



Drumbeat: October 31, 2012

Posted by [Leanan](#) on October 31, 2012 - 9:26am

[Analysis - Does U.S. shale mean cheap global oil by 2020?](#)

(Reuters) - Does the rise of U.S. shale oil mean fuel buyers can look forward to a multi-year period of crude price decline? Or is oil destined for new record highs above \$150 a barrel?

The question is dividing energy analysts who are split on whether or not shale and other predominantly North American "unconventional" supply like Canadian oil sands will be enough to comfortably meet an increase in global fuel demand led by emerging markets to 2020.

That is a shift from the anguished debate back in 2008, the \$147-a-barrel high watermark for oil prices, about whether "peak oil" - the limit of global oil output - had arrived.

"Peak oilers have become almost extinct, destroyed by the arrival of new technologies with the U.S. leading the oil supply change," said David Hufton of oil brokerage PVM.

[Toward an oil-less world](#)

First, and briefly, on "Peak Oil". As we have said earlier, we do not subscribe to the thesis that Peak Oil is already upon us, or will be any time soon. Our reasoning goes something like this.

There will be significant additions to oil and gas reserves in Iran and especially in Iraq, as these countries adopt better institutional structures and as more normalized international relations encourage the inflow of foreign direct investment in their oil and gas industries and the introduction of the latest oil exploration and production technologies.

Sustained higher prices, above US\$75 per barrel, will further motivate technological progress and exploration in heretofore unexplored and promising areas - very deep sea and the Arctic region. In other words, we believe that much more conventional oil will be found.

[Move over, Saudi Arabia](#)

The U.S. Department of Energy (DOE) – definitely not a cheerleader for the oil and gas

industry in the current administration – recently forecast that the U.S. could soon overtake Saudi Arabia as the world's leading producer of oil. Wow! According to the U.S. Energy Information Administration, our domestic production of oil and liquid hydrocarbons now totals 10.9 million barrels a day. That is less than 1 million barrels behind the Saudis and almost a million barrels more than energy giant Russia is producing. The change agent driving the growing increase of oil production in the U.S. is the drilling and production of oil shale plays around the country. The good news is we have a huge upside for using shale oil to move the U.S. toward energy independence.

[Oil Trims Biggest Monthly Decline Since May After Storm](#)

Oil rebounded, trimming the biggest monthly decline since May, as refineries started resuming operations after the Atlantic superstorm Sandy moved away from the U.S. East Coast.

[Gasoline Supply Seen Down to 1990 Low on Sandy](#)

Gasoline stockpiles on the U.S. East Coast may sink to the lowest level since at least 1990 as Hurricane Sandy moves ashore, curtailing fuel production and distribution, based on Energy Department data.

Refineries accounting for 94 percent of regional processing capacity shut or reduced rates before Sandy, the largest tropical storm on record in the Atlantic, approached the East Coast yesterday. Colonial Pipeline Co., which operates the largest link between Gulf Coast refiners and East Coast distributors, planned to shut its main line delivering fuel to Philadelphia and New York Harbor late yesterday as customers shuttered operations.

[Gas Golden Age Darkens in Europe on U.S. Coal](#)

Europe is missing out on the natural gas boom that is transforming energy use in the U.S. and Asia, instead burning cheaper, dirtier coal imported from America.

Global gas consumption may rise 19 percent by 2017 from 2010 levels as demand surges in Asia and the U.S. while Europe's usage drops 1.6 percent, according to the International Energy Agency. Increasing coal-fired generation in Europe has cut gas demand by 3 billion cubic feet a day, according to Sanford C. Bernstein & Co., about 7 percent of consumption. The IEA last year predicted a golden age for the fuel with new exports from America to Australia.

[Turkey's Iranian crude imports halved in September - data](#)

DUBAI (Reuters) - Turkey's crude oil imports from Iran halved to 110,308 barrels per day (bpd) in September from August while imports from alternative suppliers were on the rise, official trade data showed on Wednesday.

