

Drumbeat: December 17, 2011

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Russia oil spills wreak devastation

USINSK, Russia—On the bright yellow tundra outside this oil town near the Arctic Circle, a pitch-black pool of crude stretches toward the horizon. The source: a decommissioned well whose rusty screws ooze with oil, viscous like jam.

This is the face of Russia's oil country, a sprawling, inhospitable zone that experts say represents the world's worst ecological oil catastrophe.

Environmentalists estimate at least 1 percent of Russia's annual oil production, or 5 million tons, is spilled every year. That is equivalent to one Deepwater Horizon-scale leak about every two months. Crumbling infrastructure and a harsh climate combine to spell disaster in the world's largest oil producer, responsible for 13 percent of global output.

<u>Last U.S. troops leave Iraq</u>

(CNN) -- In a final tactical road march, the last U.S. troops in Iraq crossed the border into Kuwait on Sunday morning, ending almost nine years of a deadly and divisive war.

Oil-drilling rig with 76 aboard overturns in Russia's Far East

An offshore oil-drilling rig with 76 people on board overturned in the Sea of Okhotsk in Russia's Far East, Russia Today reported Sunday.

Keystone pipe outlook no rosier after Senate vote

(Reuters) - Senate Republicans claimed victory on Saturday for a bill that may force President Barack Obama to make a speedier decision on a Canada to Texas oil pipeline, but a White House official indicated quick approval of the project is not likely.

Analysis: Brazil's oil boom could see its first bust

SAO PAULO (Reuters) - Brazil's huge offshore oil wealth has been called a lottery

jackpot, and each of the industry's contracts is another winning ticket. But even with a lucky stub in hand, some companies risk going broke before they can claim their prize.

Nigeria police fire shots at demonstration over toll roads; AP photographer beaten

LAGOS, Nigeria — Police shot rifles and fired tear gas at protesters who were demonstrating against toll roads on Saturday, and witnesses said at least one person was seriously wounded by gunfire.

Police officers also used batons to assault an Associated Press photographer who was covering the event. His camera equipment was taken before he was thrown into the back of a police truck.

IEC throwing iffy conditions into natural gas deal

According to contract if Tamar signs a contract to provide another company with gas for less, it would have to offer the same price to the Israeli Electric Company.

Make every effort to contain Fukushima crisis completely

It is very significant that Noda told people at home and abroad that work to deal with the nuclear crisis had entered a new stage.

The damaged reactor cores of the plant's Nos. 1 to 3 reactors are being maintained in a state of cold shutdown, meaning their temperatures are being kept at 100 C or lower, with contaminated water being treated and reused to cool the reactors in a circulating water cooling system. It is said the possibility of a large amount of radioactive substances leaking from the reactors is now low.

Top 10 peak oil books of 2011

Lots of books came out on energy, climate and the economy this year. Here are the best ones that integrate all three areas.

Welcome to our second annual list of the top ten peak oil books. Most of them are explicitly about peak oil, while others deal with energy depletion as a significant factor in the economy or the environment. A couple titles focus on responses to the myriad conundrums that Richard Heinberg has dubbed "peak everything" and that are now converging to create a perfect storm for global industrial civilization.

Pipeline caught in 'death spiral' of rising costs

A few years ago, the pipeline carried close to its capacity of 6 billion cubic feet of gas a day. Today's average is more like 3.4 billion cubic feet.

But costs have not shrunk. Most of the pipeline's costs are fixed: it's expensive to built, operate and finance, no matter how much or how little is moving through the line.

The pipeline has always set rates by dividing its costs among its customers. When shipping volumes shrink but costs don't, inevitably tolls go up.

Fees for using TransCanada's mainline have soared 240 per cent since 2007, according to the generators. And as fees climb, even more customers flee the pipeline, leaving fewer to share the load.

Crude Oil Heads for Biggest Weekly Drop Since September on Europe Outlook

Crude fell, capping the biggest weekly decline since September, on concern that European economic growth will slow, curbing fuel demand.

Futures dropped to the lowest level in more than six weeks after Fitch Ratings lowered France's outlook and put nations including Spain and Italy on review for downgrade. Exports from the euro area dropped in October, led by declines in Germany and Spain, according to the European Union's statistics office.

