



Drumbeat: October 25, 2009

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Topic: [Miscellaneous](#)

[Global oil supply: Separating fact from fiction](#)

Steven Lynch's opinion piece published in the August 25 edition of the New York Times, "Peak Oil Is a Waste of Energy," contends that there is no danger of near-term decline of production rates because great volumes of oil are believed yet to be discovered. This simplistic view fails to recognize that an aging handful of giant and super-giant fields (only 320 of the world's 16,000 oil fields) provide nearly 60 percent of global oil supply. We provide an alternative view that field size, not just total undiscovered volumes, will determine future production rates and costs.

To illustrate this point, compare an oil field to a glass of water with a straw (our capital cost) as the means of extraction. A single glass of water can be drained by one straw at a very low cost. To drain the glass faster, add multiple straws for a higher extraction rate and higher cost. Consider that same volume of water poured onto a table. There are now many much smaller puddles that require their own straws. Not only is the unit cost of extracting each small puddle much higher than in the case of the glass, the productivity of each straw is much lower. In practice it is not possible to produce from the multiple puddles at the same rate as from the glass. We have "drunk" most of the oil from the giant and super-giant fields. What we have left are a few glasses and many, many puddles. Even though there may be many puddles yet to be discovered, it does not change the fact that they produce at a lower rate and at a higher cost than their larger brethren.

Current giant and super-giant fields are soon destined to be so depleted that no leap in technology or increase in price will prolong their life. Oil is a finite resource. Because the amount of oil has been underestimated in the past doesn't mean it is today or will continue to be.

[Byron King : The Energy Crisis Just a Bit Delayed](#)

Eighty-five million barrels a day.

That's the most that can be produced. So when recession causes a temporary decrease in world consumption, it can seem like those 85 million barrels are enough. But consumption is bound to resume its upward climb, while those 85 million barrels a day are all we get. The day of reckoning has just been delayed for a little bit.

“Can’t we get more than 85 million barrels?” some folks are bound to wonder. Let’s look into that.

[BP Joins Race to Find Arctic Oil](#)

BP, the British oil major, has joined the rush for oil in the Arctic by conducting its first seismic study in the region.

It is being carried out in the Beaufort sea, 150 km (93 miles) off the coast of Canada.

[Iran says committed to crude production quota](#)

TEHRAN: Iran has always adhered to its implied output target under OPEC's existing output curbs and has not violated its commitments, its OPEC governor Mohammad Ali Khatibi told the semi-official Mehr news agency yesterday. The most recent Reuters survey of oil firms, OPEC officials and analysts showed Iran, the group's second-largest producer, pumped 430,000 barrels above its OPEC target in September, the most in absolute terms of any member. "Iran has always been committed to crude production quotas set by OPEC and there has never been any violation by Iran in this respect," Khatibi said.

[Saudis sell fuel oil at steeper discount](#)

The stream of cargoes from Saudi Aramco's refineries at Ras Tanura, Rabigh, Jubail and its joint-venture plant with ExxonMobil in Yanbu — at least 925,000 tonnes so far — have hit the highest level for the October month in five years, due to refinery outages and as power generation needs over the summer eased.

[China devours Western prop of falling oil prices](#)

It used to be the case that when the Western world went into recession, oil prices would automatically fall.

As the principal energy consumer, a weaker West meant the global economy needed less crude.

The resulting lower energy costs would help us escape recession, easing fuel bills while allowing our central banks to cut interest rates with less fear of inflation.

The world has now changed. The West remains in an economic coma, yet oil just hit \$81 a barrel – the highest this year and up 115pc since February.

[Lawmakers get earful on rural energy crunch](#)

Two hours of testimony Friday from leaders of Alaska's 12 Native regions brought different stories with the same theme: communities from Barrow to Adak, Shishmaref to Kodiak, are suffering under the weight of high energy prices and frustrated they can't make use of the state's rich resources to lower costs, provide security and protect the environment.

