



Drumbeat: November 12, 2012

Posted by [Leanan](#) on November 12, 2012 - 8:58am

[U.S. to overtake Saudi as top oil producer - IEA](#)

LONDON (Reuters) - The United States will overtake Saudi Arabia as the world's top oil producer by 2017, the West's energy agency said on Monday, predicting the major energy importer would soon achieve self-sufficiency in oil and gas. The forecasts by the International Energy Agency (IEA), which advises large industrialised nations on energy policy, were in sharp contrast to previous IEA reports, which saw Saudi Arabia remaining the top producer until 2035.

"Energy developments in the United States are profound and their effect will be felt well beyond North America - and the energy sector," the IEA said in its annual long-term report. "The recent rebound in U.S. oil and gas production, driven by upstream technologies that are unlocking light tight oil and shale gas resources, is spurring economic activity - with less expensive gas and electricity prices giving industry a competitive edge," it added.

The IEA said it saw a continued fall in U.S. oil imports with North America becoming a net oil exporter by around 2030.

The new [World Energy Outlook 2012](#) was released today. The executive summary is [here](#) [PDF] and the fact sheets are [here](#) [PDF].

[IEA sees OPEC output rising by more than 10 million b/d by 2035](#)

London (Platts) - The International Energy Agency sees OPEC oil production growing significantly in the long term, boosted by the large reserves held by its member countries.

In its latest annual World Oil Outlook, released Monday, the IEA said it saw OPEC output rising by more than 10 million b/d from current levels until 2035.

[IEA cuts global forecast for growth in nuclear capacity](#)

London (Platts) - The International Energy Agency has cut its 2011 projections for growth in installed nuclear power capacity by 10% to 580 gigawatts in 2035 in its latest World Energy Outlook issued Monday, Fatih Birol, chief economist of the Paris-based agency told a news conference in London to present the report.

[Tapping the 'hidden fuel' crucial, IEA says](#)

THE huge untapped potential saving from more efficient use of energy and a resurgence of US energy production are two key conclusions from this year's World Energy Outlook report compiled by the International Energy Agency.

The "disappointingly slow progress" over the past decade towards more productive energy use means countries are paying a price in economic growth, energy security and the environment, the agency said.

[The Real Energy Crisis](#)

Five years ago we got the energy crisis wrong. Predictions of peak oil and declining sources of petroleum supply convinced many of an impending geologic and strategic crisis: the world was physically running out of recoverable oil and the remaining sources of significant supply were declining in number and located in politically unstable areas. This crisis drove major investment into advanced batteries and electric vehicles, which were seen as the best and most flexible way to substitute other fuels for petroleum.

[Is Bakken set to rival Ghawar?](#)

LONDON (Reuters) - Could oil production from the Bakken formation in North Dakota and Montana rival output from Saudi Arabia's supergiant Ghawar oilfield, the greatest oil-bearing structure the world has ever known?

Until recently, comparisons between the shale fields of the Bakken and Ghawar, which produces 5 million barrels per day, would have been dismissed as fanciful.

But Bakken's exponential growth and enormous reserves put it on course to produce more than 1 million barrels per day by the middle of next year, which will earn it a place in the small pantheon of truly elite oil fields.

[Energy Independence and the Myth of Peak Oil](#)

Each time oil prices spike higher during a short-term deficiency, the concept of Peak Oil rears its ugly head.

Peak Oil is the theoretical idea that the world will eventually reach a maximum rate of oil production, which will be followed by a terminal decline.

No doubt, that's a scary theory should it come to pass. However, as Yogi Berra famously, said, "In theory there is no difference between theory and practice. In practice there is."

[Does the IMF believe we have a peak oil problem?](#)

The point of the exercise is not to predict a specific outcome. Rather, the authors want to explore just how sensitive the world economy may be to oil supplies and highlight the uncertainties surrounding those supplies. While there has been much talk about how the world economy is becoming less oil-intensive per dollar of output, the researchers turn this observation on its head:

[I]f it really only takes a one third of one percentage point increase in oil supply per annum to support additional GDP growth of one percentage point, then it must also be true that it would only take a one third of one percentage point decrease in oil supply growth to reduce GDP growth by a full percentage point. And the kinds of declines in oil supply growth that are now being discussed as realistic possibilities are far larger than one third of one percentage point.

