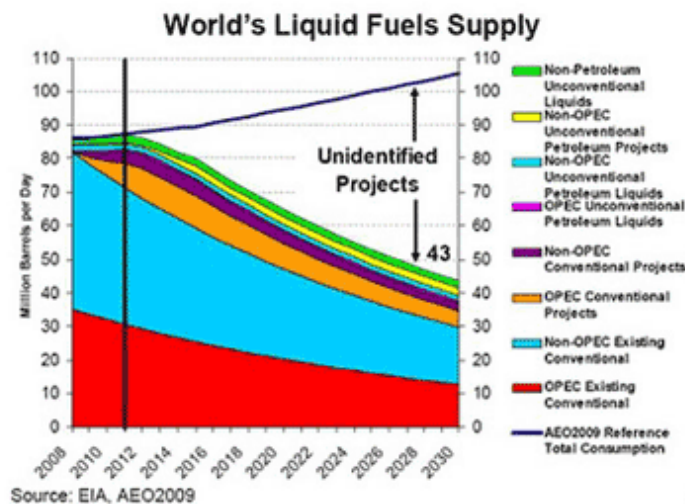




Drumbeat: December 21, 2012

Posted by [Leanan](#) on December 21, 2012 - 9:51am

[The one chart about oil's future everyone should see](#)



The chart shows that by 2030 world output of oil and other liquid fuels from current fields is expected to drop to 43 million barrels per day (mbpd), some 62 million barrels below projected demand of 105 mbpd. (Though prepared in 2009, the chart takes into account known projects expected to be producing by 2012.) This drop is consistent with the observed decline in the worldwide rate of production from existing fields of about 4 percent per year. Certainly, there will be more projects identified in the 18 years ahead. And, many people will say that we already have a large new resource of tight oil (often mistakenly referred to as shale oil) which can be extracted through hydraulic fracturing or fracking. But even if the optimists are correct--and there can be no guarantee that they will be--this source of oil will only add 3 to 4 million barrels of daily production. What Sweetnam's chart tells us is that we must find and bring into production the equivalent of five new Saudi Arabias between now and 2030 in order to meet expected demand even if the volume of tight oil reaches its maximum projected output. (The Saudis currently produce about 11.7 mbpd of oil and other liquids.)

[Oil Declines Most in Two Weeks on U.S. Budget Delay](#)

Oil declined the most in more than two weeks because of concern that U.S. lawmakers may fail to avert spending cuts and tax increases that threaten the economy of the world's biggest crude consumer.

West Texas Intermediate dropped as much as 1.6 percent, paring a second weekly gain,

after House Speaker John Boehner scrapped a plan to allow higher tax rates on annual income above \$1 million, throwing talks on budget issues known as the fiscal cliff into turmoil. Oil rose a fifth day yesterday, the longest rally since September, after government data showed the U.S. economy grew at a 3.1 percent annual rate in the third quarter, higher than a previous estimate of 2.7 percent.

[Oil marketers ask: who will buy my crude?](#)

(Reuters) - Marketing production is more associated with technology and entertainment than grubby industrial raw materials like oil. But marketing is set to become more important as the oil market moves into surplus and struggles with an increasingly diverse range of crudes.

Crude marketers need to convince refiners their oil is worth paying a premium for and to undertake expensive investments to be able to process it.

Outlining its strategy to investors in October, Continental Resources, one of the leading producers in North Dakota's Bakken, devoted a third of its presentation to the importance of improving the marketing of its output to secure more recognition of its quality and achieve higher prices.

[Iraq ups its selling game on path to oil's top tier](#)

LONDON (Reuters) - Iraq is sharpening a push to sell its swelling crude output and sit at oil's top table with Saudi Arabia, sweetening terms for contract buyers next year, its customers say.

Iraqi Oil Minister Abdul-Kareem Luaibi held court to oil executives in Vienna's Hotel Imperial last week on the sidelines of an OPEC meeting. Some buyers have said they were concerned by higher prices and variable quality.

