



## Drumbeat: December 19, 2011

Posted by [Leanan](#) on December 19, 2011 - 9:47am

### [Oil boomlet sweeps U.S. as exports and production rise](#)

Looking at your heating bills or gas prices, you may find it surprising that the United States is enjoying a mini oil boom. It's producing more crude oil and, for the first time in decades, has become a net exporter of petroleum products such as jet fuel, heating oil and gasoline.

The U.S. exported more oil-based fuels than it imported in the first nine months of this year, making it likely that 2011 will be the first time since 1949 that the nation is a net exporter of such goods, primarily diesel.

That's not all. The U.S. has reversed another decades-long trend. It began producing more crude oil in 2008 than the year before and accelerated that upswing 3% in the first nine months of this year compared with the same period in 2010. That production has helped reduce U.S. imports of crude oil by about 10% since 2006.

### [Ken Deffeyes: Energy Prices](#)

Crude oil currently priced near \$100 per barrel. The 2008 peak price was \$147 per barrel and the world economic house of cards collapsed. On page 40 of *When Oil Peaked*, I showed the US expenditures for crude oil as a percentage of the US gross domestic product. When the percentage went above 5 percent (1981 and 2008) we had serious economic problems. After the book was published, crude oil prices have increased. My estimate of the current US oil expenditure is 3.5 percent of our GDP. It's worth watching; let's hope that it doesn't go above 5 percent again.

### [Crude Oil Rebounds From Near Six-Week Low in New York as Equities Advance](#)

Oil recovered from near its lowest in more than six weeks in New York as advancing equity markets eased concern that European government measures will be unable to stem the debt crisis.

### [Lower fuel prices expected to slow growth in Qatar](#)

Qatar's growth will cool next year and its economy risks exposure to lower oil and gas prices caused by weaker global demand, the IMF said yesterday.

### [Wild heating oil prices foreseen this year](#)

Veteran Berkshire County heating oil dealers insist there's no way to predict where this season's wildly swinging prices are headed.

The average dropped below \$3.60 a gallon on Friday following a slowdown in demand caused by recent milder temperatures and a production boost by oil-rich Mideast nations that belong to OPEC.

### [Commodity index returns reconsidered](#)

According to commodity bulls, price rises should resume once the euro zone storm passes and the underlying dynamics of the super-cycle (growing emerging market demand coupled with restricted supply) reassert themselves. But doubts are creeping in. New technology in the form of horizontal drilling and hydraulic fracturing has demolished fears about peak gas production over the last five years, and is now doing the same for once-popular theories about peak oil. Climbing production in North America has sent Henry Hub gas prices to their lowest level since September 2009, and before that 2002. Natural gas futures are trading only a little over \$3.

It is all very different from July 2008, when prices were over \$13, let alone 2005, when prices climbed over \$15, amid panic about future gas supplies, triggering a frenzy to build LNG import terminals.

### [Output from N.Sea field to remain diminished -Statoil](#)

(Reuters) - Production at major North Sea field Gullfaks will be lower than normal again in 2012, Norway's Statoil said on Monday, repeating previous guidance and adding it had reopened some wells that had been closed due to safety concerns.

### [Cash-strapped Sudan open for oil bidding](#)

Cash-strapped Sudan on Monday said it will open six exploration blocks for bidding by international oil companies, after losing 75 percent of its oil production when the south separated in July.

"Everyone is invited to invest in this country," Minister of Petroleum Awad Ahmed Aljaz told reporters, through a translator.

### [West treads carefully with Iranian energy](#)

BRUSSELS, Dec. 19 (UPI) -- If the United States and its allies implement sanctions on

Iran's oil sector the right way, it could trigger a trade shift from Tehran, an official said.

Washington and European leaders are speaking with officials from key oil-producing nations on how best to keep global energy supplies static amid a potential embargo on Iran's oil.