[Brent Oil Snaps Two-Day Gain as Europeans Seek Greek Deal](#)

Brent crude halted a two-day advance in London before European finance ministers meet to discuss aid for Greece amid concern that the region's debt turmoil will constrain fuel consumption.

[Shell sees Iraq Majnoon 2013 output at over 200,000 bpd](#)

BAGHDAD (Reuters) - Iraq's Majnoon oilfield, operated by Royal Dutch Shell, is expected to hit output above 200,000 barrels per day (bpd) in the third quarter of 2013 - above the level needed to start recovering costs, Shell's 2013 programme for Majnoon said.

[TNK-BP to secure \\$31 billion in long-term Russia gas deals](#)

MOSCOW (Reuters) - Two Russian energy companies controlled by billionaire Viktor Vekselberg's KES are close to signing long-term gas purchasing deals with Anglo-Russian crude producer TNK-BP worth up to \$31 billion (19.5 billion pounds), the units said.

The deals may further undermine the position of Gazprom, Russia's top gas producer, on the domestic market. Gazprom has been losing share to its rivals, such as Rosneft, which is buying TNK-BP for \$55 billion.

[SABIC sets sights on US shale gas boom](#)

Saudi Basic Industries Corp (SABIC) is considering investing in the United States to capitalise on the shale gas boom there, its chief executive told Reuters on Monday.

SABIC and other petrochemical producers in Saudi Arabia have been looking for additional gas supplies to fuel their expansion plans, with SABIC now casting its gaze overseas.

[Royal Dutch Shell shuts down Nigeria oil pipeline](#)

LAGOS, Nigeria — Royal Dutch Shell PLC says it has shut down a pipeline in Nigeria's oil-rich southern delta after finding leaks it blamed on oil thieves.

In a statement Sunday, Shell said its Nigerian subsidiary shut down the Imo River trunk line which had six "theft points." It said the shutdown of the line would cut production by about 25,000 barrels of oil a day.

[Afghanistan shortlists 3 companies for oil project](#)

KABUL, Afghanistan -- The Afghan government has shortlisted companies from Kuwait, the United Arab Emirates and Turkey for a major oil and gas exploration project, a step in the country's quest to reap revenues from its vast untapped mineral and energy resources.

[Why Filipinos should know their real history](#)

Because we do not know the real US role in the imposition of martial law here, most of our people are still cheering the US as it seeks to find participation in the energy explorations in the South China Sea. We do not realize that we are cheering the US in their attempt to make our country the frontline of a US-China conflict. Because nobody is talking about the looming Peak Oil Crisis — that point when supply can no longer service the demand — Filipinos fail to appreciate why the US invaded Iraq when Saddam Hussein and Iraq had nothing to do with the 9/11 attack in New York City. It was all about the looming shortage of oil supply. Iraq has the world's fourth largest oil reserves. Why is the US so hot in now targeting Iran? Iran has just as much oil as Iraq. Are you surprised that the US has been very active in the issues among territorial claimants in the South China Sea? Some experts are saying that the Peak Oil Crisis might start as early as 2015.

[LIPA to restore last 80,000 NY power outages from Sandy on Tues](#)

(Reuters) - The New York State-owned Long Island Power Authority expects to restore power by the end of Tuesday to most of the remaining 80,000 homes and businesses still without service two weeks after Hurricane Sandy battered the region.

[Regulation & The Environment: Obama win notwithstanding, API thinks energy was an election winner](#)

After spending millions of dollars to target the Obama administration's handling of the oil and gas industry and to promote positions championed by Mitt Romney and Republicans in Congress, the American Petroleum Institute issued the following post-election verdict: we won.

Huh?

