



Drumbeat: December 12, 2012

Posted by [Leanan](#) on December 12, 2012 - 9:43am

[Total: Oil Production to Peak at 98M Barrels per Day](#)

PARIS - New discoveries and technological advances have increased the oil industry's ability to increase production in recent years, pushing global maximum oil production to 98 million barrels per day for longer than initially expected, Total SA's Chairman and Chief Executive Christophe de Margerie said Tuesday.

Global oil production should plateau at that level for some time before dropping as reserves gradually deplete, de Margerie said during a meeting with the Anglo-American Press Association in Paris.

Technological constraints led the French oil major to estimate in 2007 that the "peak oil" production rate would be at around 95 million barrels per day, or mb/d--a conservative estimate compared with those of its competitors.

[Price plunge approaching for U.S. crude, BofA forecasts](#)

The price of U.S. crude is heading for a precipitous decline that could force the nation's production surge to slow, according to a [BofA Merrill Lynch forecast](#).

The benchmark price for domestic oil could drop to \$50 a barrel in the next two years, the lowest level since 2009, analysts wrote in the annual market outlook. Currently, the West Texas Intermediate price for crude is hovering around \$85 as oil extraction rises in the country.

[Thought we were running out of fossil fuels? New technology means Britain and the U.S. could tap undreamed reserves of gas and oil](#)

Thirty years ago, I was Secretary of State for Energy in Margaret Thatcher's government, and one way and another I have been a close observer of the energy scene ever since.

In all that time, I have never known a technological revolution as momentous as the breakthrough that has now made it economic to extract gas from shale.

[“Peak Oil” is Nonsense... Because There’s Enough Gas to Last 250 Years.](#)

At bold face, his conclusions confound the difference between a resource and a reserve. Furthermore, they ignore the fact that it is not the quantity available, but the rate at which it may be recovered - and this not only as a technical but economic reality (this is the “reserve”) – which is the determinant of whether and when oil or gas will “peak”.

[US as oil production king needs an asterisk](#)

“We do agree that the US will likely become the world’s largest liquids producer for a short time,” the report said. “But the higher percentage of NGLs in the US’ liquids profile will almost certainly leave the US short of Saudi’s true crude oil production.”

The report continued: “On a total liquids basis, our 2015 forecasts imply near-record US liquids production vs. history; however, for crude oil it corresponds to levels last seen around 1990.”

[Peak Oil or Peak Energy? – A Happy Solution](#)

As I noted a few weeks ago, shale gas will add about 0.5% to the growth of US GDP next year, in a year when we will be lucky to get 2%. This is a huge driver of jobs and growth. And it is not just in North Dakota; there are shale gas plays all over the US and Canada. Continental Resources announced a major new shale gas field in Oklahoma in October, comparing its geology to that of the Bakken.

The US will be exporting natural gas within 3-4 years from McAllen, Texas, and other LNG ports are in various stages of permitting. Natural gas in Japan is over \$15, compared to \$3.78 this morning in the US. Europe is in double digits (\$11.83). There is an arbitrage available here. Even an economist can do the math.

But our real advantage may not come in exporting raw gas but rather in the chemical products you need gas to make. Not just fertilizers but feedstocks for plastics and other organic chemicals.

[Peak Oil – An Outdated Idea?](#)

One of the important features of Saudi Arabia is that it acts as the ‘swing’ producer for the OPEC group. Or, in other words, it varies its national output up or down according to how much the other OPEC producers are exporting, so as to ensure that the volume of OPEC oil hitting the market is reasonably constant. A very generous and selfless act, as far as its fellow oil states are concerned. But what’s interesting this time is that November’s OPEC production, including the Saudi ‘swing’ contribution, was still only 30.78 millionbpd – the lowest level in almost a year, and a good 20% less than was normal in the 1980s.

Does that mean that the world’s appetite for oil is diminishing, then? It hardly seems so

right now, with winter coming on in the rich northern hemisphere, and with China's industrial output still soaring. No it doesn't.

[OPEC ministers signal no change in output targets](#)

VIENNA -- OPEC oil ministers signaled Wednesday that they have agreed to stick to present output targets while remaining undecided on who should fill a senior post coveted both by Saudi Arabia and arch-rival Iran.

The 12-nation cartel is pushing out more than 31 million barrels a day - over 1 million barrels more than the ceiling it has agreed on. That output is the highest in four years, when calculated over 12 months. Robust U.S. production and anemic world demand due to flagging economic growth have added to the mix, resulting in unusually high crude inventories. OPEC predicts even less demand next year.

