Baburforov, gesturing to the bare slopes around his village of Yanchob, near Dushanbe. “Now there are none.”

In the mountains of Tajikistan, summer is the season for collecting wood. Come winter, when many settlements throughout the country receive less than four hours of electricity per day from the state’s power grid, a wood stove becomes the main source of heating for many families. “We have to go further and further each year to find wood. We are planting more trees but they take a long time to grow,” explains Baburforov, 76.

[Pakistan Textile Exports May Be Hurt by Gas Shortage, Group Says](#)

Pakistan’s textile shipments, which contribute 60 percent to the country’s total export earnings, may miss an industry target by 25 percent because of an energy crisis that has shut factories, a textile group said.

[Natural gas stations shut down amid crisis: Public transport brought to a standstill](#)

Karachi: Natural gas stations in the southern Sindh province, including Pakistan's largest city, were yesterday closed down for a day amid an unprecedented energy crisis.

[What Russians told Putin about his oil-powered sense of entitlement](#)

So why did the ostensibly long-suffering Russians turn on Putin and deny United Russia continuation of the two-thirds margin that it won in the Duma four years ago?

[China warns of risks without deal on Sudanese oil](#)

KHARTOUM, Sudan—China's special envoy to Africa warned of serious consequences Saturday if Sudan and South Sudan cannot resolve their disputes over oil and the demarcation of their border.

China is a major buyer of and investor in Sudanese oil, most of which is located in South Sudan, which declared independence in July. A 2005 peace treaty ended nearly five decades of war between the mostly Arab north and mostly black south.

[Outrage at UK's \\$1bn loan deal with Brazil oil giant](#)

A British government decision to underwrite a billion-dollar loan to one of the world's biggest oil companies came under fire from environmentalists last night. Groups including WWF and Greenpeace accused ministers of renegeing on a pledge not to support investment in "dirty fossil fuel".

[Nixon administration official sought secret talks with Canada on oil pipeline route, documents show](#)

A new report about U.S. foreign policy during the 1970s energy crisis has some interesting revelations buried within it about the political strategy to get the oil pipeline built.

[All Brazil's cars to use ethanol](#)

Two thirds of all cars in Brazil are fuelled with ethanol, said the chief executive of Petrobras, José Sergio Gabrielli, speaking last week at the World's 20th Petroleum Conference, in Doha, Qatar.

Gabrielli, head of the third-biggest Brazilian oil producer, said the company is increasing its ethanol production and predicts all cars in Brazil will soon be running on ethanol, while also exploring new oil fields.

[2011 Proving to Be a Bad Year for Air Quality in Texas](#)

Scientists are still trying to understand the reasons for this year's statewide spike in ozone, which is largely a summer phenomenon. Possibilities include wildfires, drought and the summer's extreme heat, all of which can contribute to ozone formation.

Meanwhile, amid shale booms across the state, questions are increasing about the effects of oil and gas drilling on air pollution. Trucks carrying drilling materials emit nitrogen oxides, as does equipment like compressors. Natural gas escaping from pipelines or storage tanks emits volatile organic compounds, or VOCs. Nitrogen oxides and VOCs are known as ozone "precursors" because, aided by sunlight, they can react with each other to form ozone.

[Quality of Air? That's as Murky as Western Sky](#)

The question of how clean the air is in the American West has never been an easy one to answer, strange to say. And now scientists say it is getting harder, with implications that ripple out in surprising ways, from the kitchen faucets of Los Angeles to public health clinics in canyon-land Utah to the economics of tourism.

It is at least partly about dust, something that has been entwined with Western life for a

long time, and now appears to be getting worse.

[Richard Heinberg: Behind the Durban Blame Game](#)

Why did the Durban climate talks fail? Ultimately, the culprit is the near-universal pursuit of economic growth. All the major players want growth: the US, because it's still pulling out of a recession; China, because it knows 10 percent annual growth can't go on forever, but is trying to avoid a hard landing; Europe, which is trying to pull out of its sovereign debt spiral. The US and China, in particular, know that fossil fuels have given them growth in the past, and are especially reluctant to give them up now.

[Good news: The Lawrence Peak Oil Plan is Finished!](#)

Of course, after the plan is adopted, the real work begins, so let's all see what we can do to help the city implement the [recommended actions](#) [PDF], and think of new ideas to take us even further. If it takes a village to raise a child, the same must be true to create sustainable communities.

