



## Drumbeat: December 15, 2012

Posted by [Leanan](#) on December 15, 2012 - 11:01am

### [Stuart Staniford: The Bumpy Plateau Tilts Upward](#)

For a long time, the C&C was essentially flat and one could truthfully argue that all the increase in total liquids was coming from NGLs and biofuels (ie that "real oil" was plateaued or peaking). However, this is no longer true: global C&C production has increased by about 2mbd since the beginning of 2005. Over eight years, this is only a 0.33% average rate of growth - an incredibly slow crawl upward. However, it seems indisputable that it has grown.

### [The Outlook for Energy: A View to 2040](#) [PDF]

Over the *Outlook* period, the growth in so-called "unconventional" supplies due to technology advancements is critical. ExxonMobil projects total liquids demand to rise to 113 million barrels per day of oil equivalent (MBDOE) in 2040, a 30 percent increase from 2010. About 70 percent of this increase is tied to the transportation sector.

Conventional crude production from both OPEC and Non OPEC sources will see a slight decline over time. However, this decline is more than offset by rising production of crude oil from deepwater, oil sands and tight oil resources.

The successes of deepwater and oil sands developments are examples of how new technologies are key to delivering additional sources of liquid supplies to meet rising demand. Ten years ago, these supplies were barely on the radar screen.

### [Exxon's Dangerous Energy Outlook](#)

The aim of the Outlook, as it was presented then and is still presented now, is to dispel any notion that there might be a clean energy future lying ahead. As the global population rises — increasing wealth in emerging economies — the energy these would require can only be met by increasing supply of fossil fuels, according to the figures. Exxon does not dismiss renewable energy and efficiency completely, but maintains that they will not challenge the continued dominance of fossil fuels, particularly oil and gas, in the time frame.

Back in 2005, the timeframe stretched to 2030. Today the timeframe stretches to 2040. But the overall conclusions remain the same.

### [Sri Lanka raises gasoline price to record to cut losses](#)

COLOMBO (Reuters) - Sri Lanka increased the price of gasoline by 6.7 percent on Saturday to a record level to prevent state-run Ceylon Petroleum Corporation (Ceypetco) suffering further losses, an official said.

Sri Lanka raised the price of a litre of gasoline by 10 rupees to 159 rupees, a record high level in terms of the local currency.

Susantha Silva, the managing director of Ceypetco said the state-run firm's losses stood at 75 billion rupees at the end of October because of the failure to pass the world market oil price on to consumers.

### [Oil Caps Weekly Gain on U.S., Chinese Manufacturing](#)

Futures rose 0.9 percent as industrial output in the U.S. rose by the most in two years in November, the Federal Reserve reported. A preliminary purchasing managers' index showed China's manufacturing is expanding at a faster pace this month.

"Recent U.S. data are suggesting that the U.S. is finally out of recession and that should be very bullish for oil demand," said Michael Lynch, president of Strategic Energy & Economic Research in Winchester, Massachusetts. "The manufacturing number revives hopes that we'll see China become one of the biggest components of demand growth next year."

### [Gas consumption keeps falling in California](#)

Continuing a general trend of year-over-year declines, in-state gasoline consumption in August totaled 1.26 billion gallons, down 1.1 percent from the same month in 2011, according to the latest statistics released by the State Board of Equalization.

### [Finally, Sioux City fuel prices dip below \\$3 a gallon](#)

Fuel "was \$3.05 when I went by this morning. When I came back it was \$2.99. I was happy I waited," Gengler said.

On Thursday, Gengler and other motorists witnessed something Sioux City hadn't seen in nearly a year: gas under \$3 per gallon.

### [China's oil demand to grow by 3.4% in 2013: report](#)

BEIJING - China's oil demand will grow by 3.4 percent year on year in 2013, global banking giant Deutsche Bank (DB) forecast in its latest report.

Although the growth will be modest compared to previous years, it will make China the largest contributor to global oil demand on a growth basis, equal to 40 percent, the report said.

### [US rigs exploring for oil and gas decrease by 1 this week to 1,799](#)

HOUSTON — Oilfield services company Baker Hughes Inc. says the number of rigs actively exploring for oil and natural gas in the U.S. fell this week by one to 1,799.

### [All Roads Lead to Natural Gas-Fueled Cars and Trucks](#)

RoyalDutchShell is changing lanes. While oil development will continue to dominate its portfolio, the energy developer is now making plans to invest heavily in liquefied natural gas, or LNG. Shell, and others, see the export of the super-cooled natural gas as a lucrative venture.

The tea leaves would tend to indicate that the transportation sector will increasingly fill up using natural gas: LNG is best with heavy duty trucks while compressed natural gas, or CNG, is used to power passenger vehicles and corporate fleets. The momentum, however, will be slow mainly because of a nascent infrastructure that would support such changes. But some high profile public and private players are working on that, and are expecting success.