[Iraq-Saudi OPEC standoff over next oil curbs](#)

VIENNA (Reuters) - A new rivalry at the top of the OPEC oil group has emerged, pitting up-and-coming Iraq against undisputed cartel heavyweight Saudi Arabia.

Having overtaken Iran as OPEC's second biggest producer, a rejuvenated Iraq is beginning to worry Riyadh.

At Wednesday's meeting of the Organization of the Petroleum Exporting Countries the opening salvos were fired in the struggle over who takes responsibility for cutting output if oil prices, now at a comfortable \$108 a barrel, start falling.

After 20 years of war, sanctions and civil strife that left its oil industry in disarray, Iraq is no mood to consider curtailing output just as it starts to take off.

['Healthy competition' to lead Opec](#)

The Saudi Arabian candidate, the oil ministry adviser Majid Al Muneef, is in the running and challenged by a candidate from Iran and Thamer Ghadban, a former Iraqi oil minister seen as a possible compromise between price hawks represented by Tehran and doves led by Riyadh.

With such a divisive race, Opec delegates are prepared for there to be no winner at all.

[Forecast drop in Alaskan oil output brings fiscal challenge](#)

(Reuters) - Oil production from Alaska's declining North Slope fields is expected to fall 4.5 percent this fiscal year, posing a growing challenge for the state's finances, Alaska's

Department of Revenue said this week.

North Slope output should drop to an average 552,800 barrels per day (bpd) in the 12 months ending June 30, down from 579,100 bpd in fiscal 2012, the Department said in a semiannual release on its website earlier this week.

Output is expected to fall another 2.6 percent to 538,400 bpd in fiscal 2014.

[Crude Rises as IEA Boosts Demand Forecast, OPEC Meets](#)

Brent crude rose to a four-day high after the International Energy Agency increased its oil demand forecast for 2013 and as OPEC ministers met in Vienna to discuss the group's production limits.

Futures climbed as much as 0.9 percent in London, a third straight advance. Global oil consumption will expand to 90.5 million barrels a day next year, more than previously forecast amid signs of a rebound in Chinese demand, the IEA said in a report today. There is consensus among OPEC members to keep output limits unchanged, Ecuador's Minister of Non-Renewable Natural Resources Wilson Pastor told reporters at the group's headquarters in Vienna today, before closed-door talks began.

[5 states with the cheapest gas](#)

States impose gasoline taxes and fees, in addition to federal gasoline taxes. These taxes can vary significantly from state to state, affecting regional prices. It's not surprising then to find that the states with the lowest gas prices tend to have among the lowest fuel taxes. The states on this list are below the median in terms of taxes and fees.

States with refineries also tend to have lower prices because oil can be moved to local stations at much cheaper prices, which results in lower prices at the pump. Most of the states on this list have refineries located within its borders. Texas, which has among the cheapest gas in the country, has 26 refineries, more than any other state in the country. Louisiana has 18 refineries, the second most of any state.

[North Dakota, California traffic deaths are up, NHTSA says](#)

WASHINGTON -- Traffic deaths nationally were down last year to their lowest level since record-keeping began in 1949.

But not in North Dakota, where they were up 41%, the biggest increase of any state.

Fourteen states, including California, recorded an increase in motor vehicle fatalities, even though the 32,367 traffic deaths last year were down 1.9% from the previous year, according to the National Highway Traffic Safety Administration.

The traffic safety agency this year projected a record low in 2011 traffic deaths as

motorists drove less, perhaps because of high gas prices and a still-difficult economy. On Monday, the agency released updated numbers, confirming 1.10 deaths for every 100 million vehicle miles traveled.

[Egypt Importing Gas for First Time as Exports Disappear](#)

Egypt, a natural-gas exporter to markets from China to Chile, is set to become an importer for the first time just as the new government needs energy shipments to revive an economy weakened by civil unrest.

Gas producers including BG Group Plc have curbed local production even as demand from electricity plants jumped. That's prompted the government that took power after Hosni Mubarak was ousted to plan a liquefied natural gas import terminal as soon as May. Royal Dutch Shell Plc, the world's biggest provider of LNG, has begun studying how to supply Egypt.

[Mena able to handle gas crunch](#)

A looming gas crunch in the Arab world can be offset by tapping unconventional reserves, according to a state-backed financier for regional energy projects.

The Middle East and North Africa (Mena) region is home to proven reserves of 88 trillion cubic metres of natural gas, more than 40 per cent of the world's total, says the Arab Petroleum Investment Corporation.

