



Drumbeat: January 11, 2012

Posted by [Leanan](#) on January 11, 2012 - 9:22am

[Peak oil can fuel a change for the better](#)

The advent of peak oil means we should prepare for a downscaling of our highly energy and resource-intensive lifestyles.

What is peak oil and why does it matter? And what effect will it have on the Western lifestyles we take for granted? These are not questions that many people are asking themselves yet, but this decade is going to change everything. Peak oil is upon us.

[The Peak Oil Crisis: Gasoline in 2012](#)

A lot has happened in the past four years that will affect gasoline prices in 2012 so this year is unlikely to be a repeat of 2008. Europe and the Middle East are coming unstuck and at this stage, it is impossible to say which will have the most influence on prices. A European recession will moderate the demand for oil and possibly spread the contagion over much of the world. An interruption of oil supplies from the Middle East would instantly send prices higher to much higher depending on the nature and duration of the interruption.

[Investing In The Future Of Oil: Offshoot Oil Plays](#)

There is a finite supply of oil on this world. Even as its population appears to awaken to this reality, there appear to be few viable solutions available in addressing the issue of Peak Oil, the period in which oil production begins to decelerate. One of the greatest problems this generation may soon face is the realization that the crisis over a sustainable future energy supply might be more dire than many might anticipate.

[Why I'm saving and investing for the disaster to come](#)

Some people are preparing for the end of days. A fall or retreat of civilisation, linked to peak oil or the collapse of the global financial system or environmental disaster. Or whatever.

The solution is extreme diversification – up to and including buying your own remote and defensible farmstead, complete with independent water supply, power generation capabilities, and the ability to feed your nearest and dearest until the smoke clears.

[Boom And Doom: Revisiting Prophecies Of Collapse](#)

New Scientist - Forty years ago, a highly controversial study , The Limits to Growth, warned that we had to curb growth or risk global collapse. Does the prediction still hold?

[The return of "The Limits to Growth"](#)

On the whole, the article by McKenzie is very well done and it summarizes all the main points of the story: how *Limits* never made the mistakes it was accused to have made, how the study was demonized, and how its scenarios are still relevant to our situation today. The article has been extensively researched and it cites the opinion of most of the researchers who have been working on the reappraisal of the study and of its methods, including my book, "The Limits to Growth Revisited".

[Unsustainable Population Growth Is The Elephant In The Room](#)

Whereas Morgan presents a relatively benign view of things, even wondering if there are ways to reverse stage 5 decline, Paul Chefurka in [Population: The Elephant in the Room](#) sees things quite differently, primarily because of oil usage.

[Oil Falls From Near a One-Week High as German Economy Approaches Recession](#)

Oil fell from near the highest settlement in almost a week amid concern that a shrinking German economy may drag Europe into a recession, reducing demand.

Crude fell as much as 1 percent, equity markets retreated and the euro weakened against the dollar after Germany's Federal Statistics Office said the biggest economy in the euro region contracted in the fourth quarter. Spanish factory output declined the most since 2009, a separate report showed.

[Current oil prices are 'very reasonable': Kuwait](#)

KUWAIT CITY (AP) - Kuwait's oil minister said international markets need more oil, and that the Gulf country considers the current price of crude 'very reasonable.' The country's official news agency quoted Mohammed al-Busairi as saying that Kuwait's daily production exceeded 3 million barrels last month.

[Saudi Aramco starts oil products trading firm](#)

(Reuters) - A new Saudi Aramco subsidiary for trading refined products started

commercial operations on Jan. 1, the state oil giant said on Wednesday.

[Romanian watchdog bares teeth at oil pact](#)

BUCHAREST (Reuters) - Romania's competition watchdog levied 880 million lei (\$257 million) of fines on oil companies, including the country's largest firm Petrom, for breaking anti-trust rules, the agency's head said on Tuesday.

[FP Energy Letters: 'Shale reserves may soon be discounted'](#)

An FP story on ExxonMobil's long-term forecast highlighted the hydrocarbons' continued dominance as an energy source over the next few decades.

But S. Donald Moore, President and CEO of Phoenix Canada Oil Company Ltd. says the energy industry may be over-estimating the oil reserves and suggests caution.

[Chance for Qatar in US gas glut](#)

Qatar Petroleum could reconfigure its US import terminal to export gas in a bid to cash in on the US supply glut arising from the shale gas revolution, says Qatar's deputy prime minister.