Iraq was Turkey's biggest crude supplier in September with imports reaching 115,447 bpd. Saudi Arabia, Russia, Azerbaijan and Libya were among the others.

[Nuclear Plants Get Through the Storm With Little Trouble](#)

The nuclear reactors in Sandy's path mostly handled the storm well — better than other parts of the region's electric system.

But one reactor, on the New Jersey coast, declared a low-level emergency because rising water threatened to submerge pumps it uses to pull in cooling water.

[Panasonic may curb solar panel, lithium battery expansion: sources](#)

TOKYO (Reuters) - Electronics conglomerate Panasonic Corp may curtail its expanded production of solar panels and small lithium batteries used in PCs and other devices as part of new round of restructuring, two sources at the company told Reuters.

[U.N. urges foreign fishing fleets to halt "ocean grabbing"](#)

OSLO (Reuters) - "Ocean grabbing" or aggressive industrial fishing by foreign fleets is a threat to food security in developing nations where governments should do more to promote local, small-scale fisheries, a study by a U.N. expert said on Tuesday.

The report said emerging nations should tighten rules for access to their waters by an industrial fleet that is rapidly growing and includes vessels from China, Russia, the European Union, the United States and Japan.

[Chimney climbers halt EDF gas plant in England](#)

LONDON (Reuters) - EDF Energy interrupted commissioning work at the new 1,300-megawatt (MW) West Burton gas-fired power plant in England on Monday after environmental campaigners climbed chimneys in protest against use of fossil fuels.

[Agricultural production 'may contribute to 29 pc of global greenhouse gas emissions'](#)

Washington (ANI): Feeding the world releases up to 17,000 megatonnes of carbon dioxide into the atmosphere annually, a new analysis has revealed.

According to the report by the CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS), while the emissions "footprint" of food production needs to be reduced, a companion policy brief by CCAFS lays out how climate change will require a complete recalibration of where specific crops are grown

and livestock are raised.

[U.N. calls in contractors to help clear CDM backlog](#)

LONDON (Reuters Point Carbon) - The U.N. has called in more than 40 contractors and shifted internal resources to help it unclog a bottleneck of requests from companies seeking carbon credits, officials at the body's climate secretariat said on Tuesday.

[New UN "atlas" links climate change, health](#)

GENEVA (AP) — Two U.N. agencies have mapped the intersection of health and climate in an age of global warming, showing that there are spikes in meningitis when dust storms hit and outbreaks of dengue fever when hard rains come.

[For Years, Warnings That It Could Happen Here](#)

For nearly a decade, scientists have told city and state officials that New York faces certain peril: rising sea levels, more frequent flooding and extreme weather patterns. The alarm bells grew louder after Tropical Storm Irene last year, when the city shut down its subway system and water rushed into the Rockaways and Lower Manhattan.

On Tuesday, as New Yorkers woke up to submerged neighborhoods and water-soaked electrical equipment, officials took their first tentative steps toward considering major infrastructure changes that could protect the city's fragile shores and eight million residents from repeated disastrous damage.

[Did Global Warming Contribute to Hurricane Sandy's Devastation?](#)

Was the bizarre storm called Sandy a product, in whole or in part, of human-induced climate change?

[Climate Change Makes 'Frankenstorms' Stronger: Scientists](#)

Climate change is raising sea levels and altering the jet stream in the U.S., making already powerful storms like Sandy stronger, scientists with a conservation group said.

Storms will grow unless greenhouse emissions are cut, the Tucson, Arizona-based Center for Biological Diversity said last night in a statement.

[How Insurers Can Foil the Next Hurricane Sandy](#)

In the 19th century, insurance companies helped drive municipal adoption of fire codes and sprinklers. In the 20th century, they pushed for seat belt laws. With the recent proliferation of extreme weather events — most recently Hurricane Sandy — some industry watchers say it's time for insurers to once again lobby for big changes, this time to mitigate disasters tied to global climate change. Suggestions run from relocating entire neighborhoods away from the coast, to changing the selection of crops farmers grow, and simply moving electrical equipment a few floors up.



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