### [Iran excludes Polish PGNiG from its gas field](#)

(Reuters) - Iran has excluded Poland's state-controlled gas monopoly PGNiG from developing a gas field, accusing the company of dragging its feet over the project, the semi-official Mehr news agency reported on Monday.

Iran has toughened its stance over foreign companies that it says are not fulfilling their promises.

### [Bric nations are at risk of being held hostage by energy](#)

They seem destined to dominate the world economy. Yet as the Bric concept celebrates its 10th birthday, Brazil, Russia, China and India may each find that energy is its Achilles heel.

### [New rows in old Central Asia fight](#)

China is heading into Central Asia to quench the country's insatiable thirst for oil and gas.

### [Ukraine PM sees Russia gas deal in a few days](#)

(Reuters) - Ukraine will reach a compromise deal with Russia on gas supplies in a few days, Ukrainian Prime Minister Mykola Azarov said on Monday, contradicting previous statements by Moscow which expected no deal to be made this year.

### [3 more protesters killed in Cairo clashes](#)

CAIRO (AP) – Hundreds of Egyptian soldiers in riot gear swept through Cairo's Tahrir Square early Monday and opened fire on protesters demanding an immediate end to military rule. The Health Ministry said at least three people were killed, bringing the death toll for four days of clashes to 14.

### [Kazakh president says instigators of oil town unrest will be severely punished](#)

Kazakhstan's President Nursultan Nazarbayev has set up a commission to investigate

and punish the instigators of riots in the oil town of Zhanaozen that left at least 14 people dead, his press service said.

### ['We're not leaving,' say U.S. officials in Afghanistan](#)

KABUL – Top American officials in Afghanistan say the U.S. military intends to maintain a troop presence here beyond a 2014 deadline for Afghan troops to take over.

### [Russian Oil Drilling Rig Sinks off Sakhalin With 14 Rescued, 53 Missing](#)

A drilling platform with 67 Russians on board sank in a storm near Sakhalin Island off Russia's Pacific coast after completing a job for OAO Gazprom. Only 14 people have been rescued so far, authorities said.

### [Iran, Russia's Tatneft Sign \\$1 Billion Accord to Develop Zagheh Oil Field](#)

Russia's OAO Tatneft (TATN) signed an accord valued at \$1 billion with Iran to develop the Zagheh oil field in the Persian Gulf nation, where many energy projects face delays due to intensified sanctions by Western countries.

### [Analysts Weigh Exxon's Rumored Kurdistan Oil Play](#)

A bid by ExxonMobil for Kurdistan-focused explorer Gulf Keystone "wouldn't be out of kilter at all," says VSA Capital analyst Malcolm Graham-Wood, who points out the 800 pence a share offer price first referenced in an Independent on Sunday story would be at the top end of most valuations.

### [Subsea leak prompts Zhuhai shutdowns](#)

China National Oil Corporation has said it has shut down production at a gas processing terminal in Zhuhai City after a leak was discovered in the terminal's subsea pipeline.

### [Pooled price for natural gas will remove incentive for sourcing LNG at lowest price: Chaturvedi](#)

New Delhi (ANI): The government has admitted that pooling the price of natural gas has a down side as there would be no incentive for the importer to source natural gas at the lowest price.

### [Tax Bill Can Stall Oil Pipeline, Officials Say](#)

Payroll tax cut legislation that would force President Obama to speed up a decision on

the controversial Keystone XL pipeline would likely keep the project from moving forward because it would cut short the necessary environmental review, Obama administration and State Department officials said on Saturday.