[Kiev must pay for unused gas says Gazprom boss](#)

Ukraine must pay for unused gas ordered under its 2009 contract with Russia, despite announcing its intention to cut imports to 27 bln cu m, below its contracted minimum of 33 bln cu.m. Gazprom head Alexei Miller said on Wednesday.

[Are energy prices finally coming down? EDF Energy cuts gas bills for 1.4million customers by 5%](#)

EDF Energy has become the first of the major energy suppliers to cut gas prices today, raising hopes that rival firms will follow suit.

[Norway pipes less gas to European clients in 2011](#)

(Reuters) - Norwegian gas deliveries by pipeline to the rest of Europe declined by more than 3 percent in 2011 after a decade of rapid growth, North Sea pipeline operator Gassco said on Wednesday.

[Cnooc Starts Its First Shale-Gas Project in Eastern China](#)

Cnooc Ltd. (883), China's biggest offshore energy producer, started drilling at its first domestic shale- gas project, joining rivals including China Petroleum & Chemical Corp. (600028) in the search for unconventional natural gas.

[Shell CEO Says the Potential for Shale Gas in Europe Is Limited](#)

Royal Dutch Shell Plc (RDSA) chief Peter Voser said the potential for shale gas development in Europe is limited by the region's regulations and its dense population.

[Cabot Cited for Faults in Fracked Well After Gas Fouls Water](#)

(Bloomberg) -- Cabot Oil & Gas Co., the best- performer last year in the Standard & Poor's 500 Index, was cited by Pennsylvania officials in September for "improper" well construction after natural gas polluted drinking water.

Inspectors found defects in the liner intended to prevent oil or gas from leaking into groundwater at a Susquehanna County well, according to a Sept. 19 notice of violation from the Pennsylvania Department of Environmental Protection. The violation was reported earlier today by the Scranton Times- Tribune.

[Group: Study Needed On Shale Gas Effects on Health](#)

The public health effects of shale gas development need to be rigorously studied as production rapidly spreads in the United States, public health professionals and advocates said on Monday.

[Fracking risk is exaggerated](#)

Frack away, there's no reason not to. Two of the main objections to "fracking" for shale gas have been blown out of proportion, according to British geologists.

[Drilling Critics Face a Divide Over the Goal of Their Fight](#)

With a deadline looming this week for the public to weigh in on gas drilling in New York State, the antifracking movement itself has become divided over what its goal should be: securing the nation's toughest regulations, or winning an outright ban?

[Hydrofracking energizes New York residents](#)

ALBANY — With only one day left to comment, input from those opposed to permitting hydrofracking in New York is overwhelmingly outweighing that of supporters.

[Hinchey calls for New York to withdraw proposed fracking regulations](#)

Rep. Maurice Hinchey, D-Hurley, on Monday called for New York to withdraw its proposed regulations to allow the controversial natural gas extraction method of hydraulic fracturing or “fracking.” Such a move would indefinitely delay drilling permits for areas like Sullivan County, which sit above the gas-rich Marcellus shale.

[Deep wells shaken; State not stirred](#)

As state regulators in Ohio ponder the role that deep injection wells have played in a series of earthquakes near Youngstown, Pennsylvania regulators have yet to express any serious concern about up to 25 such wells that the drilling industry might develop in the commonwealth.

[Iranian ‘Bluster’ May Overstate Threat to Strait of Hormuz’s Oil Shipping](#)

“Do I really think that they’re going to go ahead and try to shut down the Strait of Hormuz?” Dennis Ross, who served two years on the National Security Council as Obama’s special assistant on Iran, said yesterday in an interview at Bloomberg’s office in Washington. “I do not. They will be the ones who suffer the most from that.”

[Obama Ready to Use Military Force to Stop Nuclear Iran, Ex-Adviser Says](#)

No one should doubt that President Barack Obama is prepared to use military force to prevent Iran from acquiring a nuclear weapon if sanctions and diplomacy fail, the president’s former special assistant on Iran said.

[Russia concerned about Iran's uranium enrichment](#)

MOSCOW (AP) — Russia expressed regret and concern Tuesday about Iran's launch of uranium enrichment up to 20 percent at an underground facility, but urged all parties involved in the nuclear standoff with Tehran to avoid hasty moves.

The Russian Foreign Ministry's statement mixed cautious criticism of Iran, an important trading partner, with a call for more talks — a fine line Moscow has walked in the past.

[Iranian Nuclear Scientist Killed in New Attack](#)

An Iranian nuclear scientist was killed in a Tehran bomb blast, state media reported, in at least the third assassination targeting the nation’s atomic program which the U.S. and Israel have vowed to halt.