"Alaska is one of the richest states in the nation," said Tony Weyiouanna of Shishmaref, an eroding island community in the oil-rich Chukchi Sea. "We're here with an abundance of natural resources ... and we're in an energy crisis."

[Poor Casualties of the New Cold War](#)

THE second biggest power supplier in Britain is due to announce bumper profits next month. Scottish and Southern Energy, which has nine million customers, has already forecast that pretax profits for the six months to the end of September will be significantly higher than last year's £303million.

Speculation is rife that the company could announce profits for the period of nearly £600million. But with average annual household energy bills standing at £1,239 after a 42 per cent rise last year, any rise will enrage consumers.

[Petrobras \\$4 billion bond issue Brazil's largest since 2000](#)

NEW YORK (MarketWatch) -- Brazilian state-run energy company Petroleo Brasileiro S.A., or Petrobras, sold a total of \$4 billion in bonds Friday in two parts, the largest debt sale out of Brazil since the start of this decade.

Massive interest in the issue comes despite a new Brazilian tax law announced Monday, which levies a 2% tax on foreign investment in local equities and fixed-income assets in order to slow appreciation in the real against the dollar.

[Sri Lanka faces fuel shortage in oil union protest](#)

COLOMBO (AP) — Long lines have formed at gas stations in Sri Lanka's capital as workers of the state-owned oil corporation continue a strike to push for a pay increase.

The four-day strike has paralyzed fuel distribution in the capital, Colombo, but authorities say panic buying has aggravated the situation. The strike ends Sunday.

[Nigeria's Oil Rebels Order 'Indefinite Cease Fire'](#)

(Bloomberg) -- Nigeria's Movement for the Emancipation of the Niger Delta, the main armed group in the country's oil region, said it started an "indefinite cease fire" to enable talks for a "lasting peace."

The cease fire, which went into effect at midnight this morning, followed a meeting between President Umaru Yar'Adua and Henry Okah, leader of the group also known as MEND, on Oct. 19. Okah subsequently conveyed to the movement the government's readiness to talk with group's chosen negotiators, MEND spokesman Jomo Gbomo said in an e-mailed statement today.

[U.S., Russia, France agree to ElBaradei proposal](#)

VIENNA (Xinhua) -- The United States, Russia and France Saturday endorsed a proposal by the International Atomic Energy Agency (IAEA) Director General Mohamed ElBaradei on Iran's nuclear development, but Iran said it needed until next week to respond.

The United States, Russia and France have indicated their positive response to ElBaradei's proposal on a draft agreement to supply Iran with nuclear fuel for its research reactor, which among other things produces radioisotopes for medical purposes, according to the IAEA.

[Jordan inks gas deal with BP](#)

Aman - The Jordanian government on Sunday signed an agreement with British Petroleum for the development of the Risheh gas field near the Iraqi border, a deal envisaging an eventual investment of about 10 billion dollars.

[Power plant needed to meet energy demand, province says](#)

Energy Minister George Smitherman says that a gas power plant located in the southwestern Toronto region will be far healthier than Mississauga's coal-burning plant that the province recently closed.

[Alaskans wait to see if Palin's gas pipeline plan will produce state's next big economic boom](#)

ANCHORAGE, Alaska - Sarah Palin hit the vice presidential campaign trail last year and touted what Alaska could provide for the rest of America — a natural gas pipeline to help lead the country to energy independence.

When a pipeline might be built remains a giant question for Alaskans who need the project to support a vulnerable economy and for the Lower 48 states that need the gas, and a petroleum economist who spent more than 25 years in the Alaska Department of Revenue says it may never happen under Palin's plan.

[Thought Experiments on Birth and Death](#)

Rush Limbaugh reacts to a population report by proposing that a reporter kill himself to save the planet.

[Farmers sell wives to pay debts in rural India](#)

The region is called Bundelkhand, spanning the two northern Indian states of Uttar Pradesh and Madhya Pradesh. It is here that drought, debt and desperation have pushed people to extremes.

To survive the bad years, some farmers say they turn to the "Paisawalla" -- Hindi for the rich man who lends money. Farmers say the loans from these unofficial lenders usually come with very high interest.

