



## Drumbeat: March 4, 2013

Posted by [Leanan](#) on March 4, 2013 - 10:31am

### ['Peak oil' doomsayers proved wrong](#)

Washington (CNN) -- Remember "peak oil"?

Five years ago, some oil market speculators became convinced that the world was nearing the limits of oil production. Sometime soon -- the 2010s? the 2020s? -- oil production would begin a long steady decline.

Think again. World oil production continues to rise. Leading the oil renaissance: the United States. The International Energy Agency predicts that the United States will overtake Saudi Arabia and Russia to become (again!) the world's leading oil producer by 2017. If the agency's estimates prove correct, the United States and Canada together will become net energy exporters by about 2030, and the U.S., which uses 20% of the world's energy, will achieve energy self-sufficiency by the mid-2030s.

Predictions that the world would imminently "run out of oil" have been worrying oil consumers since at least the 1920s. They always prove wrong, for reasons explained by the great oil economist M.A. Adelman after the last "oil shortage" in the 1970s:

Oil reserves, Adelman writes, "are no gift of nature. They (are) a growth of knowledge, paid for by heavy investment."

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### [Fracking to the rescue as US oil production hits 20-year high](#)

*The global energy crisis has been postponed yet again, so it's time to forget about "peak oil". Human ingenuity has saved the day again.*

Peak oil, the theory that we have passed the moment of maximum global oil production, was described 40 years ago by former Royal Dutch Shell geophysicist Marion Hubbert.

Essentially, Mr Hubbert said that once all the easily extractable oil had been pumped out of the ground, production would go into terminal decline. This increasing scarcity of oil would then cause energy prices to soar, plunging the world into an energy crisis. Peak oil devotees have argued that we passed that peak in the 1970s and the only way for the oil price was up.

However, the fracking boom that sent US gas prices plunging could be about to do the same for oil.

## [US oil production: Don't believe the hype](#)

Oil production is headed back up, but it will peak below the 1970 high in the US or even the secondary high notched in 1985, federal estimates say. It can't solve worldwide oil depletion.

## [WTI Oil Futures Trade Near \\$90 a Barrel in New York](#)

West Texas Intermediate traded near \$90 a barrel, a level it has held above so far this year, after money managers cut bets on rising prices.

Futures were little changed in New York after sliding to a 10-week low on March 1. Net-long positions in WTI dropped 16 percent, according to weekly data from the Commodity Futures Trading Commission. Services industries in China expanded at the slowest pace in five months in February, a survey of purchasing managers showed yesterday.

## [China ousts the U.S. as the world's main oil importer](#)

For the first time in almost 40 years, the U.S. has lost its top net oil importer position to China according to preliminary figures published by the U.S. Energy Information Administration (EIA).

Although not set in stone yet, the news is considered by specialists as a "once-in-a-generation shift that will shake up the geopolitics of natural resources."

## [Ophir Seen Luring Shell With Africa Gas Assets](#)

Ophir Energy Plc, the U.K. explorer with natural gas assets in Africa, is turning into a takeover target for producers including Royal Dutch Shell Plc as its limited cash hampers the ability to develop finds on its own.

## [CNPC to Spend \\$2.4 Billion on Upgrades to Produce Cleaner Fuel](#)

China National Petroleum Corp., the nation's biggest energy company, will spend 15 billion yuan (\$2.4 billion) to upgrade the quality of fuel it refines, General Manager Zhou Jiping said.

## [Mexico's Pena Nieto Gets Nod From Party to End Pemex Monopoly](#)

Mexico's President Enrique Pena Nieto won support from his party to advance with his growth plan that includes ending a 75-year-old state monopoly on the oil industry.

### [Iran crisis may hit expansion plans of Indian refiners](#)

Amid insurance woes, the US sanctions on Iran may well cast a shadow on expansion plans by Indian refiners.

### [Canada Condemns Pakistan's \\$7.5 Billion Pipeline Project To Iran](#)

John Baird, Canadian foreign minister issued a statement saying that the Canadian federal government got disappointed by Pakistan's decision to build the \$7.5 billion gas pipeline to Iran to purchase Iranian resources through the pipeline.

"Canada is deeply disappointed by Pakistan's decision to build a new natural gas pipeline with Iran and to purchase Iranian resources through it," said John Baird in the statement Friday.

### [Libyan army restores order at gas complex, flows suspended](#)

MILAN/TRIPOLI (Reuters) - Libya said on Monday the army had restored order at an energy complex near Tripoli after weekend clashes between militia guards, but that gas exports to Italy would remain suspended and oil production cut back for several days.