[Saudi: 'Internal' matter if Japan buys Iran oil](#)

CAIRO (AP) — A Saudi oil official said that whether Japan or other countries continue to buy Iranian oil was an "internal matter," reflecting the unease in many nations after the latest U.S. sanctions on Tehran and Iran's threats to choke off the Strait of Hormuz in response.

[China Balks as Geithner Presses on Iran Curbs](#)

BEIJING — Timothy F. Geithner, the U.S. Treasury secretary, pressed Chinese senior leaders Wednesday to join an American-led campaign to put pressure Iran over its nuclear program by sharply reducing Tehran's lucrative oil export business. And as they had before Mr. Geithner's arrival here Tuesday, Chinese officials said publicly that they wanted no part of it.

[China defends Iran oil trade despite U.S. push](#)

BEIJING (Reuters) - China gave no hint on Wednesday of giving ground to U.S. demands to curb Iran's oil revenues, rejecting Washington's sanctions on Tehran as overstepping even as Treasury Secretary Timothy Geithner lobbied for Beijing's support.

[US House leader meets with Saudi oil minister](#)

RIYADH, Saudi Arabia (AP) - The U.S. Congress' House majority leader has met with Saudi Arabia's oil minister, marking the latest stop by an official from a major oil importing nation to the OPEC kingpin since Iran threatened to shutter the vital Strait of Hormuz.

A statement released Wednesday by the Saudi Oil Ministry says Ali Al-Naimi and Rep. Eric Cantor, R-Virginia, discussed the importance of coordination between oil exporters and importers to stabilize oil markets.

[EU Said to Weigh Iran Oil Embargo Exemptions for Member States](#)

European Union talks on an oil embargo on Iran are becoming bogged down over discussions on exemptions for existing supply contracts and the length of a planned phase-in period, according to four diplomats.

[Investopedia: Possible Effects Of An Iran Embargo](#)

Iran is the third largest oil producer in the world and an integral OPEC producer. OPEC

as an organization will face a dilemma if the EU embargo takes place. It can do one of two things: boost oil exports from other OPEC producers to cover the shortfall and stabilize prices, or allow a shortage and have prices skyrocket. It is a political decision as much as an economic one....

If other OPEC countries rush in to dam the shortfall, it will be seen by Iran as support for the EU and could cause further conflict in the organization and the Middle East in general. On the other hand, if overall production is not increased and prices rise precipitously, OPEC runs the risk of tipping Western countries over the edge into developing more efficient and domestic sources of energy.

[India Said to Be Told Turkey May Stop Iran Oil Payments Help](#)

(Bloomberg) -- Turkiye Halk Bankasi AS told Indian oil refiners it may no longer be able to act as an intermediary for their purchases of Iranian crude, four people with knowledge of the matter said.

Executives from the crude-processing companies met with Indian oil ministry officials yesterday to discuss alternatives, including routing remittances through Russia, the people said, declining to be identified because the information is confidential. Other options include stopping purchases from Iran altogether and importLLHPCLing from other countries, they said. Indian officials are scheduled to visit Tehran for trade talks starting Jan. 16, two of the people said.

[India to cut Iran oil imports, may not seek waiver](#)

NEW DELHI: Government has told refiners to reduce Iranian oil imports and find alternatives as New Delhi may not seek a waiver that would protect buyers of Tehran's oil from a fresh round of U.S. sanctions, two industry sources said on Wednesday.

[North Dakota Surpasses OPEC Member Ecuador in Oil Production](#)

North Dakota oil production surged 42 percent to 510,000 barrels a day in November, exceeding the output of OPEC member Ecuador, as energy explorers accelerated drilling in the Bakken Shale formation.

The state's daily crude output topped a half-million barrels for the first time during the month, North Dakota's Oil and Gas Division said today in a statement. North Dakota's 6,300 wells produced enough oil to displace imports from foreign suppliers such as Iraq or Colombia, Lynn Helms, division director, said in the release.

[U.S. inspects Repsol for Cuban oil work](#)

WASHINGTON (UPI) -- U.S. regulators said they have examined an offshore drilling

unit planned by Spanish energy company Repsol for Cuban waters.

[Deadlock in dispute over fuel subsidies](#)

NIGERIAN President Goodluck Jonathan and striking unions are deadlocked over their demands the government reverse its decision to lift fuel subsidies, after petrol prices more than doubled.