When the interest mounts up, lenders demand payment. Some farmers work as bonded laborers for a lifetime to pay off their debts. Others here say because of years of little rain and bad harvests they are forced to give money lenders whatever they ask for.

Sometimes that includes their wives.

['Family planning may need adjustment'](#)

China may be ready to fine-tune, if not to end, its 30-year-old family planning policy - rules that helped fuel the country's economic miracle by preventing 400 million births, but which brought their own challenges, including an aging population.

Adjustments, such as the encouragement of urban couples comprising two only-children to have a second child, and the abolition of the four-year interval between births in the countryside, have been made across the country in recent years.

[EPA official says agency may reduce cellulosic mandate for 2010](#)

At a recent conference, Environmental Protection Agency Office of Transportation and Air Quality Director Margo Oge expressed that EPA is considering whether a renewable fuel standard for cellulosic ethanol of something less than 100 million gallons/year might be the most viable option for next year due to the possibility that 100 million gallons of

cellulosic ethanol might not be available in 2010.

[Greece Commits To Green Power](#)

Athens Greece's new socialist government plans to unveil a new law next month to boost renewable energy production as part of its "green growth" model and revive stalled projects with a capacity of more than 7,000 megawatts.

[IEA evaluates Chile's energy policy](#)

SANTIAGO (Xinhua) -- Chile should establish a long-term energy strategy to assure investments coordinated with social and environmental costs, the International Energy Agency (IEA) said in a report Friday.

According to the IEA, the report "Chile Energy Policy Review 2009" makes an integral evaluation of Chile's energy sector, including institutional frames, energy security and environmental protection policies.

[Iran May Qualify for Nuclear Fuel Supply Plan, Poneman Says](#)

(Bloomberg) -- Iran may qualify for imports of uranium under an international program to provide countries with "cradle-to-grave" supplies of nuclear fuel for peaceful purposes, Deputy U.S. Energy Secretary Daniel Poneman said.

[Turkmen-China gas pipeline nears completion](#)

ASHGABAT, Turkmenistan - Work has been completed on the Turkmen section of a pipeline that is due to begin transporting natural gas from the energy-rich Central Asian nation to China by the end of the year, state media reported Friday.

[Keeping Natural Gas in Pipelines, Not Air](#)

The Environmental Protection Agency issued its latest report on the Methane to Markets program intended to encourage industries to capture "fugitive" emissions of the one heat-trapping greenhouse gas that is a valuable fuel, methane. (Nearly all of natural gas is methane.) The illustration above shows the emissions captured so far in international partnerships and those identified but not yet pursued. The gains are substantial, and — as we reported recently — often profitable. But there is still huge untapped potential for capturing emissions from gas wells, oil tanks, coal mines, landfills, livestock operations and other sources.

[Proposed Water Plant Raises Growth Issues in Marin County](#)

Nothing about the Marin Municipal Water District storage yard and the run-down wooden pier protruding into San Francisco Bay give any hint of what they are: the site of what may become one of the fiercest water battles in Northern California in decades.

It is, on the surface, a set piece: an emotional struggle over a large planned water project facing strong environmental opposition. But at a more basic level, it is a contest over the ever-volatile issue of growth in Marin County.

[Fill It Up With Electricity, Please](#)

ELECTRIC cars are coming in big numbers for the first time. Again.

The prediction has been here before, almost every time governments have worried about oil supplies and air pollution. Manufacturers dabbled with electrics after the oil shock of 1979-80. In the 1990s, California said it would require their sale to address its almost intractable air pollution problem. But the technology was not ready, and the state gave up.

[As Hybrid Buses Get Cheaper, Cities Fill Their Fleets](#)

IF you wonder whether hybrid-electric vehicles will ever catch on, simply ask one of the millions of people who ride in them every day.

Hybrid-electric buses, that is.