Refiners explore replacing Iranian oil

NEW DELHI (Reuters) - Indian companies have begun talks with alternative suppliers to slowly replace Iranian oil, fearing their current mechanism for payments to Tehran for some 350,000 barrels a day (bpd) via Turkey could soon succumb to sanctions, industry sources said.

Plans for fresh U.S. financial sanctions on Tehran have worried its Asian customers who fear they will have no way to pay for crude imports from Iran.

<u>Iraq oiling the wheels of Middle east commerce</u>

WHAT happens to Iraq's oil now US forces have left the country? Iraq hopes to increase production from the present 2.7 million barrels per day to 13.5 million by 2018.

That would easily top Saudi Arabia, the world's top petroleum exporter, which pumps about ten million bpd. Current global demand is around 89 million bpd.

Fog Halts 92 Ships at Houston, Sabine Ship Channels in Texas

Il Drum | Drumbeat: December 17, 2011 http://www.theoildrum.com/r Texas after fog hampered visibility, according to the U.S. Coast Guard and a pilots

The Future of Oil - 2010 to 2035

Now that we've seen West Texas Intermediate prices flirting with the \$100 a barrel mark yet again and OPEC maintaining its production level at 30 million BOPD, I thought that it was time to take a look at the latest World Energy Outlook (2011) from the International Energy Agency (IEA) and see what they predict for the world's energy markets, focussing on oil, for the next 25 years.

Kazakh leader orders curfew after oil city riots

ALMATY — Kazakh President Nursultan Nazarbayev on Saturday declared a 20-day state of emergency in a western oil city where at least 11 people have been killed in the deadliest outbreak of violence in the Central Asian state's recent history.

Panetta says Libya faces long, difficult transition

(Reuters) - U.S. Defence Secretary Leon Panetta told Libya's leaders on Saturday they faced a long, hard road in moving on from 42 years of one-man rule and uniting rival militias that still hold the streets in the oil-producing North African state.

East Coast pipeline dreams

Since President Barack Obama's recent politically motivated announcement to delay the construction of TransCanada's Keystone XL pipeline, Canada has been highlighting and promoting other pipeline proposals to diversify its oil markets.

Enbridge Gas fined in deadly blast

Enbridge Gas and another firm have been fined more than \$1.1 million for violations related to a 2003 explosion in Etobicoke that killed seven people.

Congress Approves Pipeline Safety Bill

A bill doubling the maximum fines that pipeline operators face for safety violations easily cleared the House and Senate this week along with other provisions intended to strengthen rules on oil and gas pipeline safety that critics have faulted as weak.

Transocean Asks Judge to Force BP to Indemnify Gulf Oil-Spill Damages

Transocean Ltd. (RIG)'s drilling contract with BP Plc (BP/) promised indemnification for damages from oil spilled below the surface of the Gulf of Mexico and should be enforced for claims over the Deepwater Horizon accident, the rig owner told a judge.

Shell Wins Conditional Backing for Chukchi Plan

Royal Dutch Shell Plc won conditional U.S. approval for a plan to drill as many as six exploration wells in Alaska's Chukchi Sea next year, the Bureau of Ocean Energy Management said.

Analysis - Costs, environmental risks may scupper Falklands oil

(Reuters) - Oil exploration by British companies off the Falkland Islands is irritating old wounds with Argentina, where sovereignty claims over the remote South Atlantic archipelago are as strong as ever.

Thirty years after it repelled an Argentine invasion of the Falklands, Britain is vowing to defend the territory and says it will only negotiate sovereignty or oil rights if the 3,000 islanders want talks.

But if commercially viable quantities of oil do lie near the Falklands, Britain and British firms may find the potential costs of pumping a big discovery - or worse, dealing with a spill - a high price to pay.

Fukushima's Dismantling to Start as Cold Shutdown Announced

Japan's Prime Minister Yoshihiko Noda said the Fukushima nuclear reactors have been brought to a state of cold shutdown, a disputed milestone that will likely allow the return of some evacuees and eventual dismantling of the plant.

Toshiba Expects 63% of Energy Management Business From Overseas

Toshiba Corp., Japan's largest maker of nuclear power plants, expects 63 percent of sales from its energy management business to come from overseas by March 2016.

