



Drumbeat: January 21, 2013

Posted by [Leanan](#) on January 21, 2013 - 9:37am

[Peak oil and other fallacies](#)

(Reuters) - "The limit of production in this country (the United States) is being reached, and although new fields undoubtedly await discovery, the yearly (oil) output must inevitably decline, because the maintenance of output each year necessitates the drilling of an increasing number of wells.

"Such an increase becomes impossible after a certain point is reached, not only because of a lack of acreage to be drilled, but because of the great number of wells that will ultimately have to be drilled."

This assessment could have been written recently about the outlook for oil production from North Dakota's Bakken formation or by any member of the Association for the Study of Peak Oil (ASPO).

In fact, it was written by Carl Beal at the U.S. Bureau of Mines in 1919.

[ASPO International announces lower output target for Iraq](#)

In the World Energy Outlook 2012 report the IEA presents its view of future crude oil production (see the figure). With decreases of over 2 million barrels per day (Mb/d) by 2035 both Russia and China have passed Peak Oil. In other nations where crude oil production has previously reached Peak Oil, the decline in their production continues. The savior in this time of need is Iraq with a projected increase in production of 5.5 Mb/d. We have previously heard that ExxonMobil wants to leave projects in southern Iraq and now Statoil is leaving West Qurna at the same time as other intended operators are writing down their production volumes by 600,000 barrels per day. Thus it is now doubtful that an increase in crude oil production of 5.5 Mb/d can be reached.

[Gregor Macdonald: What the End of Cheap Oil Means](#)

For much of the twentieth century, the developed world saw a steady march upwards in wages and living standards, due primarily to huge quantities of cheap, high-yielding liquid hydrocarbon. As we find ourselves bumping along the plateau of Peak Oil's apex, suddenly we find that "growth" is a lot harder to come by.

[Oil Drops From Four-Month High as Debt Talks Begin](#)

Oil dropped from the highest level in four months in New York before European finance ministers meet today to discuss the region's debt crisis and as U.S. lawmakers vote this week on budget measures.

West Texas Intermediate futures slid as much as 0.5 percent, declining for the first time in four days. House Republicans will use the planned Jan. 23 vote on a debt-ceiling increase to try to force Senate Democrats to outline their spending plans. Finance ministers in Brussels will assess Spain, Greece and Cyprus and debate how to enact policies they promised to subdue the region's crisis.

[Canadian companies feel the world's pain](#)

TORONTO (Reuters) - Financial results from Canada's biggest companies are likely to disappoint investors in the coming weeks with weak global growth and mixed commodity prices expected to have pummeled the quarterly earnings of oil companies and miners.

[Saudi Arabia, Iraq Cut Oil Exports in November, JODI Show](#)

Saudi Arabia exported 1.7 percent less crude in November than in the previous month, while Iraq and five other OPEC producers also curbed shipments, according to the Joint Organizations Data Initiative.

The kingdom, the largest producer in the Organization of Petroleum Exporting Countries, shipped 7.15 million barrels a day in November as it reduced monthly output by 2.4 percent to 9.49 million barrels a day. Iraq, with the second-biggest producer in OPEC, trimmed its exports by 3.3 percent to 2.62 million barrels a day even as it pumped 1.7 percent more oil, data posted today on the initiative's website showed.

[Speculators Boost Bullish Bets Most Since November: Commodities](#)

Hedge funds raised bullish commodity wagers by the most since November as a jump in U.S. housing starts and the first acceleration in Chinese growth since 2010 drove prices to a three-month high.

[Revolution in Saudi Arabia would be a 'disaster for US': memo to Obama](#)

Dubai (Platts) - Revolution in Saudi Arabia and the possible overthrow of the ruling House of Saud would be a "disaster" for US interests while prolonged instability would cause havoc in oil markets and the economy at large while handing Iran a "strategic windfall," a former US intelligence official said in a recent analysis.

In a memo to President Barack Obama as he prepared to be sworn in for a second term

in office, Bruce Riedel, senior foreign policy fellow at the Brookings Institution's Saban Center for Middle East Policy, said that while revolution in Riyadh was unlikely at this time, the "Arab Awakenings" made it a possibility.

[Black Sea Storms Delay Crude Loadings at Russia's Novorossiysk](#)

Four tankers are waiting at Novorossiysk, Russia's largest commercial port, to pick up crude cargoes after storms delayed shipments, according to OAO Transneft.

The first tanker in five days loaded on Jan. 20 during an easing of winter storms on the Black Sea before the weather worsened, Igor Dyomin, a spokesman for the pipeline operator, said today by phone from Moscow. The shipment was for 80,000 metric tons. The storms are expected to last until Jan. 23, Dyomin said from Moscow.