### [No ransom paid for freed Chinese hostages, says oil company](#)

No ransom was paid to secure the release of four Chinese oil workers freed last month after being held hostage for more than a year, the company said Friday, rejecting allegations to the contrary.

### [Ecuador to use \\$2b Chinese loan to fund budget deficit](#)

Ecuador, home to South America's third-largest oil reserves, will finance its 2013 budget deficit with a \$2 billion loan from China, Finance Minister Patricio Rivera said on Thursday.

### [South Korea's Imports of Iranian Crude Climb in November](#)

South Korea's imports of oil from Iran increased 2.9 percent in November from October, when it resumed shipments from the Persian Gulf nation.

Purchases last month were 814,797 metric tons, equivalent to 5.97 million barrels, compared with 791,582 tons in October, according to data posted on the Korea Customs

Service's website today. Volumes dropped from 1.2 million tons a year earlier, the data showed.

### [The masochism tango](#)

President Barack Obama would like to avoid entanglement in the Middle East. He will not get his wish.

### [Calvalley shuts Yemen well after explosion](#)

Canada's Calvalley Petroleum shut an oil well in south-eastern Yemen after an explosion targeting its facilities damaged the well head, a report said.

An explosive device went off outside an oil well on Thursday night in Hadramout province, Reuters reported, citing the UAE-based Gulf News.

### [The oil deal that paved China's path to Nexen – and beyond](#)

Gwyn Morgan, former CEO of Encana Corp., says CIC's investment in Penn West was a "page turner" that flashed a green light to Chinese investors after years of indifference from the Conservative government and the oil patch. "The fact that the deal was accepted, that it went through, was a sign we're different than our neighbours to the south," Mr. Morgan says.

### [Judge to discuss trial delay for BP rig employees](#)

NEW ORLEANS (AP) — A federal judge has scheduled a status conference to discuss a request to postpone the trial of two BP rig supervisors charged with manslaughter in the April 2010 deaths of 11 workers on the Deepwater Horizon drilling rig.

### [Shell considered buying BP: paper](#)

FRANKFURT - Royal Dutch Shell considered making a bid for rival BP in the past two years, Frankfurter Allgemeine Zeitung said in an advance copy of its Saturday edition.

### [7 steps to a greener \(and smarter\) workplace](#)

Helping the planet can also boost the bottom line, says an executive at super-green -- and highly profitable -- Patagonia. Here's how.

### [Jaguar drops plan for hybrid supercar](#)

"After a thorough re-assessment of near-term market conditions, the company's view is that the global economic landscape does not currently support the introduction of a supercar such as C-X75", said Adrian Hallmark, Jaguar Global Brand Director, in a company announcement.

### [A Willing Explorer of São Paulo's Polluted Rivers](#)

THE Tietê and Pinheiros Rivers, which cut through this metropolis of 20 million, flow well enough in some parts. But in certain stretches, they ooze. Their waters are best described, perhaps, as ashen gray. Their aroma, reminiscent of rotten eggs, can induce nausea in passers-by.

José Leonídio Rosendo dos Santos has been diving into both rivers for more than 20 years. Hired largely to unclog drainage gates, he scours the murky depths of the Tietê and Pinheiros, which have symbolized São Paulo's environmental degradation for decades, bringing to the surface a list of items that is eerie and bizarre.

### [Broad Catch Limits Are Put on an Unglamorous but Essential Fish](#)

BALTIMORE — Regulators on Friday voted to reduce the harvest of Atlantic menhaden by 20 percent, placing a broad catch limit on a critical fishery that has until now been largely unregulated.

### [E.P.A. Sets a Lower Limit for Soot Particles in the Air](#)

WASHINGTON — The Environmental Protection Agency announced a new standard for soot pollution on Friday that will force industry, utilities and local governments to find ways to reduce emissions of particles that are linked to thousands of cases of disease and death each year.

### [Texas company's challenge to proposed EPA greenhouse gas rules nixed](#)

A federal appeals court on Thursday dismissed a Houston developer's challenge to the Environmental Protection Agency's proposed rules for limiting emissions of greenhouse gases from new power plants.

### [America's Most Dangerous Enemy](#)

Though not always the case, today's fossil fuel industry is fundamentally un-American and anti-America. In violation of the most basic American values, they have manipulated our people, subverted our democracy, undermined our economic and moral

superiority, and are making us a global laughingstock. Moreover, they are killing our country and our planet, putting us on track for 4-6 degrees of global warming—something straight out of an apocalyptic disaster film.

### [Bid to heap blame on sunspots for climate change has backfired](#)

“Alec Rawls’ interpretation of what IPCC5 says is quite simply wrong. In fact, while temperatures have been ramping up in recent decades, solar activity has been pretty subdued,” Professor McGuire said



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