[OPEC Exports Drop After Winter Demand Peak, Oil Movements Says](#)

The Organization of Petroleum Exporting Countries will cut crude exports by 2.6 percent as demand during the northern hemisphere winter begins to slacken, according to tanker tracker Oil Movements.

The group that supplies about 40 percent of the world's oil will export 24.1 million barrels a day in the four weeks to Jan. 5, down 640,000 barrels a day from the previous period, the researcher said in an e-mailed report today. The figures exclude Angola and Ecuador.

[Iran Talks in Early 2013 to Boost Oil Risk Premium, SocGen Says](#)

International talks early next year over Iran's nuclear program will probably renew focus on the issue and bolster a risk premium in oil prices, according to Societe Generale SA.

The U.S. is trying to bring Iran back to the negotiating table in the first quarter, before Israel's alleged deadline for a resolution or military confrontation with Iran in the late spring or summer, Michael Wittner, the New York-based head of commodities research for the bank, said in an e-mailed note.

[The Peak Oil Crisis: Chaos in the Middle East](#)

Nearly everywhere one looks in the Middle East these days, troubles are growing and new wounds are opening that seem unlikely to heal in the foreseeable future. Now all this would be academic except that most of the world's readily exploitable oil comes from the region. Despite the hype of "energy independence" the world's advanced economies would quickly grind to a halt without a steady flow of Middle Eastern oil. If one looks at all the ongoing hostilities and growing animosities in the region as a whole, it is difficult to conclude there will not be major disruptions in oil exports within the next five to ten years.

[Copper, oil targeted by wary investors for 2013](#)

LONDON (Reuters) - Investors, stung by losses in commodity investments this year and last, are warily preparing to put money into oil and industrial metals in 2013 if recovery takes hold in the global economy and especially in top raw materials consumer China.

Some fund managers have already upped allocations to copper, closely correlated with world industrial output, while others are waiting for more signs that demand is gearing up and macro-economic roadblocks are being removed.

[Fincantieri to Buy STX OSV to Add Oil-Rig Support Vessels](#)

Fincantieri SpA agreed to buy a controlling stake in STX OSV Holdings Ltd. (SOH), the world's biggest maker of oil-rig support vessels, for 455 million euros (\$600 million) as rising energy demand stokes offshore drilling.

[Russian anger at energy law blocks EU summit progress](#)

(Reuters) - Russian anger at an EU energy law blocked progress at talks between Russian President Vladimir Putin and European Union leaders on Friday.

Putin, on his first visit to Brussels since his re-election as president in May, was greeted by four topless women, protesting against civil rights curbs in Russia and shouting "Putin, go to hell". They were bundled away by police.

Relations between the 27-nation bloc and Russia, its main external supplier of energy and a key trading partner, have long been poisoned by rows over gas pipelines.

[Belarus says secures more Russian oil supply, seeks \\$2 bln loan](#)

(Reuters) - Belarus has secured an increase in Russian crude supplies next year and asked Moscow for a \$2 billion loan to upgrade its ageing industrial assets, Belarussian President Alexander Lukashenko said on Friday.

[Russia's Gazprom to buy the whole of Kyrgyzstan's state gas company](#)

BISHKEK, Kyrgyzstan — Kyrgyzstan's state-owned natural gas company says it is to be sold in its entirety to Russian energy giant Gazprom.

[World Bank tribunal accepts Repsol complaint over YPF takeover](#)

(Reuters) - The World Bank's arbitration body started moving ahead this week on a complaint by Spanish oil major Repsol over Argentina's expropriation of its controlling stake in energy company YPF.

[Burning pipeline fire sign of Nigeria's woes](#)

IJE ODODO, Nigeria (AP) -- The gasoline pipeline burns unstopped near a village close to Nigeria's sprawling megacity of Lagos, shooting flames into the air as leaking fuel muddies the ground. All around it, the ground is littered with plastic jerry-cans, used by those who hacked into the line to steal the fuel within.