[Algeria hostage toll rises with report of Japanese deaths](#)

ALGIERS, Algeria (Reuters) - The hostage death toll from a four-day siege at an Algerian gas plant deep in the Sahara has risen to almost 60, with at least nine Japanese nationals also reported killed in an attack claimed by a veteran Islamist fighter on behalf of al Qaeda.

[Grim tolls, more questions in Algeria hostage standoff](#)

(CNN) -- After a fiery end to an Algerian hostage standoff that transfixed the world last week, more casualties piled up Monday as world leaders added up the grim tolls.

[Algeria finds dead Canadian militants as siege toll rises](#)

ALGIERS (Reuters) - Algerian forces have found the bodies of two Canadian Islamist fighters after a bloody siege at a desert gas plant, a security source said on Monday, as the death toll reached at least 80 after troops stormed the complex to end the hostage crisis.

[BP says too early to estimate restart of Algerian gas plant after siege ends](#)

London (Platts)- BP said Monday it was too early to estimate when it could restart gas flows from its In Amenas fields in eastern Algeria two days after Algerian forces ended a bloody hostage crisis at the desert gas plant.

"Production from the plant was shut on Wednesday and we are not able to estimate when it may return," a company spokesman said.

[Algeria Vows to Boost Security After 85 Killed in Sahara](#)

Algeria will increase security at oil and gas installations after a terrorist attack and military response left as many as 85 people dead and exposed a growing threat from al-Qaeda in North Africa.

[Algeria sees no impact on investment after gas plant attack](#)

(Reuters) - An attack by Islamist fighters at Algeria's In Amenas gas complex will not prompt foreign energy firms to abandon investment in the country, Algerian Energy and Mines Minister Youcef Yousfi said on Monday.

"I don't think foreign workers are leaving Algeria definitively. They have left just to reassure their families," Yousfi told reporters in parliament.

"I don't think foreign companies will leave definitively."

[Algeria hostage crisis may be future of terrorism](#)

What is likely is that this sort of attack is to be the face of the terrorist threat that the west is going to face for the next few years. As security forces in Europe and the United States have become more adept at countering terrorists, plots in Europe and North America have been increasingly disrupted at earlier stages of planning. The days of terrorist networks like al Qaeda operating out of Afghanistan and directing 19 men to conduct the September 11 attacks or 4 young Britons to carry out the July 7 plot seem to have passed.

[Trial opens in Paris in Iraq "oil-for-food" corruption case](#)

PARIS (KUNA) -- The trial of around 20 defendants, including a former Minister, former diplomats, journalists, businessmen and others - as well as oil company Total and its CEO - opens here Monday in the case of alleged corruption during the UN-administered "oil-for-food" programme in Iraq from 1996-2003.

UN investigations have pointed to a system of "surtaxes" allegedly paid by Total for Iraqi oil and which were diverted for corrupt use by the regime of Iraqi dictator Saddam Hussein.

[China Imports of Iranian Crude Rebound to Highest in Six Months](#)

China's imports of crude from Iran rebounded to the highest level in six months in December after the U.S. renewed an exemption from penalties on banks that process payments for the Persian Gulf nation's oil.

China, the world's second-biggest crude consumer, bought 2.52 million metric tons of oil from Iran last month, according to figures from the General Administration of Customs today. That's up 43 percent from November, when purchases slipped 9.3 percent. Shipments averaged 596,000 barrels a day, the most since June, and advanced 3.6 percent from December 2011, the data showed.

[SA court finds Nigerian oil delta militant guilty of terrorism](#)

NIGER Delta militant leader Henry Okah was on Monday convicted on 13 charges of terrorist activities by the North Gauteng High Court in Johannesburg for masterminding two car bombs that killed several people in the Nigerian capital at an independence day ceremony in 2010.

[Officials: Pirates seize oil tanker in Ivory Coast](#)

ABIDJAN, Ivory Coast (AP) — Armed men have hijacked a tanker carrying 5,000 tons of oil from an Ivory Coast port and taken it off the coast of Ghana, though its precise whereabouts are unknown, government authorities and maritime officials said Monday.

[Major Libyan Oil Terminal Remains Closed, Exports Delayed - Sources](#)

The Zueitina oil terminal in Libya remains shut, almost a month after demonstrators forced the closure of the major oil exporting hub, a shipping agent told Dow Jones Newswires Thursday.

The closure has caused severe disruptions to exports of oil from the North African country, traders have said.

[Exxon holds oil talks with Iraq's Maliki](#)

(Reuters) - Exxon Mobil has asked Iraq's Prime Minister Nuri al-Maliki whether the U.S. oil major can keep operating in the country's southern oilfields while also working in the autonomous Kurdistan region, the government said on Monday.