[Government: Ongoing Nigeria strike invites anarchy](#)

LAGOS, Nigeria -- Nigeria's government is warning that a paralyzing national strike risks "anarchy" in the oil-rich nation, as demonstrations over spiraling fuel prices and government corruption entered their third day Wednesday.

[Nigeria strike threatens oil halt](#)

Nigeria's biggest oil trade union said it would decide on Wednesday whether to shut down output from Africa's largest oil producer as part of an ongoing protest against the government's removal of popular motor fuel import subsidies, according to a report.

[China warns US to be 'careful' in military refocus on Asia](#)

BEIJING — China's Ministry of defense warned the United States on Monday to be "careful in its words and actions" after announcing a defense rethink that stresses responding to China's rise by shoring up U.S. alliances and bases across Asia.

[Delay for UAE crude oil pipeline](#)

A pipeline that will allow Abu Dhabi's oil exports to bypass the Strait of Hormuz is facing a six-month delay. The disclosure by a Federal Government minister comes amid growing diplomatic tension over the strategic waterway that carries a third of the world's seaborne crude supplies.

[Canada seeks alternative route for Keystone XL pipeline](#)

While President Obama wants to delay a decision on the controversial Keystone XL pipeline until after the 2012 election, Canada's Prime Minister Stephen Harper is stepping up efforts to explore an alternative pipeline that would allow Canada to ship their tar sands oil to China.

[Congress dirtied by tar ... sands](#)

You might ask: “What in the world does approval of a tar sands pipeline have to do with avoiding a tax hike on working Americans?” The logical answer is nothing — unless you’re one of the congressional pipeline supporters who has received campaign contributions from the oil industry (which stands to make billions if approval is granted). Some members of Congress even hold stock in TransCanada, the pipeline company.

[Washington Governor Gregoire Seeks Refiner Fee to Fix Roads, Run Ferries](#)

Washington Governor Christine Gregoire, whose state ranks sixth in U.S. oil-refining capacity, wants to charge a fee on the industry to help maintain roads, bridges and ferries over the next decade.

[ConocoPhillips: No decision on demolishing Trainer refinery](#)

ConocoPhillips says no decision has been made about demolishing its refinery in Trainer if the company cannot immediately find a buyer.

[BP Seeks Recovery of All Gulf Spill Costs From Halliburton](#)

(Bloomberg) -- BP Plc seeks to have Halliburton Co., its cement contractor for the Macondo well project whose blowout set off the 2010 Gulf of Mexico oil spill, pay all of the oil company’s related costs and damages.

[Embrace Cuomo's energy plans](#)

New Yorkers didn’t seem to mind so much when weekend temperatures soared into the 60s, but climate change, and the wild weather patterns it produces, is very much on the radar screen of Gov. Andrew Cuomo. Recalling the havoc and flooding from tropical storms Irene and Lee, and against the backdrop of the Republican presidential candidates’ anti-science preaching on the campaign trail, Cuomo is pitching new efforts to promote earth-friendly solar energy. New Yorkers should embrace the cause — for the energy and the related jobs.

[Wind-power: inordinately expensive and ineffective at cutting CO2 emissions](#)

The focus on wind-power, driven by the renewables targets, is preventing Britain from effectively reducing CO2 emissions, while crippling energy users with additional costs, according to a new Civitas report. The report finds that wind-power is unreliable and requires back-up power stations to be available in order to maintain a consistent electricity supply to households and businesses. This means that energy users pay twice: once for the window-dressing of renewables, and again for the fossil fuels that the energy sector continues to rely on. Contrary to the implied message of the Government’s approach, the analysis shows that wind-power is not a low-cost way of reducing emissions.

[*Electricity Costs: the folly of wind-power*](#), by economist Ruth Lea, uses Government-commissioned estimates of the costs of electricity generation in the UK to calculate the most cost-effective technologies. When all costs are included, gas-fired power is the most cost-efficient method of generating electricity in the short-term, while nuclear power stations become the most cost-efficient in the medium-term.

[Fish and Wildlife Service Permit Would Allow Wind-Energy Company to Kill Golden Eagles](#)

According to KTVZ, the Interior Department's Fish and Wildlife Service has released a proposal that would give West Butte Wind Power LLC a permit to legally kill golden eagles in central Oregon. The permit is the first of its kind and in this case, West Butte's wind turbines would be able to kill up to three protected golden eagles over a five-year span as long as the company contributes to conservation efforts for the species.