[LNG cost blowout hits Exxon partners](#)

A \$US3.3 billion cost blowout at the Exxon Mobil-led PNG LNG project has stoked fears a planned "second wave" of Australian LNG projects may struggle to gain approval.

Operator Exxon announced that the total project cost would increase 21 per cent to \$US19 billion, although the project would remain on schedule for start-up in 2014. The biggest single factor was \$US1.4 billion in foreign exchange costs.

[A New Way to Foot Efficiency Upgrades](#)

For commercial property owners in California looking to finance energy efficiency upgrades for their buildings, the process should be a bit easier and cheaper come early next year, thanks to a new pilot program approved last week by the state's Public Utilities Commission.

Based on an "on-bill repayment" feature, the program would allow the property owner to avoid large upfront costs and instead pay for upgrades through regular installments on his utility bill.

[Schumer warns insurers on hurricane deductibles](#)

NEW YORK (CNNMoney) -- New York Sen. Chuck Schumer warned insurance companies Sunday against forcing hurricane deductibles on homeowners suffering in the aftermath of Superstorm Sandy.

[Can we soften future storm blows?](#)

A top solution for us now, my New York developer friend Jonathan Rose insists, is "to recreate a wetlands barrier — the systems that protected our coasts for hundreds of thousands of years."

One New York study, in fact, suggests active steps to create an archipelago of islands and reefs to dampen storms currents. There's even a sliver of hope that water quality improvements begun after passage of the Clean Water Act could speed revival of the historical oyster reefs.

What's likely needed is a mix — both the big engineering projects such as sea barriers but also a range of environmentally friendly "soft" solutions.

[Before and After Superstorm Sandy- USGS Releases Amazing pics.](#)

Sandy almost cut a new inlet at Mantiloking NJ.

[Expert calls for no further logging limits](#)

A forest industry expert says there will be major ramifications if logging areas are restricted further but conservationists say WA could cash in on carbon credits if native logging is banned.

[IEA World Energy Outlook: Fossil fuel subsidies jumped 30% to \\$523 billion in 2011](#)

The International Energy Agency's 2012 World Energy Outlook publication has highlighted the huge subsidies fossil fuels receive on an annual basis – here are the highlights:

[Cut the power of fossil fuel](#)

Until the world's fossil fuel companies become energy companies, their perks must go.

[Arab youth call governments to take action against climate change](#)

Activists in Cairo from the “Arab Youth Climate Movement” made a peaceful march across Kasr El Nil bridge and reached the Arab League headquarters on Saturday, November 10, 2012

They held a banner stating “Arabs; Take the lead!” referring to the need for Arab governments, in particular the government of Qatar, to exploit this golden opportunity and take leadership in international talks on climate change, given its geopolitical location, according to their press statement.

[Poor nations dismayed by looming climate aid gap](#)

OSLO/LONDON (Reuters) - Rich nations are dismayed developing countries with pledges merely to continue aid to help them combat climate change in 2013 despite past promises of a tenfold surge to \$100 billion a year by 2020.

[Factbox - The Green Climate Fund](#)

(Reuters) - Many developing countries hope United Nations climate talks in Qatar later this month will make progress on scaling up finance to help them curb greenhouse gas emissions and cope with floods, droughts, heatwaves and rising sea levels.

Developed nations agreed in 2009 to raise climate aid, now about \$10 billion a year, to an annual \$100 billion from 2020.

['Groundwater inundation' doubles previous predictions of flooding with future sea level rise](#)

Previous research has predicted that by the end of the century, sea level may rise 1 meter. Kolja Rotzoll, Postdoctoral Researcher at the UHM Water Resources Research Center and Charles Fletcher, UHM Associate Dean, found that the flooded area in urban Honolulu, Hawaii, including groundwater inundation, is more than twice the area of marine inundation alone. Specifically, a 1-meter rise in sea level would inundate 10% of a 1-km wide heavily urbanized area along the shoreline of southern Oahu and 58% of the total flooded area is due to groundwater inundation.



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