### [Pipeline Politics: How an Oil Sands Project Has Become Key to Environmentalism](#)

Given that there are already more than 2.3 million miles of pipelines in the U.S.—carrying petroleum products, chemicals and natural gas—it might seem odd that so much political energy has been expended on a proposed 1,700-mile pipeline. Yet the controversial Keystone XL pipeline—which would cross the upper Midwest to carry crude from Canadian oil sands down to refiners in the U.S.—has become the single biggest environmental issue facing America. Green groups—pushed hard by activists like 350.org’s Bill McKibben—are using the proposed pipeline as a litmus test for President Obama’s often-questioned commitment to the environment. They argue that Keystone XL would pose a threat to valuable aquifers in Nebraska, but more than that, they believe that allowing the pipeline to go forward would open the path to the increased development of carbon-intensive oil sands, and keep the U.S. committed to fossil fuels, with disastrous consequences for climate change.

### [EPA Final Rule for Coal Plants Deemed ‘Unfortunate’ by Industry](#)

The U.S. Environmental Protection Agency’s rule to curb toxic emissions from coal-fired power plants drew criticism from an industry lobbyist and praise from an environmentalist even before it is released this week.

### [Oil tests snag ocean polluters](#)

Ships illegally dumping oil off Canada's coasts are having a harder time getting away with the crime because of a relatively new process used by government scientists.

Chemists at Environment Canada in New Brunswick have standardized the process that connects oil collected from the ocean to the ships that dump the pollutants.

### [Saudi Prince purchases \\$300 million stake in Twitter](#)

NEW YORK (CNNMoney) -- Saudi Prince Alwaleed bin Talal said Monday he and his investment firm, Kingdom Holding Company, are purchasing a \$300 million stake in Twitter.

The billionaire prince said the investment was made after "several months of negotiations" and would "represent a strategic stake" in the microblogging service.

### [End of the road as carmaker Saab files for bankruptcy](#)

Saab Automobile filed for bankruptcy with a Swedish court on Monday, bringing to an end two years of efforts to rescue the iconic brand which has been the hallmark of Swedish cars for six decades.

The final desperate attempts to raise funds in China were obstructed by Saab's former owner General Motors over licences.

### [The most disliked cars of 2011](#)

Volt shot out of the blocks early in the year with a blast of publicity that would rival Lady Gaga's. After snagging a flock of car-of-the-year awards, GM's bold technological leap seemed poised to set the world on fire. Unfortunately, its batteries did just that in certain accident conditions. The negative fallout -- combined with a month-long production halt in the middle of the year to boost output -- kept a damper on sales. After moving only about 6,200 for the first 11 months of 2011, GM admitted it would fall far short of its goal of selling 10,000 Volts in its first year.

### [Peak E-Cat](#)

The interest in the "E-Cat", the supposed "cold fusion reactor" invented by Andrea Rossi and Sergio Focardi, is waning. You can perceive that clearly from the activity of the various sites dealing with it; while "Google Trends" confirms that the trend is indeed down. After a flare of curiosity that peaked in november 2011, people found that there was nothing to see about the E-Cat except some purported "demonstrations" that didn't really demonstrate anything. So, they lost interest.

### [Japan Says Nuclear Power Cost May Be 50% Higher Than Estimated](#)

Nuclear power generation in Japan is about 50 percent more expensive than estimated after factoring in the cost of paying for an accident like the Fukushima disaster, a government panel said.

[India's Rajasthan Opens Bidding for 200 Megawatts of Solar Farms](#) India's Rajasthan state started accepting bids from developers to set up 200 megawatts of solar power projects in an area that has the country's second-most solar radiant exposure.

### [India Panel Makers Share China Dumping Concerns, Indosolar Says](#)

Indian solar panel makers share the concerns of U.S. manufacturers who are asking the government to investigate claims that Chinese companies are dumping equipment, H. Rahul Gupta, managing director of Indosolar Ltd. (ISLR), India's largest solar cell maker, said today in a phone interview.

## [Burying our heads in the sand is not the answer](#)

New research has found that the less Canadians know about complex issues - the economy, energy and the environment - the more they avoid becoming well informed about them. This wilful ignorance is associated with a "chain reaction" of dependence on governments to solve the problem, especially if it is urgent.