The pipeline explosion here in Ije Ododo shows the ongoing problems oil-rich Nigeria faces. While the nation's politicians and businessmen have long profited from the country's production of roughly 2 million barrels of oil a day, many Nigerians remain desperately poor and take dangerous risks to try and earn a living.

[Canada's October Economy Grew 0.1% on Oil Production](#)

Canada's economy expanded for the first time in three months in October as increases in oil and gas production countered manufacturing declines.

[Statoil to create 700 jobs in North Sea development](#)

Statoil is to invest £4.3bn in a North Sea oil field, bringing hundreds of jobs to the north

east of Scotland.

[A career in energy sector can still be a pretty cool pursuit](#)

Nasa engineers staring at unemployment found second careers in the energy industry after the Space Shuttle programme closed down this year, reminding those who are listening, not enough it would seem, that trying to extract oil and gas from thousands of feet under the ground in far remote hostile exotic environments is still a pretty cool pursuit.

[Buru Searching for More Australian Oil After Share Price Doubles](#)

Buru Energy Ltd., the second-best performer on Australia's energy index this year, is targeting as many as 20 oil prospects in the country's northwest, seeking to repeat the first major discovery in the area since the 1980s.

Buru plans to drill two to four oil wells in 2013 in the onshore Canning Basin, more than 2,000 kilometers (1,240 miles) north of Perth, and to start full production at the Ungani find by the end of the year, Eric Streitberg, executive director of the Perth-based company, said in a phone interview yesterday.

[Eni, Anadarko Plan World's Second-Largest LNG Plant in Africa](#)

Eni SpA and Anadarko Petroleum Corp. agreed to build the world's second-largest liquefied natural gas plant in Mozambique to start exporting fuel in 2018.

Italy's largest oil company and Anadarko will coordinate development of gas fields and cooperate in the construction of the plant in the Cabo Delgado province of northern Mozambique, which could have an eventual capacity of about 50 million tons a year, The Woodlands, Texas-based company said today in a statement. That would make it the largest LNG plant outside Qatar, the world's biggest exporter of the fuel.

[NYSE Cedes Autonomy to 12-Year-Old Market](#)

The owner of the New York Stock Exchange, whose trading floor helped fuel Warren Buffett's fortune and financed industries from shipping to semiconductors, is about to be bought by a 12-year-old energy market operator founded with money from a legal settlement.

IntercontinentalExchange Inc. agreed to buy NYSE Euronext for \$8.2 billion in cash and stock after its own shares surged fivefold since going public in 2006. Chief Executive Officer Jeffrey Sprecher will lead the combined company that includes the biggest U.S. equity market company and second-largest European futures exchange, with NYSE's Duncan Niederauer relegated to president, according to a statement yesterday.

[Caribou and Oil Companies to Share Alaska Petroleum Reserve](#)

An Interior Department plan for the National Petroleum Reserve – Alaska calls for half of its 23 million acres to be set aside for wildlife conservation, wilderness and recreation and for the rest to be opened to potential oil and gas development.

The plan, announced on Wednesday, allows for construction of pipelines across the reserve to carry oil and gas from the Beaufort and Chukchi Seas off Alaska's North Slope to the current Trans-Alaska oil pipeline. Shell began exploratory drilling off the coast this year but stopped before reaching oil-bearing zones because of weather and equipment problems.

[Obama Expels BP, Record Number of Firms From Contracting](#)

The Obama administration has temporarily barred more than 3,800 contractors from winning new federal work so far in 2012, the most on record.

BP Plc made the U.S. government's blacklist last month after being suspended for its role in the biggest oil spill in the nation's history. A Booz Allen Hamilton Holding Corp. unit in Texas was banned for about nine weeks after it hired a former government employee who shared sensitive information about a pending technology project.

[11 worst predictions of 2012](#)

Car salesmen sell the sizzle, not the steak, so it's understandable why there are thousands of Nissan Leafs gathering dust across U.S. lots. The all-electric, bug-shaped car is the proud vision of Nissan CEO Carlos Ghosn's, who predicted U.S. Leaf sales would double to 20,000 in 2012.