[How Norwegian oil wealth and Swedish migrant work have reversed the centuries-old Scandinavian power dynamic](#)

In the late 1960s, oil was discovered off the coast of Norway. A few years later, the government-owned Statoil was founded, though it didn't post a profit until the 1980s. The resulting oil boom has made Norway one of the world's wealthiest countries. Norway's sovereign wealth fund is currently valued at roughly \$600 billion. From 1999 to 2009, the average Norwegian family saw an increase in annual income of about \$17,000. But with a population of only 5 million, Norway's booming economy has been short one thing: workers. That's where the Swedes came in. Current estimates of the number of Swedes living and working in Norway hover between 80,000 and 100,000. It's thought that there are 50,000 Swedes in Oslo alone, which is about 10 percent of the city's population. One town in Sweden is even paying its unemployed youth to go to Norway to find work.

[Kurdistan oil wrapped in red tape](#)

Bureaucratic red tape is hampering efforts to ramp up oil production in Iraqi Kurdistan, with companies struggling to procure equipment and visas.

[Egyptian army to host unity talks as crisis deepens](#)

(Reuters) - Egypt's army chief will host national unity talks on Wednesday, seeking to end a growing political and economic crisis in the Arab world's most populous nation.

The meeting scheduled for 1430 GMT was called in response to a wave of protests since President Mohamed Mursi awarded himself sweeping powers on November 22 to push through a new constitution shaped by his Islamist allies, which is due to go to a referendum on Saturday.

[PetroChina to Buy BHP Stake in Browse Venture for \\$1.63b](#)

PetroChina Co., Asia's biggest oil producer, agreed to pay BHP Billiton Ltd. \$1.63 billion for its holding in Woodside Petroleum Ltd.'s proposed Browse liquefied natural gas project in Western Australia.

[World's Largest Profit at Gazprom Pays for Putin's Pipes](#)

The world's most profitable energy company is being punished by investors who are concerned it's also the biggest spendthrift.

OAO Gazprom, Russia's natural-gas export monopoly, will beat Exxon Mobil Corp. to earn \$37.9 billion in 2012, according to estimates compiled by Bloomberg. Yet its shares have fallen 18 percent this year as the state-run company uses its cash to finance the industry's largest capital expenditure program, including an export terminal in the Far East and undersea pipelines to Europe, where demand is forecast to drop.

[East-west pipeline is in national interest, Oliver says](#)

Federal Natural Resources Minister Joe Oliver says a pipeline that could ship western crude oil to eastern Canada is in the national interest.

Oliver toured the Irving Oil Ltd. refinery in Saint John on Tuesday, where he said the pipeline would help Canada find new customers for its energy products.

[Enbridge Pipeline Faces Scallop-Farmers Fight](#)

A line of yellow buoys marking the boundaries of a scallop farm outside Prince Rupert, British Columbia presents the biggest challenge Enbridge Inc. may face in its bid to connect Canada's oil sands to Asia.

The aboriginal communities on British Columbia's northern coast, already a port for

ships to load grain and coal sent by rail from Canada's interior, are expanding shellfish farming and ecotourism, said Art Sterritt, executive director of Coastal First Nations. The native group seeks to develop an economy based on renewable resources and has attracted investment from former Prime Minister Paul Martin and Chinese companies.

[BP Guilty Plea in Rig Crew Deaths Set for January Hearing](#)

BP Plc's guilty plea in the 2010 deaths of 11 crew members of the Deepwater Horizon drilling rig in the Gulf of Mexico will be considered by a federal judge in New Orleans on Jan. 29.

BP announced Nov. 15 that it reached a deal with the U.S. Justice Department to plead guilty to 14 counts, including 11 for felony seaman's manslaughter, and pay \$4 billion to end all criminal charges related to the largest offshore oil spill in U.S. history.

[Ford mileage claims to face review from EPA](#)

The Environmental Protection Agency is stepping in to review mileage claims for two of Ford Motor Co.'s two newest hybrid models.

The move was triggered by a report from Consumer Reports magazine that the Ford Fusion Hybrid and Ford C-Max Hybrid delivered substantially lower fuel economy than the maker has widely promoted in its advertising. The federal agency has become particularly sensitive to the issue following the discovery that South Korean carmakers Kia and Hyundai fudged the fuel economy figures for 13 of their own products.

[SolarCity Cuts Proposed IPO Pricing, Increases Size of Placement](#)

SolarCity Corp., the solar power provider led by billionaire Elon Musk, cut the proposed pricing of its initial public offering while increasing the number of shares offered.

[Solar Installations Surge on Lower Costs and Government Support](#)

The number of solar installations grew strongly in the nation's residential, commercial and utility sectors in the third quarter, largely as a result of falling costs, a federal investment tax credit and state programs that support renewable energies, the solar industry's main trade group reported on Tuesday.