[Crude Oil Rises on Increasing U.S. Consumer Sentiment, European Accord](#)

Oil climbed the most in more than a week after a report showed that confidence among U.S. consumers rose to a six-month high and as European leaders agreed to boost the region's rescue fund and tighten budget rules.

[US count down 6, gas rigs plummet](#)

The number of rigs drilling for oil and gas in the US fell by six this week, Houston-based services outfit Baker Hughes said in its weekly rig count report.

[China Nov crude imports 2nd highest on record](#)

BEIJING (Reuters) - China's crude oil imports in November rose 8.5 percent over a year earlier to about 5.52 million barrels per day (bpd), the second highest on record on a daily basis, as refineries ramped up production to ease a domestic diesel shortage.

[U.S. Experiencing the Beginning of a Long-term Energy Boom](#)

NEW ORLEANS, La. - In 1956, M. King Hubbert established the first scientific model behind peak oil to accurately predict the height of U.S. oil production. Hubbert, a well-known geologist, theorized that oil production would peak between 1965 and 1970.

In 1971, oil production did indeed peak. And, for the last fifty years, Hubbert's theory

has held true as global oil production has been in gradual decline since that time. However, new discoveries in the Gulf and the rise of unconventional resource plays across the nation are drilling a metaphorical hole in the peak oil argument. America's newfound resources are not only challenging peak oil, they are also building the case for U.S. energy independence.

[How Investor's Are Crushing Big Oil](#)

It was Texas' Barnett shale that kicked off this shale revolution, but for the last two years, the Eagle Ford shale has been being developed at a feverish pitch.

Thanks to these new plays, Texas has managed to do what Alaska simply can't: hold off the decline.

[U.S. Energy Policy And The Battle For Asia's Booming LNG Market](#)

The future seems to be in natural gas, not oil. Here is the ExxonMobil Outlook for Energy, a view to 2040. Not too many surprises, it's broadly in line with similar publications from the International Energy Agency (IEA). According to the Exxon report, global energy demand will be 30% higher than in 2010.

That's actually a surprisingly low figure, considering the fact that global GDP is supposed to rise much faster. Indeed, were it not for 'efficiency gains,' energy demand would rise much faster:

[Fracking And Exploding U.S. Shale Play To Feed Halliburton's Profits](#)

Halliburton will surge on its North American business, particularly fracking as the U.S. shale play continues to evolve, analysts at RBC Capital Markets argue. The large oilfield services provider won't derive much profit from its international operations, but it will see Iraqi production stabilizing and unconventional gas plays develop across the globe, setting it up to benefit in the future.

['Iran oil embargo causes European crisis'](#)

A member of Iran Majlis (parliament) Energy Committee says recent sanctions enforced by the European Union (EU) against Iran's oil sector will cripple Europe's economy.

Seyyed Emad Hosseini further stated that Iran's oil export to EU member states accounts for less than 18 percent of the country's total exports, Fars News Agency reported.

[Yemen unity government sworn in, soldier killed](#)

SANAA (Reuters) - Yemen's new unity government, formed to try and avert civil war, met for the first time on Saturday, hours after a soldier was killed in continuing violence between supporters and opponents of outgoing president Ali Abdullah Saleh.

[French oil giant mulls plan to build oil pipeline to aid South Sudan](#)

The French oil major Total is weighing a plan to build a pipeline that would offer South Sudan a way out of its impasse over oil exports.

[Playing with fire: Obama's threat to China](#)

The new emphasis on Asia and the containment of China is necessary, top officials insist, because the Asia-Pacific region now constitutes the "centre of gravity" of world economic activity. While the United States was bogged down in Iraq and Afghanistan, the argument goes, China had the leeway to expand its influence in the region.

For the first time since the end of World War II, Washington is no longer the dominant economic actor there. If the United States is to retain its title as the world's paramount power, it must, this thinking goes, restore its primacy in the region and roll back Chinese influence. In the coming decades, no foreign policy task will, it is claimed, be more important than this.

[Mexican States, Alabama Cities Can't Bring Some BP Spill Claims](#)

(Bloomberg) -- Mexican states and Alabama cities that a federal judge deemed too far removed from the 2010 Gulf of Mexico oil spill to have been physically harmed by it were barred from bringing some claims against BP Plc.

[Radioactive water leaks inside Japan plant](#)

TOKYO (AP) — Radioactive water leaked inside a nuclear power plant in southwestern Japan but did not escape into the environment, the government said Saturday, the latest problem for the country's nuclear industry amid an ongoing crisis at another plant.

