



Drumbeat: March 8, 2013

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[We Live In An Age Of Energy Abundance](#)

What will it take for us to realise that the doom-mongers and peak-oil theorists are wrong, and that we live in an era of energy abundance?

We are not lacking in evidence. Over the past 20 years, global oil consumption has increased by thirty per cent, but proven reserves have increased at twice that rate. The IEA has said that there are many sources of uncertainty surrounding future oil supplies, but the size of the resource base is not one of them. Today's proven oil reserves are sufficient to provide for over fifty years of demand at current rates. If estimates of undiscovered resources and future improvements in technology are included, this rises to almost two hundred years.

[BP CEO: 'Peak oil' talk quieted by abundance](#)

HOUSTON – BP CEO Robert Dudley said booming oil-and-gas production from sources including onshore shale formations and deepwater regions has defeated arguments that global oil production will soon peak and go into an irreversible decline.

Dudley, in a speech, noted projections of overall global demand energy growing by over a third by 2030, including the need for around 16 million more barrels per day at that time.

But he said that the ability produce from oil-and-gas reservoirs that were once out-of-reach will enable supply to keep up.

[Is Peak Oil A Myth?](#)

We were supposed to be close to running out of oil right now, but we have more than ever. But is that actually more dangerous than having none of it?

[Brent Crude Falls to 2013 Low as Pipeline Flow Resumes](#)

Brent crude declined to its lowest level this year, erasing this week's advance, as flows increased through a North Sea pipeline after a five-day halt.

Brent futures dropped as much as 1.8 percent to the lowest since Dec. 26. The Brent Pipeline System in the North Sea is “approaching” its targeted flow rate of 80,000 barrels a day, an official for Abu Dhabi National Energy Co. (TAQA), or Taqa, said by phone today. The system had an unplanned halt on March 2. West Texas Intermediate crude was little changed, paring losses after the U.S. added more jobs than forecast last month.

[OPEC to Boost Shipments on Western Demand, Oil Movements Says](#)

The Organization of Petroleum Exporting Countries will raise shipments this month in anticipation of a rebound in demand as refiners in the U.S. and Europe finish maintenance, according to Oil Movements.

[Snowy Roads Aren't Putting a Damper on High Gas Prices](#)

With all the snow on the roads, one would think that would be put a damper on gasoline prices. Not so. They have increased about 50 cents a gallon this year to about an average of \$3.80 a gallon. And the kids haven't even gotten out of classes for the spring break. What's going on?

[New York Gasoline Sinks to 1-Year Low on Imports](#)

New York Harbor gasoline weakened to the lowest level in almost a year as U.S. East Coast imports increased and nationwide demand for gasoline declined.

[North Sea Buzzard share of Forties output hits lowest level of year: BP](#)

London (Platts) - The UK's Buzzard oil field contributed only 16% of Forties blend output in the week of February 18-24, down from 33% the previous week, BP data showed Friday.

This is the lowest contribution of Buzzard to Forties seen so far in 2013, and BP did not provide data for previous years.

[U.K.'s Record Norway Gas Need Spells Price Jumps](#)

The U.K. has never been so reliant on natural gas from Norway, raising the possibility of higher prices when supplies to Europe's biggest market for the fuel are disrupted.

Gas for same-day delivery surged 64 percent to a seven-year high on March 4 after a power failure cut supply from Norway's Ormen Lange, Europe's third-largest gas field.

[Ethanol Outpaces Gasoline on Longest Supply Drop Since 2010](#)

Ethanol outpaced gasoline as plant shutdowns led to the longest streak of weekly supply declines since October 2010.

The spread narrowed 3.74 cents to 68.73 cents a gallon a day after the Energy Information Administration said ethanol inventories fell for a fifth week to a 13-week low and output slipped for the first time since Jan. 25.

[This Time It's The Same - And That's Not Good](#)

We are trapped in an era when the average hourly wage buys a de minimus amount of energy and just as we saw heading into 2008, this relative price surge is occurring just as the macro-economic data itself is rolling over. This time it's the same - a double-dip in macro surprises driven by relative gas prices.

[Nigerian Lawmakers Reveal Regional Divide in Oil-Bill Debate](#)

Nigerian lawmakers split along regional lines as they began debating a proposed law to reform regulation and funding of Africa's biggest oil industry.