[Taking the Table to the Farm: Portraits of Radical Off-the-Grid Living](#)

"Over the years I've come to realize that most people are not going to, nor do they have any desire to, radically change their lives. Most people can't walk away from the kids"

schools or their jobs or their mortgages, or whatever. They just can't, and it would be asking too much for them to do it. But they can take some steps in just teaching themselves — learning more about gardening, learning more about food preservation, and taking care of their own health. So there are things people can do to become a little more self-sufficient ... if there's any hope at all of being able to transition into a less chaotic life."

[Tightest Corn Crop Since '74 as Goldman Sees Rally](#)

Three consecutive years of smaller U.S. corn harvests are driving inventories of the world's most- consumed grain to a 39-year low and spurring Goldman Sachs Group Inc. to predict that prices will rise near record highs.

Global stockpiles will drop 11 percent to 117.61 million metric tons by Oct. 1, or 13.6 percent of what will be used for food, ethanol and livestock feed, the lowest ratio since 1974, the U.S. Department of Agriculture said today in a report.

[Is Mechanical Flame Weeding for Crops Growing in Popularity?](#)

Flame weeding using propane is a USDA approved organic weed removal method. It affords an opportunity for organic farmers to save time and money in their weed removal efforts. Furthermore, propane prices are currently reasonable, as shown by the following ten-year price graph.

[Detroit Narrowly Approves Vast Land Sale](#)

Measured by acreage, it is the largest land sale in the city's history. Some declare that it may herald a reinvention of Detroit from motor city to urban oasis for local agriculture, but many others are skeptical.

Dozens of residents turned out at the City Council session to argue against the sale, contending that neighborhoods are far better served by many small urban agriculture operations that contribute to the food supply than large-scale corporate purchases like the Hantz Farm deal, which remains vaguely defined.

[A Rising Tide of Noise Is Now Easy to See](#)

Today — to the dismay of whale lovers and friends of marine mammals, if not divers and submarine captains — the ocean depths have become a noisy place.

The causes are human: the sonar blasts of military exercises, the booms from air guns used in oil and gas exploration, and the whine from fleets of commercial ships that relentlessly crisscross the global seas. Nature has its own undersea noises. But the new ones are loud and ubiquitous.

[Water Pollution and the Farm Economy](#)

By exempting farmers from restricting fertilizer-laden runoff from their fields, the United States is making no headway on the water pollution front, a new study suggests.

[Drought and Economy Plague Sheep Farmers](#)

Over the last few years, skyrocketing costs, a brutal drought and plunging lamb prices have battered Mr. Bartmann and the 80,000 ranchers across the country who raise sheep — from a few to several thousand. It is the latest threat to shadow a Western way of life that still relies on the whims of summer rains, lonely immigrant sheep herders and old grazing trails into the mountains.

“For the sheep industry, it’s the perfect storm,” Mr. Bartmann said, glancing out his office window here at a bleating sea of wool. “The money is just not there.”

[Why Rivers No Longer Burn](#)

Protecting our nation’s waters may seem like common sense today, but the idea of nationally uniform, tough standards against polluters was both original and radical. Thinking big, the Clean Water Act’s preamble declared that the nation’s waters would be swimmable and fishable within a decade, with no discharges of pollutants within a dozen years. These weren’t idle boasts.

Remember a similarly bold claim in 1960 that the nation would land a man on the moon and return him safely within a decade? This was an age of technological optimism. Water pollution posed a national threat, and a national mission was necessary to turn back and clean the tide.

[Barge Captain Steers Rocky Course as Mississippi Shrinks](#)

The worst drought in 50 years has cut the river depth by two-thirds in some places, creating a low-water choke point between St. Louis and Cairo, Illinois, for the \$7 billion worth of grain, coal and other commodities that typically move this time of year. Barring extra rainfall, the Army Corps of Engineers predicts the river will be too shallow in coming weeks for the tow boats that push barges down the 180-mile (290 kilometer) section of the river.

Carriers such as AEP River Operations LLC, owner of the Capt. Bill Stewart, are rushing to get shipments though in case the river is shut to barges. The extra traffic, narrower passage and shallow water have turned the trip into an obstacle course for the 5,600-horsepower boat as it nudges its 22,000-ton load down the twisty, muddy river at about 9 miles per hour.

[What does obesity have to do with climate change? Plenty, say some scientists](#)

Food prices are indeed a mechanism that links obesity and poverty. As incomes decrease, energy-dense grains, sweets, and fats become the best way to provide daily calories at a manageable cost.