[Less Than Zero: the 1 Percent and the Fate of the Earth](#)

Beyond the massive amount of carbon we have extracted from the old earth and pumped into the new one (what McKibben calls "Eearth") through our tailpipes and chimneys, we are now setting off the planet's own internal "carbon bombs." We've caused it but "we're not directly releasing that methane" and "we can't shut it off." To make matters worse, the heat-induced softening of permafrost and the drying up of

peat moss opens new northern lands to oil drilling. And as the last reservoirs of readily accessible petroleum run dry in a new era of “peak oil,” McKibben noted, we will increasingly “rely on even more use of our most abundant fossil fuel, good old coal. And the certain result of using more coal will be...more global warming, since it’s the dirtiest of all fossil fuels, producing twice the carbon dioxide of oil.”

[The death of the 'Star Trek' EV](#)

It’s an unsettling time for electric vehicles right now, because the Volt battery fires aren’t going away, and they’re threatening to scare people away from a fragile, still-embryonic clean car movement. The timing couldn’t be worse. But all the big drivers — global warming, peak oil, stringent federal and international regulation — are still in place. Don’t write off the electrification of the automobile.

[Charging Stations Await Cars](#)

WHEN Kinne Yon, a developer, and her brother Neal Sigety were planning an environmentally friendly rental tower at 1510 Lexington Avenue a few years ago, they incorporated a charging station for electric cars — even though there were few, if any, plug-in models available at the time.

[Reining In the 'Soft Costs' of Solar](#)

Reducing the cost of installing solar power systems for homes and small commercial properties remains near the top of the Department of Energy’s to-do list. Early this year, Steven Chu, the energy secretary, unveiled the department’s SunShot Initiative, fashioned at least in spirit on the moon shot program, in which the Kennedy administration set out to put a man on the moon.

[Minn. gets new setback in fight against Asian carp](#)

(AP) MINNEAPOLIS — Tests have found signs of Asian carp in the Mississippi River north of a key physical barrier keeping the invasive species of fish from spreading into many of the state's most popular lakes, officials said Thursday.

[Poll suggests believers can be swayed on nukes, environment](#)

WASHINGTON — Most Americans believers do not see preventing climate change or the spread of nuclear weapons as “spiritual obligations,” although they see both as important goals, according to a new poll.

Among respondents who said they believe in God or in “spiritual obligations for behavior,” the importance of these issues ranked far behind reducing global poverty and hunger.

[Global warming will boost solar power in Europe but cause losses elsewhere](#)

Amid all the discussion about how energy sources may impact on climate change, we often overlook the fact that climate change will in turn impact on energy sources. As the world warms, this will become an increasingly important issue, affecting everything from nuclear power stations needing cold water for cooling through to melting ice opening up new fossil fuel reserves in the Arctic.

[Statoil expects more arctic exploration](#)

DOHA, Qatar (UPI) -- Political obstacles to exploring for oil and gas in arctic waters will fall as technology improves, an oil executive told the World Petroleum Congress in Qatar.

[A game that no one really wins](#)

A board game dreamt up on the anniversary of the Kyoto Protocol is meant to teach lessons for sharing scarce resources from energy to food.

[New deal tabled at climate talks after rebellion](#)

(Reuters) - Developing states most at risk from global warming rebelled against a proposed deal at U.N. climate talks on Friday, forcing host South Africa to draw up new draft documents in a bid to prevent the talks collapsing.

[UN conference works through a 2nd night to map out future of fight against global warming](#)

DURBAN, South Africa — Some ministers and top climate negotiators left Durban without an agreement Saturday, with time running out and the prospect of an inconclusive end jeopardizing new momentum in the fight against global warming.

[Canada blames China for being 'obstructionist' on climate treaty](#)

With negotiations extended by an extra day and huge differences still remaining, Canada is blaming China for being “obstructionist” on a climate treaty to replace the Kyoto Protocol.

[Help still needed after record-breaking year for disasters](#)

(CNN) -- From the tsunami in Japan to famine in East Africa to the deadly tornado

outbreaks in the United States, 2011 has been a historic year for natural disasters.

A dozen weather-related disasters in the United States alone have caused more than \$1 billion in damages each, breaking the record of nine billion-dollar disasters set in 2008, according to the National Oceanic and Atmospheric Administration. Altogether, the damage from these events exceeds \$50 billion.

"In many ways, 2011 rewrote the record books. From crippling snowstorms to the second deadliest tornado year on record to epic floods, drought and heat, and the third busiest hurricane season on record, we've witnessed the extreme of nearly every weather category," said NOAA spokesman Christopher Vaccaro.



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