The talks between the Shi'ite premier and Exxon came as the U.S. company is in the process of selling its stake in the huge West Qurna-1 oilfield in the south after clashing with Baghdad over its Kurdistan deals in the north.

[Saudi Electricity net loss widens on costs](#)

Its results are highly seasonal due to the wide variation between summer and winter electricity demand in the sweltering desert kingdom. The utility benefits from very

cheap energy feedstock supplied by Saudi Aramco.

[Taking a Harder Look at Fracking and Health](#)

Some five years after the controversial combination of hydraulic fracturing and horizontal drilling in the gas-rich Marcellus Shale in Pennsylvania and surrounding states got under way, a team of toxicologists from the University of Pennsylvania is leading a national effort to study the health effects of fracking.

[Fracking Industry Goes After Promised Land Film](#)

Before Gus Van Sant's latest film *Promised Land* even premiered, the energy industry was up in arms, gearing up to counter the film's apparent anti-fracking stance with a barrage of "community" responses (read: thinly veiled corporate PR). James Schamus, chief executive of Focus Features the distributor of the film, expressed shock about the attacks on *Promised Land*: "We've been surprised at the emergence of what looks like a concerted campaign targeting the film even before anyone's seen it." cover for the movie "promised land" With blogs, astroturf websites, Facebook pages, internet ads, and theater ad buys in advance of the movie, the industry is working hard to spin the conversation in a more fracking-friendly direction.

[Rift Widens Over Mining of Uranium in Virginia](#)

Bills introduced last week would lift a moratorium on uranium mining at the site here, known as Coles Hill. Political supporters say that the mining would bring economic benefits and that risks from radioactive wastes, or tailings, can be safely managed. Opponents fear the contamination of drinking water in case of an accident, and a stigma from uranium that would deter people and businesses from moving to the area.

The politics of the issue do not divide neatly along party lines. Opponents include most state lawmakers from the region, all of whom are Republicans. A prominent supporter is the minority leader of the State Senate, Richard L. Saslaw, a Democrat, who lives in the northern suburbs. Asked about buried uranium tailings that remain a risk for hundreds of years, Mr. Saslaw, who is known for unguarded statements, said in a radio interview, "I'm not going to be here."

[France offers proposals for Saudi Arabia's nuclear energy programme](#)

Saudi Arabia has yet to launch a tender offer process for its planned nuclear reactors aimed at meeting the kingdom's soaring energy demand, the French industry minister Arnaud Montebourg said on Sunday.

Mr Montebourg and the chief executives of French utility EDF, and France's Areva as well as the head of French nuclear-research organisation CEA are visiting the Gulf state in a bid to sell French reactors to the kingdom. They have already met with several Saudi officials to discuss their proposal, including the kingdom's oil minister and the head

of King Abdullah City of Atomic and Renewable Energy (Ka-Care), which is planning to build 17 gigawatts of nuclear capacity by 2032.

[NTSB: Faulty Dreamliner battery was not overcharged](#)

(CNN) -- The battery that caught fire aboard an empty Boeing 787 Dreamliner in Boston this month was not overcharged, the National Transportation Safety Board said Sunday.

In its third update on the investigation into the cause of the fire, the NTSB said investigators in Washington took X-rays and CT scans of the lithium-ion battery, which powered the plane's auxiliary power unit. They took the battery apart and are still investigating some of the individual cells.

[Masdar to explore renewable opportunities in Morocco](#)

Masdar and Morocco have signed a framework agreement that paves the way for investment into the North African country's burgeoning renewable energy sector.

"We look forward to contributing to the development of Morocco's renewable energy industry," said Sultan Al Jaber, Masdar's chief executive, who signed the agreement with Fouad Douiri, the Moroccan energy minister.

[Wind energy blown off course by weak support](#)

It will not be plain sailing for the wind energy sector this year, as regulatory uncertainties and flagging state support undermine growth.

After many years of steadily increasing capacity, installation of wind turbines is predicted to slow, according to industry figures. Underperforming economies around the world have stunted government largesse, clouding the investment outlook and crushing margins.

[Wind power delivers too much to ignore](#)

Onshore wind power has expanded steadily across the UK in recent years and is a key plank of the country's commitment to greening its electricity supply. But as the turbines have gone up across the countryside, so has the level of opposition. Wind power has become a deeply divisive issue in British politics.

[UK scientists to mimic plants to make zero-carbon fuel](#)

LONDON (Reuters) - British scientists seeking to tap more efficient forms of solar power are exploring how to mimic the way plants transform sunlight into energy and produce hydrogen to fuel vehicles.