Coal Industry Drive Against EPA Will Shadow Obama's Campaign

The lung association has run about 2,000 commercials this year, at a cost of about \$2.6 million; the coal industry has aired about 2,500 commercials, spending an estimated \$3.8 million, according to data compiled by CMAG/Kantar Media, a New York based company that tracks political spending.

An Update on the Percent of Corn Crop Being Converted into Ethanol and Other Repercussions of the Corn Ethanol Program

Since we are near the end of the year, I decided to get out my calculator and look at the amount of corn being burned in our gas tanks, to see if it has changed much from last year.

It hasn't.

Nissan Leaf: Too subtle, too limited

Auto makers are all going green as rising fuel costs and global warming drive the change. At the forefront of these new green machines is the Nissan Leaf. It's a zero-emission, all-electric mid-size car with no gas engine.

The Leaf flies under the radar. During my two-day test drive, I wanted a big, bold allelectric sign plastered on the exterior so other commuters could look in awe at my greener-than-green ride.

Incandescent Bulbs Spared by U.S. House in Victory for Tea Party Activists

The U.S. House spared the 100-watt incandescent light bulb from a government-enforced phaseout in a win for Tea Party activists over manufacturers who said they are already switching to more energy-efficient products.

Germany's Renewable Output Beats Nuclear, Hard Coal in Power Mix

(Bloomberg) -- Germany produced more energy from renewable sources than from nuclear, hard-coal or gas-fired plants this year after boosting investments in projects from wind to biomass.

Renewables accounted for a fifth of the generation mix in 2011, up from 16.4 percent last year, the BDEW utility association said today in a website statement. Only lignite-fired output, with 24.6 percent, had a greater share this year.

<u>Utilities in Power Squeeze as States Tie Mergers to Clean Energy</u>

The surging pace of power-industry consolidation, with more than \$31 billion in transactions pending in the U.S., is giving state officials such as Maryland Governor Martin O'Malley leverage to wrest more clean-energy investments from merging companies.

Polysilicon may be headed for a surprise recovery by 2015 that could push up the prices of solar panels, said Solairedirect SA, France's second-biggest sun- powered generator.

<u>Italy Approves One in Six Solar-Power Projects Seeking Permits</u>

Italy's renewable-energy regulator approved 507 commercial and utility-scale solar parks, or about one in every six projects seeking permits for the first half of next year, as spending limits curb market growth.

The War is Coming Home

All in all, the state is preparing to declare war against its own citizens – anyone who does not tow the party line and mindlessly chant "USA!" while serving the ruling classes will be officially declared an enemy. Why? Because the end of civilization as we know it draws nigh: as many of you are aware Peak Oil is coming and with it the end of this time of material abundance – the ruling classes realize that there's only so much left to go around and now seek to maximize their share of the pie by simply cutting out everyone else!

Germany reaching out to young green scientists

BERLIN (AP) — Germany has given 20 young scholars from across the globe the chance to carry out research on climate change and sustainability as part of Berlin's push to get 80 percent of its energy from renewable sources by 2050.

Texas approves plan assessing future water needs

Texas approved a somberly worded plan on Thursday that lays out where the state should spend \$53 billion to cope with its water needs over the next half century, and warns that future droughts may mean not enough supply to keep up with growing demand.

German Minister Says Sustainable Economies Will Be 'Winners'

Countries that make their economies more sustainable to help curb climate change will "be the economic winners" of the 21st century, German Environment Minister Norbert Roettgen said today.

Why Jews like climate policy

Fast forward to today and the nuclear-windsolar fantasy has been revived and at a far more fantastical scale, this time through global warming. Quite apart from their concern for the environment, Jews who want to protect Israel see in anti-global-warming policies a means to wean the West off Middle East oil, and reduce the influence of Middle East oil-producing countries on the West's foreign policy.

As Permafrost Thaws, Scientists Study the Risks

Edward A. G. Schuur, a University of Florida researcher who has done extensive field work in Alaska, is worried by the changes he already sees, including the discovery that carbon buried since before the dawn of civilization is now escaping.

"To me, it's a spine-tingling feeling, if it's really old carbon that hasn't been in the air for a long time, and now it's entering the air," Dr. Schuur said. "That's the fingerprint of a major disruption, and we aren't going to be able to turn it off someday."

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