## [The news is terrible. Is the world really doomed?](#)

"The apocalypse," wrote the German poet and essayist Hans Magnus Enzensberger in 1978, "is aphrodisiac, nightmare, a commodity like any other ... warning finger and scientific forecast ... rallying cry ... superstition ... a joke ... an incessant production of our fantasy ... one of the oldest ideas of the human species. Its periodic ebb and flow ... has accompanied utopian thought like a shadow."

It is haunting us again. A sense of doom dominates recent films such as *Melancholia*, in which a vast unknown planet suddenly appears from behind the sun and converges inexorably on Earth; and *Take Shelter*, about a taciturn American Everyman, living quietly with his family somewhere on the suburban plains, who starts dreaming extravagantly about devastating coming storms and social breakdown. There is doom television, such as the BBC1 series *Survivors*, a post-apocalyptic soap opera that ran from 2008 to 2010, about the struggles of ordinary Britons after a deadly flu pandemic. There is doom literature, from the exhaustingly erudite – *Living in The End Times*, by the Slovenian superstar philosopher Slavoj Žižek – to the more digestible – *The Coffee Table Book of Doom*, by Steven Appleby and Art Lester, published in time for this Christmas, and complete with cute cartoons and would-be wry discussions of the likelihood of an asteroid strike or global food shortage or "supersize hurricane". There is doominess in pop music, not just in the usual genres such as metal, but on the fashionable fringes of dubstep and techno, where the much blogged-about young record label Blackest Ever Black issues echoing, funereal instrumentals with titles such as *We Must Hunt Under The Wreckage Of Many Systems*.

## [Doom is Normal](#)

So it seems to me that what some might call doomerism has gone mainstream, that we are being urged to accept it as normal, and to believe that some of us deserve it.

## [Environmentalists Get Down to Earth](#)

Think of the public as a consumer in a grocery aisle passing a box of brownie mix, the consultant said. The brownie on the front is so delectable that she can imagine the taste and the smell. So delicious, in fact, that she pays no attention to the back of the box listing the ruinous fat and calorie content.

Environmentalists, the consultant said, were always yammering to consumers about the back of the box. And, guess what? Nobody wants to listen.

### [For Green Groups, a Shift in Tactics](#)

In The Times's Sunday Review section, I wrote about the generational leadership change that big environmental groups are undergoing and how it is affecting their strategies. Several leaders and observers I interviewed noted that in an Occupy Wall Street era, some people have little patience for the notion of courting corporations and policy makers to seek their cooperation. They want to apply direct pressure.

### [India terms Canada's withdrawal from Kyoto pact as contrary to its commitment on climate change](#)

Environment Minister Jayanthi Natarajan has said that Canada's withdrawal from Kyoto protocol is a complete violation, after it became the first nation to announce its withdrawal from the pact on climate change.

### [Brazil's forest policy could undermine its climate goals](#)

In RIO DE JANEIRO, Brazil — Brazil, caretaker of the world's largest rain forest, is about to enact broad new regulations that opponents say could loosen restrictions on Amazon deforestation and increase the country's greenhouse gas emissions.

### [High glaciers may be safe from warming](#)

ALMATY, Kazakhstan, Dec 15 (IPS) - Global warming will melt far less of the glaciers of Central Asia than of those in other mountain ranges, shielding the people who depend on them for water from the effects of climate change for several decades at least, scientists say.

### [Most Important Book of 2011: Kivalina, a Climate Change Story](#)

Kivalina should be required reading for all power brokers in the climate change debate — in particular, President Obama and the dawdling U.S. Congress.

### [Climate Change May Bring Big Ecosystem Shifts, NASA Says](#)

ScienceDaily — By 2100, global climate change will modify plant communities covering almost half of Earth's land surface and will drive the conversion of nearly 40 percent of land-based ecosystems from one major ecological community type -- such as forest, grassland or tundra -- toward another, according to a new NASA and university computer modeling study.





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