... A rise in food prices caused by climate change will lead to higher, not lower, obesity rates in the United States. The spikes in food prices observed in 2008 and again in 2010 were highest for the healthier foods, particularly vegetables and fruit. The current drought conditions have damaged crops and will lead to food-price increases in 2013, especially for dairy, eggs, and meat. As food prices continue to increase, refined grains, added sugars, and vegetable fats will replace healthier options, first for the poor and later for the middle class.

[Deutsche Bank Raided in CO2 Probe Producing Five Arrests](#)

Deutsche Bank AG's Frankfurt headquarters were searched by police and five employees arrested as part of a tax-fraud probe linked to the sale of carbon- emission certificates.

Prosecutors are probing 25 bank employees, Guenter Wittig, spokesman for the Frankfurt General Prosecutor, said in an e- mailed statement. Five employees were arrested over obstruction of justice and money laundering allegations, he said. He didn't identify any suspects.

[Keystone Review Meaningless Without Climate Assessment](#)

The U.S. environmental assessment of a new Keystone XL pipeline route from Canada will be meaningless unless it considers the effect mining of oil sands has on climate change, opponents of the project said.

['Fracking will see targets missed'](#)

Britain will miss its climate change reduction targets if Lancashire's shale gas industry takes off, it has been claimed.

Professor Kevin Anderson, of the Tyndall Centre at the University of Manchester, said shale gas as a "transition fuel" on the way to a low carbon economy would see the UK fail to meet international goals to curb climate change.

[Lack of will, cash hinder world efficiency standards](#)

(Reuters) - Climate talks in Doha last week highlighted the weakness of carbon targets as a tool to limit climate change while a lack of international financial and political support may equally undermine an alternative, technology-led approach.

[Why latest failure of global warming talks may be a success](#)

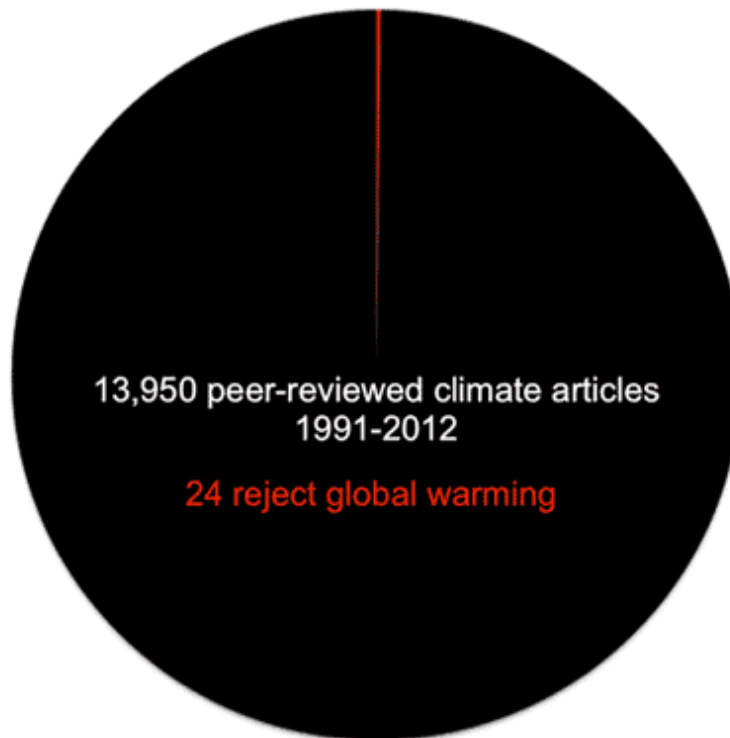
The weak outcome of the climate change talks in Doha only add to the momentum toward solutions at the local level, where values on the common good are more easily shared.

[South Africa Says U.S. Should Adopt Carbon Budget by 2020](#)

The U.S. should provide more detail about its probable emissions and consider installing a U.K.-like carbon budget to take advantage of global emissions markets by 2020, said a South African climate negotiator.

The U.S. should prepare to “take on a budget,” which is an emissions limit for a set period of years, starting by 2020, Alf Wills, the African nation’s chief negotiator, said Dec. 8 in an interview in Doha. In the meantime, many richer nations need to start making commitments comparable to that deal, which sets targets for 37 countries, he said.

[Why Climate Change Denial Is Just Hot Air](#)



Powell looked at 13,950 articles. Out of all those reams of scientific results, how many

disputed the reality of climate change?

Twenty-four. Yup. Two dozen. Out of nearly 14,000.



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