The sales target proved wildly optimistic. In fact, Leaf sales were actually down 16% from 2011 as of October, and even after the Leaf's recent glitzy ad campaign, there's no way Nissan gets even close to Ghosn's sales goal.

[Is nuclear power necessary for solving climate change?](#)

The relative costs and benefits of nuclear energy have been the subject of heated debate in recent years thanks to a combination of factors, including the need to cut carbon emissions and the 2011 accident at Fukushima, Japan. Critics argue that nuclear is not only dangerous but also unnecessary for tackling climate change; supporters claim the risks are small and that abandoning nuclear would make an already huge challenge even harder and more expensive.

[Concentrated solar power with thermal energy storage can help utilities' bottom line, study shows](#)

(Phys.org)—The storage capacity of concentrating solar power (CSP) can add significant value to a utility company's optimal mix of energy sources, a new report by the U.S. Department of Energy's National Renewable Energy Laboratory (NREL) suggests.

The report found that CSP with a six-hour storage capacity can lower peak net loads when the sun isn't shining, enough to add \$35.80 per megawatt hour to the capacity and operational value of the utility, compared to photovoltaic (PV) solar power alone, and even higher extra value when compared to CSP without storage. The net load is the normal load minus variable renewables such as photovoltaic and wind.

[First Large Solar Plants Without Subsidy Sought in Spain](#)

Solar developers in Spain are trying to build Europe's first large-scale plants to sell electricity at market prices, taking advantage of a crash in equipment costs and some of the continent's highest levels of sunlight.

Builders have sought permits to connect 37.5 gigawatts of utility-sized projects to Red Electrica Corp. SA (REE)'s transmission grid, company spokeswoman Susana Moreno said. While demand studies show that's far more new generation than the country needs, the first few plants could set a commercial precedent.

[Why Renters Use More Electricity](#)

Why do people buy inefficient refrigerators and clothes washers when spending a little more for an efficient one would save them money over time through lower electricity or water bills? There are a variety of reasons, but one that is persistently cited is that people are not necessarily buying these appliances for themselves. Often the buyer is a landlord, and the user is a tenant who does not make the choice but faces the consequences because he receives the energy bill.

[Industry Seen Winning as EPA Weighs Weaker Boiler Rules](#)

The U.S. Environmental Protection Agency is expected to release new pollution caps for industrial boilers and cement plants, as it bows to industry pressure to delay their effective date and ease some standards, according to environmental and business groups.

A handful of regulations set to be released today are being watched by paper companies, chemical makers and other manufacturers for signs that the agency has agreed to their request for additional time to comply. The rules are among the most broadly applicable clean-air standards issued under President Barack Obama.

[Power Company Loses Some of Its Appetite for Coal](#)

WASHINGTON — Coal took another serious hit Wednesday — in the heart of coal country.

American Electric Power, or A.E.P., the nation's biggest consumer of coal, announced that it would shut its coal-burning boilers at the Big Sandy electric power plant near Louisa, Ky., a 1,100-megawatt facility that since the early 1960s has been burning coal that was mined locally.

[U.S. Reopens Waters Off New England for Fishing](#)

Regulators on Thursday voted to reopen about 5,000 square miles of protected waters off the coast of New England to new applications from commercial fishing interests. The move drew concern from environmental advocates and praise from fishermen who hope access to the waters will boost the ailing industry.

[Global Warming, Peak Oil, Economic Chaos](#)

The chief villain contributing to global warming through increased concentrations of anthropogenic greenhouse gases is carbon-dioxide, originating from the burning of fossil fuels such as oil. Despite a minority's pedagogic insistence to the contrary, the World's top petroleum geologists are already suggesting that its worldwide production may peak (hence "peak oil") as soon as 2020, and thereafter decline. Many authorities predict this will result in economic chaos, so completing a troika harness for the apocalyptic horsemen.

The logic of this scenario becomes more starkly apparent when we delve into the reliance society places on oil, which extends far wider than just its fuel applications. During the 150 years since it was first mined in Pennsylvania, the many products developed from refining crude oil have become inextricably woven into the fabric of people's lives, most critically those inhabiting what are conventionally term the "developed" nations.