A plan in the bill to set aside 10 percent of profits from oil companies' operations in Nigeria for communities in the southern Niger River delta, home to the country's oil industry, was opposed by senators from the north, who argued that oil-rich states were already getting too much federal revenue. Southern senators backed the plan.

[Gazprom Scores Big in Israel](#)

The mammoth Russia state gas firm Gazprom signed an agreement last week in Israel that not only solidly improves its commercial liquefied natural gas (LNG) strategy, but also looks set to shift the geopolitical balance in the strategic Mediterranean region in the company's favor.

[India May Halt Iran Oil Imports on Refinery Insurance](#)

Indian refiners including Mangalore Refinery & Petrochemicals Ltd. may be forced to halt purchases of Iranian crude as local insurers refuse to cover the risks for any refinery using that oil, a company executive said.

[Liberia says to ink oil deal with Exxon, COPL](#)

DAKAR (Reuters) - Liberia will sign off on a deal giving oil major Exxon Mobil and its

partner Canadian Overseas Petroleum Limited rights to develop an offshore oil block, a presidential spokeswoman said on Friday.

Landing the world's largest private sector oil company will add heft to Liberia's nascent oil industry. The deal comes as the impoverished West African state is seeking to overhaul its petroleum policy and bolster transparency.

[Russia Says 'No Gift' to Norway in Maritime Delimitation Deal](#)

MOSCOW (RIA Novosti) – The Russian Foreign Ministry on Wednesday denied that the 2010 maritime delimitation deal with Norway was Moscow's "gift" to Oslo, as a number of Russian media outlets recently put it.

The Russian-Norwegian treaty on maritime delimitation and cooperation in the Barents Sea and the Arctic Ocean came into force in July 2011. The document was signed in September 2010, after nearly 40-year-long talks to define the exclusive economic zones and delimitate the continental shelf.

[Interior Dept. Nominee Is Questioned on Public Land Use](#)

WASHINGTON — Sally Jewell, President Obama's nominee for interior secretary, deflected many of the questions she faced at her confirmation hearing Thursday but made clear she supports expanded oil and gas development on public lands and waters, including exploratory drilling off the North Slope of Alaska and seismic testing in the Atlantic Ocean.

[Obama Interior Pick Championed Outdoor Jobs Over Oil](#)

"Protecting America's parks, waters and trails is about protecting the economy, the communities and the people whose lives depend on the ability to play outside," Jewell, president of Recreational Equipment Inc., told the 22-member governors' group at a resort in Washington's Cascade mountains.

Selling fleece jackets, fishing poles, skis and kayaks -- REI's business -- is a \$646 billion industry, making it a bigger part of the U.S. economy than manufacturing pharmaceuticals or refining gasoline, according to an industry report Jewell highlighted that day.

[Vattenfall axes 2,500 jobs amid low electricity prices](#)

The Swedish energy group Vattenfall said Wednesday that it would axe 2,500 jobs, including 1,500 in Germany, by the end of next year owing to excess supply in Europe's electricity market.

[Keystone Fails Texas Common-Carrier Test, Court Is Told](#)

TransCanada Corp. faces court arguments from Texas landowners that its plans for the Keystone XL pipeline to transport Canadian tar-sands oil to coastal refineries don't give it the right to condemn their property.

One farmer, in an appellate hearing today in Beaumont, Texas, seeks to build on a state Supreme Court decision and what may be a groundswell of support for property rights and environmental protection in a state whose laws and courts have historically accommodated the oil and gas industry.

[BP, Transocean Officials Botched Tests, Witness Testifies](#)

The rig's crew misinterpreted results of negative pressure tests done April 20, 2010, that showed the Macondo well was unstable, Richard Heenan, a Canadian engineer who has supervised off-shore drilling projects, told a judge yesterday in a trial over spill claims. The U.S. government contends the botched tests led to the blast, which killed 11 workers and sent more than 4 million barrels of oil spewing into the Gulf.

"I couldn't believe, based on what I saw, that the people on the rig came to the conclusion that this was a successful test," Heenan told a federal judge yesterday in New Orleans. The handling of the check "was a gross and extreme departure" from accepted oil-industry standards, he said.