Libyan officials said the national army and militias aligned with it had arrived at the Mellitah oil and gas complex, some 100 km (60 miles) west of Tripoli, on Sunday night. The locally deployed militias had ceased fighting but gas exports had been suspended on Monday for a third day.

### [Myanmar to open offshore oil and gas bids by April; violence could delay China pipeline](#)

YANGON, Myanmar — Myanmar plans to put over 20 offshore oil and gas exploration blocks up for auction by April as the country pushes to attract foreign investment and expertise to help overcome an energy deficit that's a legacy of gas export deals made by its former military rulers.

Myanmar produces more than enough natural gas, which is its primary source of energy after biomass, to meet domestic needs. But it exports about 80 percent of the 1.2 to 1.4 billion cubic feet of gas it produces each day to Thailand under contracts signed by Myanmar's old authoritarian military rulers.

### [Indonesia oil/gas contractors agree to export proceeds rule-c.bank](#)

(Reuters) - Indonesia's oil and gas contractors have all agreed to comply with a

controversial rule that forces them to put their exports proceeds through a local bank rather than directly offshore, the central bank said on Monday.

The agreement follows protests by at least two energy contractors and a warning from the government that their shipments could be blocked if they refused to abide by the rule, being implemented this year.

### [Shell says may shut down key Nigerian oil pipeline over sabotage attacks](#)

Lagos (Platts) - Shell's Nigeria unit may be forced to shut down completely its key Nembe Creek oil pipeline in the Niger Delta following repeated attacks on the facility by thieves siphoning crude, the chairman of Shell companies in Nigeria, Mutiu Sunmonu, said Monday.

The sabotage attacks are "coming to a crunch [such] that rather than allow people to continue to attack my pipeline and devastate the environment, I may actually consider shutting in the pipeline completely," Sunmonu said in a statement.

### [Keystone report raises ire of critics](#)

LINCOLN -- The U.S. State Department offered no recommendation for or against the Keystone XL pipeline on Friday in its release of a massive draft supplemental environmental impact statement.

But the agency in charge of the environmental review of the proposed TransCanada project did draw quick and heavy criticism from opponents of the project with two points made in the executive summary released at mid-afternoon.

### [Environmentalists Step Up Opposition to Keystone Pipeline](#)

Opponents of TransCanada Corp.'s Keystone XL pipeline say they intend to make President Barack Obama hear their concerns after a March 1 report helped clear a way for White House approval of the project.

The pipeline drew a fresh wave of objections from groups including the Sierra Club, Natural Resources Defense Council and 350.org, when the U.S. State Department's draft assessment said it won't have a significant impact on global warming. Members of 350.org will confront Obama and Secretary of State John Kerry at all future public events, said Daniel Kessler, a spokesman.

### [Rig Owner Cites BP's Low Flow Estimates](#)

NEW ORLEANS (AP) -- The owner of the oil rig that exploded in the Gulf of Mexico in

2010 says BP hampered efforts to stop the resulting gusher of oil by misleading government officials about how many barrels of oil were flowing each day from the damaged well on the Gulf floor.

### [BP Spill Judge to Hear From Explosion Survivor This Week](#)

The judge presiding over the trial of BP Plc (BP/) for the Macondo well disaster is set to hear from a survivor of the fatal rig explosion that sent millions of gallons of oil pouring into the Gulf of Mexico, according to a witness list prepared for the case.

### [Exxon Mobil Begins Defense in New Hampshire MTBE Trial](#)

Exxon Mobil Corp., on trial in New Hampshire for contaminating residents' drinking water with a gasoline additive, will try to persuade a jury that federal law required the use of the chemical and that it didn't harm anyone.

### [A Snapshot of Drilling on a Park's Margins](#)

The Anschutz Exploration Corporation has been drilling exploratory wells for hydraulic fracturing, or fracking, on the Blackfeet Indian Reservation, immediately east of Glacier National Park, for over two years.

Now a subsidiary of the company, Xanterra Parks and Resorts, is bidding on a contract to operate all concessions in Glacier National Park for 16 years.

### [Fracking Under a Historic Farm](#)

In its ongoing campaign to win over opponents of hydraulic fracturing, the natural gas industry has succeeded in persuading the owner of a historic Pennsylvania farm to allow gas to be extracted from beneath her property.