[Some farmers may qualify for emergency government loans](#)

Farmers in 12 Arizona counties, including Yuma, may qualify for emergency government loans after the U.S. Department of Agriculture declared the central part of the state a natural disaster area due to a lingering drought.

[Federal report suggests Canada unprepared for new mercury light bulbs](#)

OTTAWA - Canada's mercury-waste facilities are either patchwork or non-existent as millions of light bulbs containing the highly toxic chemical are set to flood the marketplace.

That's a key finding of a report commissioned by Environment Canada in the run-up to a major change in the way Canadians light their homes.

[Mercury-Emissions Treaty Is Adopted After Years of Negotiations](#)

GENEVA (AP) — More than 140 nations adopted the first legally binding international treaty on Saturday aimed at reducing mercury emissions, after four years of negotiations on ways to set limits on the use of a highly toxic metal.

[US climate fears mount, but political action wanes](#)

Climate change was thrust to the forefront of the US political agenda recently in the wake of the devastation caused by superstorm Sandy and record high temperatures across the country.

But despite President Barack Obama renewing his early promises to act, experts said political opposition would make it at least as difficult as during Obama's first, failed push to get new legislation through Congress, and said decisive measures will remain unlikely.

[Joe Biden to climate activists: 'Keep the faith'](#)

Vice President Joe Biden reassured environmentalists Sunday night that the Obama administration would not let climate change fall by the wayside in the president's second term.

[Obama can mobilize national labs to work on climate change](#)

At the recent annual meeting of the American Geophysical Union, scientists presented evidence of climate change proceeding more rapidly than they had imagined 15, 10 or even five years ago.

[Will The Grass Be Greener In Obama's Second Term?](#)

One of the chief expectations of those who voted for President Obama is that he moves assertively to pass climate change legislation, whatever the political climate in Washington.

"We have a bipartisan common interest in moving away from fossil fuels towards clean energy," says Michael Brune, the executive director of the Sierra Club. "The sooner that members of both parties in Congress realize that and develop solutions, the better off we'll all be."

[Record heat puts Obama on climate hot seat](#)

That news puts President Obama on the hot seat. As his second term begins, the president has a clear opportunity to revolutionize his whole approach to fighting manmade climate change. And 2012 couldn't have made a more powerful case for urgent action against the greenhouse gas pollution creating this problem.

[Prancing On a Volcano](#)

No one can know how historians centuries hence will view the period that runs from roughly the end of the Cold War up through the next couple of decades. It will be surprising if they do not see it as a turning point. Large forces have been unleashed that are beyond easy control, or perhaps any control. Obama has been mocked for his occasional grandiloquence on the most daunting issues of the day, most famously when he clinched the Democratic nomination in 2008 and predicted that future generations would be able to say that "this was the moment when the rise of the oceans began to slow and our planet began to heal." Even if we defy Orwell and prove capable of acknowledging what's in front of our noses, there's no way to riddle out the far-future consequences. Gutenberg did not foresee that his movable type — first employed to print a Bible, after all — would lead to an epidemic of freethinking and ultimately to religious wars and political upheavals throughout Europe.

[Dieter Helm's Carbon Crunch left me frustrated and disappointed](#)

Helm paints a depressing picture of all that is wrong with the world and then offers a neat plan for what we should be doing differently if we wanted to make a difference: he wants to see better carbon pricing, border tax adjustments and money spent on research and development.

[What is causing Australia's heatwave?](#)

Australia has always experienced heat waves, and they are a normal part of most summers. However, the current event affecting much of inland Australia has definitely not been typical.

The most significant thing about the recent heat has been its coverage across the continent, and its persistence.

[Solutions lag as sea quickly rises](#)

Sandy is the future, climate scientists say. As carbon dioxide emissions exceed worst-case scenarios, rising sea levels and storm surges will reshape every U.S. coastline, from San Francisco to Houston to New York. It is only beginning to dawn on Americans, half of whom live on the coast, that their future is a battle against the sea.

In the impulse to rebuild from Sandy, much of it financed by the federal government, big questions need to be answered. What to protect, and how? Where to retreat? Where to stand fast?

[Koch-Funded Study Finds 2.5°F Warming Of Land Since 1750 Is Manmade, 'Solar Forcing Does Not Appear To Contribute'](#)

The Berkeley Earth Surface Temperature Study (BEST) has finally published its findings on the cause of recent global warming. This Koch-funded reanalysis of millions of temperature observations from around the world, ["A New Estimate of the Average Earth Surface Land Temperature Spanning 1753 to 2011,"](#) concludes:

... solar forcing does not appear to contribute to the observed global warming of the past 250 years; the entire change can be modeled by a sum of volcanism and a single anthropogenic [human-made] proxy.



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