[As Fracking Increases, So Do Fears About Water Supply](#)

CARRIZO SPRINGS, Tex. — In this South Texas stretch of mesquite trees and cactus, where the land is sometimes too dry to grow crops, the local aquifer is being strained in the search for oil. The reason is hydraulic fracturing, or fracking, a drilling process that requires massive amounts of water.

"We just can't sustain it," Hugh Fitzsimons, a Dimmit County bison rancher who serves on the board of his local groundwater district, said last month as he drove his pickup down a dusty road.

[Nuclear plant inspections need to improve: report](#)

(Reuters) - More than one-third of U.S. nuclear power plants suffered safety-related incidents over the past three years, and nuclear regulators and plant operators need to improve inspections to prevent such events, the Union of Concerned Scientists (UCS) said in a report on Thursday.

[Looming Cuts Add to Problems at Nuclear Site](#)

Nature might, in the end, bat last at Hanford, in deciding whether the land can ever be healed, but in the meantime government policy and spending decisions are running the bases.

“I’m very disturbed that at the very month that we have six new leaking tanks of radioactive material, the sequestration hits, which could result in the furlough of several thousand people,” said Mr. Inslee, a Democrat and a former congressman.

[Japan: Flooding Complicates Clean-up at Nuclear Plant](#)

REUTERS - Tokyo Electric Power Co is struggling to stop groundwater flooding into damaged reactors at its wrecked Fukushima plant and it may take four years to fix the problem, possibly delaying the removal of melted uranium fuel.

[Propane: It's not just for barbecues anymore](#)

Home satellite TV provider DISH Network Corp has signed a deal to run 200 of its trucks on propane, in the latest indication that the niche fuel could soon rival natural gas as the United States' cheap transport alternative.

Once considered a low value by-product of oil refining and natural gas processing, used primarily in home heating and in industry, propane is now being used as a fuel in some new school buses and trucks around the country. That is happening as businesses like DISH look for ways to move away from dearer gasoline and diesel so that they can cut their fuel bills.

[The Peak Oil Crisis: An Electric Car in Your Future?](#)

Every now and again some good news shows up, so this week I am going to share it with you. It has to do with electric-powered cars.

[Noam Chomsky: Will Capitalism Destroy Civilization?](#)

There have been serious debates over the years about whether capitalism is compatible with democracy. If we keep to really existing capitalist democracy – RECD for short – the question is effectively answered: They are radically incompatible.

It seems to me unlikely that civilization can survive RECD and the sharply attenuated democracy that goes along with it. But could functioning democracy make a difference?

[Why Our Current Way of Living Has No Future](#)

All of the sordid and spellbinding rackets working their hoodoo on the financial scene have obscured a whole other dimension of the fiasco that America finds itself in, namely the way we have arranged the logistics of everyday life on our landscape – the tragedy of Suburbia.

I call it a tragedy because it represents a sequence of extremely unfortunate choices made by our society over several generations. History will not forgive the excuses we make for ourselves, nor will it shed a tear for the tribulations we will induce for ourselves by living this way. History may, however, draw attention to our remarkable lack of a sense of consequence in transforming this lovely, beckoning New World continent into a wilderness of free parking. In any case, we're stuck with what we've done, and the question naturally arises: *What will we do now?*

[Windfarms 'about creating wealth for Ireland', minister says](#)

Speaking to Midlands radio, Rabbitte said: "This is about jobs and creating wealth for Ireland.

"Why is the emphasis on the protest and not that we are creating new jobs in a sector that is renewable and brings down the cost of energy to Ireland? It creates a whole new possibility, it's a sector that wasn't there before."

[Proposed Dam Presents Economic and Environmental Challenges in Alaska](#)

At a time when large dams are being taken down, not put up, the state of Alaska is proposing to construct one of the tallest and most expensive hydroelectric dams ever built in North America.

[Egypt hungry for 'food revolution'](#)

Cairo, Egypt (CNN) -- Low-income households in Egypt are being hit by soaring food prices, placing a major strain on many poor families in the country, who are struggling to put basic staples on the table.