### ['Building New Nuclear: the challenges ahead' report published](#)

Failure to build a new fleet of nuclear power stations in the UK could make it much more expensive to meet our climate change targets and Ministers must stop 'crossing their fingers' and urgently develop a back-up energy strategy, a report by the Energy and Climate Change Committee argues.

### [Obama rounds out cabinet with EPA, Energy picks](#)

WASHINGTON (Reuters) - President Barack Obama will announce on Monday his intent to nominate air quality expert Gina McCarthy to lead the U.S. Environmental

Protection Agency and nuclear physicist Ernest Moniz to head the Department of Energy, a White House official said.

### [Peak Car - Europe's car industry is on the wane](#)

"Peak Car" is the term to use the industry experts when they discuss the issue of the future of the industry in Europe, it is based on a concept of the energy industry -. More precisely the concept of global peak oil, if peak oil, the highest point in promoting. is reached, the amount of world's oil production takes off necessarily, since the reserves of the raw material are simply getting smaller.

Analog argue the proponents of Peak Car. You ask the question whether the maximum car sales in Western Europe may already be history. Unlike the oil production here, the shortage is not on the supply side. Quite the contrary: there is a large excess capacity in production. On the old continent, depending on the estimate that up to 30 percent more than currently produced vehicles are in demand. It lacks not in cars, but at a sufficient number of car buyers.

*(Translated from German via Google Translate)*

### [India's Only Electric Car Revamped to Woo Drivers](#)

Long before the Nissan Leaf and the Chevy Volt were born, India had its own electric car, the tiny REVAi. The car ended more than a decade of production last year after selling less than 5,000 units worldwide. But underwhelming sales haven't prevented its maker from raising the stakes: This year, Mahindra Reva is betting everything on its new electric four-seater hatchback, the E2O.

### [SolarCity is making solar power pay](#)

Most of the taint is around solar manufacturing. Our business model is totally different. We're an energy company. We install solar systems for free, and we sell the electricity at a lower rate than you can buy it from the utility. So given the option of paying more for dirty power or paying less for clean power, what would you take?

### [Spill in China Underlines Environmental Concerns](#)

HANDAN, China — The first warning came in the form of dead fish floating in a river.

Then officials in this city got confirmation that a chemical spill had taken place at a fertilizer factory upstream. They shut off the tap water, which sent residents into a scramble for bottled water. In the countryside, officials also told farmers not to graze their livestock near the river.

### [Look Carefully at Those Seeds](#)

COPAKE FALLS, N.Y. - WHAT could be a greener, more feel-good purchase than seeds? Aren't the tiny plant embryos, huddled in the suspended animation of dormancy inside a simple paper packet, true innocence incarnate?

I had held to that conviction for more than 25 growing seasons, dreamily lost, like other gardeners, in the annual onslaught of catalogs stacked on our kitchen tables in February and March. But those seeds may be far from innocent. It turns out that growing vegetables for their seed often involves more chemical use than growing those same crops for food.

### [In California, What Price Water?](#)

At the moment, the seawater is being diverted from the ocean to cool an aging natural-gas power plant. But in three years, if all goes as planned, the saltwater pulled in at that entryway will emerge as part of the regional water supply after treatment in what the project's developers call the newest and largest seawater desalination plant in the Western Hemisphere.

### [Drought Revives Interest in Reservoirs](#)

Reservoirs are an "efficient way to capture storm water," said Thomas E. Taylor, the executive director of the Upper Trinity Regional Water District, which wants to build a \$270 million reservoir known as Lake Ralph Hall northeast of Dallas.

Mr. Taylor said that reservoirs provide a reliable water supply, and added that many farmers have built minireservoirs on their land.

But environmentalists say reservoirs are unnecessary, expensive and damaging to the land.

### [Splash and grab: The global scramble for water](#)

What we call land-grabbing is often more about access to irrigation. We urgently need to know how much is being purloined.

### [Carbon pricing needed to control airline CO2 emissions-study](#)

BRUSSELS (Reuters) - Aviation pollution can only be stabilised by the middle of the century if a price is set on airline carbon emissions, research said, countering industry hopes that green goals can be met via technology improvements and biofuels.

A European Union scheme to force airlines using EU airports to pay for their carbon emissions caused an international outcry, forcing the European Commission to propose a

year-long freeze of its law.

### [Clearing Forests May Transform Local—and Global—Climate](#)

Researchers are finding that massive deforestation may have a profound, and possibly catastrophic, impact on local weather.



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