Transit systems from New York to Taipei, and from Ames, Iowa, to Ann Arbor, Mich., are adding hybrid buses at a rapid clip. New York, by far, has the nation's biggest fleet of hybrid buses, which run on electricity and diesel fuel, with nearly 1,000 in all five boroughs, most in Manhattan.

[Finding Ease, Efficiency and Fun on a Scooter](#)

A FUNNY thing happened on the way to \$4-a-gallon gas, financial collapse and gridlocked city traffic. Americans finally climbed off their Hogs and out of their Hummers and discovered scooters — the zippy, fashion-forward transpo-pods that have long filled the streets and sidewalks of Beijing, Paris, Rome, Shanghai and other cities throughout the world.

American city dwellers, from Miami to Seattle, are being lured into Vespa and other scooter dealerships by the prospect of 70-plus miles per gallon efficiency, traffic-dodging agility and leave-it-anywhere parkability.

[‘Green’ and ‘Luxurious’ in the Same Sentence](#)

WHEN hybrid cars make a green statement, they tend to proclaim penny-pinching mileage and shared sacrifice. But mass-market hybrids like the Toyota Prius have been about as luxurious as a recycling bin, as racy as hemp Birkenstocks.

Now, in the face of stricter mileage standards, a new generation of luxury hybrids and plug-ins is looking to convince affluent buyers that they can have their green cake and eat it, too. Even luxury automakers that once publicly scorned hybrids, especially diesel-centric European companies, are readying electric-bolstered cars for showrooms.

[BMW Offers Plug-In Electric Diesel Hybrid \(and It’s Green, Too\)](#)

LOOKING around the floor of the Frankfurt auto show in September, it would have been easy to conclude that the future of cars lies in pod-like electric models and not sports cars.

But with his Vision EfficientDynamics car, a model of what future BMWs might become, Adrian van Hooydonk, director of BMW Group Design, presented a different sketch of the future. BMW’s offering at Frankfurt was a plug-in electric diesel hybrid that is about as green as they get, rated at the equivalent of about 75 miles per gallon, but with the sporty acceleration of a BMW M3 sports car — like a zero-to-60 time under 4 seconds and a top speed of 155 miles per hour.

[Wind power prescribed for China's energy needs](#)

Environmental scientists from the U.S. and China estimate that wind power alone could meet China's projected electricity needs for 2030 using wind turbines installed over a combined area nearly the size of Manitoba.

The goal of the study is to determine the practicality of switching China from generating electricity using coal and other fossil fuels to a greener energy source, to reduce greenhouse gas emissions and pollution.

[Nuclear energy becomes pivotal in climate debate](#)

WASHINGTON — Once vilified by environmentalists and its future dim, nuclear energy has become a pivotal bargaining chip as Senate Democrats seek Republican votes to pass climate legislation. The nuclear industry's long-standing campaign to rebrand itself as green is gaining acceptance amid the push to curtail greenhouse gases.

[Nuclear debate: A dangerous option that wont solve climate change](#)

There are three main problems with the nuclear “solution” to climate change — it is a blunt instrument, a dangerous one, and it is unnecessary.

[Climate-change skeptics causing delays: Scientist](#)

Canadian climate-change scientists say growing skepticism about global warming in the media is confusing federal politicians and causing delays in action that could prevent dangerous changes in the Earth's atmosphere.

[Science Museum's climate change poll backfires](#)

The museum’s Prove It! website, which is designed to influence politicians at the Copenhagen climate summit in December, allows members of the public to pledge their support, or lack of it, to the environmentalist cause.

But so far those backing the campaign are out-numbered nearly six-to-one by opponents.

[Thousands gather worldwide on day of climate protests](#)

Kicking off with thousands gathering on the steps of Sydney's iconic Opera House, global warming protests took place around the world yesterday to mark 50 days before the UN climate summit.

From Asia to Europe via the Middle East, activists staged lively events addressing world leaders and to mobilise public opinion around climate issues.

Many waved placards bearing the logo 350, referring to 350 parts per million (ppm) of CO₂ in the atmosphere which scientists say must not be exceeded to avoid runaway global warming.



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