Inside a small Cairo apartment, Howeida Nageh is dicing a few tomatoes in her kitchen. Her three sons have arrived home from school and they are hungry. Yet, the only food available is these tomatoes and a piece of bread -- and this will be the boys' only meal for the day.

[Smart, Innovative Farmers in the Dakotas](#)

Even as farm commodity prices have been strong, the input costs for industrial farming methods have been increasing. Given a fall in commodity prices, these inputs might not be recovered and these days we're talking real money to plant a crop. Then, there is

that pesky problem of Roundup resistant weeds so that additional labor or chemical expense is required anyway, on top of the high input costs already paid up front.

Where is this headed? I don't know, but it just might be the way these smart farmers in the Dakotas are approaching farming.

[Sardines in India latest indicator of how your food is on the move](#)

Mumbai's new sardine bounty is an example of how warmer temperatures may be redrawing the world's geographic distribution of food with potential implications for what and how we eat.

[Exelon's not alone: Caterpillar ditched FutureGen, too](#)

Exelon Corp. isn't the only major Illinois corporation to pull out of the alliance developing the federally subsidized FutureGen "clean coal" power plant downstate. Add Caterpillar Inc. to the list.

And, like Exelon, Caterpillar is part of a group mounting a legal challenge to the state's recent decision to hike electric bills statewide to cover the \$600 million of the \$1.6 billion project not paid for by the U.S. Department of Energy.

[CERAWEEK - Gates favors nuclear power to help limit climate change](#)

(Reuters) - Microsoft Corp co-founder and Chairman Bill Gates said that expanding nuclear power and making it safer was the most economic way to ward off climate change.

In an address to the IHS CERAWEEK conference of international energy company executives, he said safe and reliable reactors were the best option and dismissed wind and solar energy as less practical.

[No, Minister Oliver, the oil sands have not become 'green'](#)

Many Canadians must have wondered if George Orwell was alive and well this week as they read that the Alberta oil sands were being pitched to U.S. officials as "green" by Natural Resources Minister Joe Oliver.

"Canada is the environmentally responsible choice for the U.S. to meet its energy needs in oil for years to come," the minister told an audience in Chicago – a message he repeated over and over in his U.S. tour, part of a calculated mission to associate Alberta bitumen with ecological benefits.

[Canada's Oil Industry Begg to Be Taxed](#)

Fort McMurray, in Western Canada, is surrounded by thick boreal forest, but you can still make out the oil-rich town from dozens of miles away. Plumes of carbon-rich smoke hover above it, a byproduct of the oil industry's efforts to mine a peanut-butter-thick form of crude from vast stretches of tar sands.

Canadian oil companies know there's no hiding it's a dirty business and the country's fastest-growing source of greenhouse-gas emissions. They worry their oil will be barred from foreign markets because it's a bigger polluter than other fossil fuels. To stave off costs that could come with more regulation, the industry is doing something unusual: It's asking the Canadian government to slap a national pollution tax on its filthy crude.

[Climate change poses a far greater threat to Scotland's future oil revenues](#)

Scotland's fate as a rich independent nation is again being fought over with a battle raging over the risks of relying on North Sea oil. But in future, climate change will pose a far more serious challenge.

[Canada's Arctic glaciers headed for unstoppable thaw: study](#)

OSLO (Reuters) - Canadian glaciers that are the world's third biggest store of ice after Antarctica and Greenland seem headed for an irreversible melt that will push up sea levels, scientists said on Thursday.

About 20 percent of the ice in glaciers, on islands such as Ellesmere or Devon off northern Canada, could vanish by the end of the 21st century in a melt that would add 3.5 cm (1.4 inch) to global sea levels, they said.

[Recent heat spike unlike anything in 11,000 years](#)

WASHINGTON (AP) — A new study looking at 11,000 years of climate temperatures shows the world in the middle of a dramatic U-turn, lurching from near-record cooling to a heat spike.

Research released Thursday in the journal *Science* uses fossils of tiny marine organisms to reconstruct global temperatures back to the end of the last ice age. It shows how the globe for several thousands of years was cooling until an unprecedented reversal in the 20th century.

Scientists say it is further evidence that modern-day global warming isn't natural, but the result of rising carbon dioxide emissions that have rapidly grown since the Industrial Revolution began roughly 250 years ago.



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