[A Fine for Not Using a Biofuel That Doesn't Exist](#)

WASHINGTON — When the companies that supply motor fuel close the books on 2011, they will pay about \$6.8 million in penalties to the Treasury because they failed to mix a special type of biofuel into their gasoline and diesel as required by law.

But there was none to be had. Outside a handful of laboratories and workshops, the ingredient, cellulosic biofuel, does not exist.

[Solar lamps replace toxic kerosene in poorest countries](#)

While it might seem that the obvious solution is to expand electricity grids, in recent years more environmentally sustainable and immediately accessible alternatives have emerged. Chief among them is the solar-powered light emitting diode (LED) lamp.

"When we started out 15 years ago, there were no scalable solutions -- large energy-hungry fluorescent bulbs required large, expensive solar panels and complicated installation" says Mills. "Now, LEDs the size of a cherry can generate light 100 times brighter than a kerosene lamp at a very low wattage, while solar cells have become much more efficient."

[Daimler's Dr. Zetsche talks about internet-connected electric cars at CES](#)

It's clear that Dr. Zetsche intends to address the looming problems with fossil fuel supply many know as "peak oil". Electrified vehicles, a.k.a. electric mobility, offers not just a method to clean up automobiles and reduce emissions, but additionally offers freedom of the source of energy to drive the vehicles. Electrons can come from any source, many of which do not involve burning fossil fuels and mucking up the environment. Battery and electric drive technology has reached a tipping point of usefulness where electrified vehicles are beginning to be capable of replacing the

usefulness of gasoline powered cars. Note, that is "beginning to be capable", not "are capable".

[Study: Car supersizing explains modest mpg gains](#)

Cars haven't improved their miles per gallon much in recent decades despite technological advances. A new study quantifies the culprit: supersizing.

[Can a hotel room ever be too big? A GM in Asia says yes](#)

I would never expect an American to complain that the "room is too big." In nine years as a General Manager, I have never met an American who has turned down an upgrade or who has asked for a smaller room.

Culturally, Americans seem to be subconsciously pre-programmed from birth with a "bigger is better" mentality. Frankly, as an American I am also always happy to be upgraded, whether it is on a flight or in a hotel.

[A Crisis of Civilization? Live Chat with Security Analyst Nafeez Mosaddeq Ahmed](#)

Back in December I posted a trailer for The Crisis of Civilization. Based on the work of security analyst and political scientist Dr Nafeez Mosaddeq Ahmed, this new documentary explores the interconnections between climate change, peak oil, terrorism and our ongoing financial crisis. Mat has also written about Ahmed's work on the connections between peak oil and the Egyptian revolution.

Given the increasingly convincing evidence that no government is prepared for peak oil; that worst-case climate scenarios are looking more and more realistic; and that the Global economic order as we know it may be coming to an end, we thought it might be a good time to talk to Dr Ahmed in a little more detail about how this all fits together.

[Resilience Has Not Been Lost \(It's Been Willfully Ignored\)](#)

As I noted in my post on why "hipster" urban farmers are doing nothing new, there are many communities—both rural and urban—for whom resilience has always been a way of life; where the trickle down economics has never really trickled down at all; and where sharing, collaboration and an informal economy are the primary forms of organization—not a fancy new idea for saving the world.

The trouble is that these communities are the ones who have been economically, socially and politically marginalized. For whatever reason, their voices have rarely been heard in any discussion, and we as a culture are not used to viewing poor communities as anything other than charity cases, objects of derision or a cause for suspicion.

[EPA reach too far? Justices hear case of interest to big business, Ron Paul](#)

WASHINGTON -- The Supreme Court on Monday heard arguments in a case that sounds small but could have huge implications for property owners, corporations and federal regulations.

Some of the justices were clearly critical of the Environmental Protection Agency, calling its actions in the case heavy handed.

[Obama Drops by the E.P.A.](#)

President Obama, who has been both applauded and jeered for his record on environmental issues, paid a brief visit to the headquarters of the Environmental Protection Agency in Washington on Tuesday to try to raise spirits at an agency that has been under siege for the past year.

[Elections no threat to global climate deal - U.N.](#)

(Reuters) - Leadership changes this year among some of the world's heaviest polluting countries should not undermine progress towards setting up a new global legally binding climate deal by 2015, the United Nations' climate chief said on Wednesday.

[An online model of methane in the atmosphere](#)

I've put together an easy-to-play-with online model of methane in the atmosphere. I'm going to use it for teaching along with the rest of the Understanding the Forecast webmodels, but it was designed to be relevant to the issue of abrupt new methane burps as we've been ruminating about lately on Realclimate.



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