[In a Lime Plaster Job, a Leonardo Moment](#)

"In the space of a generation or two, they basically completely got rid of lime," Ryan said. "And so now, if you talk to a mason or a plasterer, they don't even know that you can just use lime."

The other reason Portland Cement has largely replaced lime, he said, is that it cures stronger and faster, allowing for the design of larger structures that can be built more quickly and cheaply.

"You can't make a freeway overpass out of lime," Ryan said. "You wouldn't really pour a foundation for your house out of lime." Where it excels, he said, is as a plaster.

“When you think about all the buildings in Europe, or anywhere where it’s old and they have that really beautiful patina charm, it’s all lime,” he said.

At the same time, Ryan said, lime performs the impressive feat of sucking carbon dioxide out of the atmosphere, which works against climate change.

[\\$1,200 a Pound, Truffles Suffer in the Heat](#)

Black truffles and other types of truffles are becoming scarcer, and some scientists say it is because of the effects of global climate change on the fungus’s Mediterranean habitat. One wholesaler says prices have risen tenfold over the last dozen years.

[Utilities benefit in state carbon market](#)

Most businesses say California's new cap-and-trade program, designed to curb greenhouse gas emissions, is a job killer that will suck billions of dollars out of the economy.

But you won't hear too many protests from some of the biggest businesses of all: California's electric utilities.

From SMUD to Southern California Edison, the state's utilities have been placed in a special class that effectively cushions companies and their ratepayers from the cost of reducing carbon emissions.

[Edison Snafu Skews Demand in First California Carbon Permit Sale](#)

California, the world’s ninth- largest economy, has Edison International (EIX) to thank for selling all of its carbon permits in the state’s first auction. The company unintentionally bid for twice as many allowances as were for sale.

Edison, owner of the state’s second-biggest power utility, submitted a proposal in the wrong format and offered to buy 21 times more allowances than it wanted on Nov. 14, documents obtained by Bloomberg show.

[Fewer Americans Say Their Actions Can Slow Climate Change](#)

Americans may be buying more compact fluorescent light bulbs these days, but they are less likely to set their thermostats low during the winter than they were four years ago and have less confidence that their actions will help to curb global warming, according to a new survey.

[World Not Prepared for Extreme Events Like Sandy, Expert Says](#)

"We thought about the risks and never in my wildest dreams would I have considered a storm of this magnitude and the impacts that it had on us," she said.

But afterward, moving was never an option. The family is now focused on rebuilding and helping their neighbors do the same. Her husband, Tom Fox, has received funding on behalf of residents on their block for an environmentally friendly demonstration project called Rebuilding Breezy Green.

The Foxes bought their home intending to retire there; she is 53 and he is 65. But after Hurricane Sandy, they saw how the older residents of the community had to rely on family members or volunteers to rebuild for them, the Foxes realized they may not be able to stay in the home they love as they age.

[Met Office sees 2013 likely to be one of warmest on record](#)

LONDON (Reuters) - Global temperatures are forecast to be 0.57 degrees above the long-term average next year, making 2013 one of the warmest years on record, Britain's Met Office said on Thursday.

"It is very likely that 2013 will be one of the warmest 10 years in the record which goes back to 1850, and it is likely to be warmer than 2012," the Met Office said in its annual forecast for the coming year.

[2012 another record-setter, fits climate forecasts](#)

WASHINGTON, D.C. — As 2012 began, winter in the U.S. went AWOL. Spring and summer arrived early with wildfires, blistering heat and drought. And fall hit the eastern third of the country with the ferocity of Superstorm Sandy.

This past year's weather was deadly, costly and record-breaking everywhere, but especially in the United States.

If that sounds familiar, it should. The previous year also was one for the record books.

[Drought, icemelt, superstorms ... a review of 2012's environmental news](#)

The Guardian's environment team pick their biggest moments of what was a tumultuous year for nature and green politics.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).