



Drumbeat: November 25, 2010

Posted by [Leanan](#) on November 25, 2010 - 9:15am

Topic: [Miscellaneous](#)

['When Oil Peaked' argues for alternative energy sources — soon](#)

Fans of John McPhee's 1981 book "Basin and Range" will remember Kenneth S. Deffeyes, the longtime Princeton professor who helped guide the reader through what was then called the "New Geology." "Deffeyes," McPhee wrote, "is a big man with a tenured waistline. His hair flies behind him like Ludwig van Beethoven. He lectures in sneakers."

Deffeyes doesn't lecture anymore — he retired in 1998 — but his hair still tends to get unruly.

Likewise, the findings in Deffeyes' latest book might cause oil executives — even those not affiliated with BP — to go gray overnight.

ess to say the conjuring was met with much derision from those who believe they can discern the possible from the impossible.

Before getting into the implications of all this, it is well to remind ourselves that, in the case of this particular publication and set of forecasts, the IEA has a nearly impossible mission. Although in theory independent of the 28 national governments that support the Agency, in reality it has many political masters none of which are as yet ready to grapple with the myriad of problems that will occur when their peoples recognize that significant economic contraction is the only possible course ahead.

[Into the even deeper](#)

COMPARED with the flotilla of oil and gas platforms in the North Sea, the waters west of the Shetland Islands are virgin territory. But as the British oil and gas industry declines — production in 2009, at 2.5m barrels of oil equivalent (boe) per day, was just over half its 1999 peak—the remote region has become its last frontier.

[Two dead after oil tankers catch fire on Iraqi border](#)

At least two people have been killed after some 20 oil tankers caught fire on the Iraqi-Jordanian border.

Twelve others were wounded in the blaze after a tanker exploded while unloading oil, and subsequently set 19 others ablaze, a Jordanian official said.

A preliminary investigation suggested the initial fire was "accidental due to an error during the unloading of the oil", she told the AFP news agency.

[Flurry of Rig Orders Marks End of Two-Year Drought](#)

Since the start of October, drilling companies have ordered at least 17 new rigs, a wave of spending that signals optimism that oil prices will remain high and that producers will continue to demand the latest advances in equipment as they tap increasingly hard-to-reach offshore reservoirs.

[Putin says EU energy laws hurt investment](#)

MOSCOW (Reuters) - Russian Prime Minister Vladimir Putin warned on Thursday that European legislation aimed at liberalising energy markets could hinder investment and undermine future cooperation with the European Union.

The European Union agreed in March 2009 to liberalise energy markets by splitting giant utilities, ensuring that small gas suppliers can get unhindered access to European infrastructure and compete on an equal footing with the dominant players.

[Pemex plans oilfield operator auction](#)

Mexico's state oil company Pemex will launch its first auction of oilfield operating contracts in February 2011, the company said.

[Mexico takes step towards opening oil sector](#)

MEXICO CITY (Reuters) - Mexico took a major step towards opening up its jealously-guarded oil sector to foreign companies on Wednesday with the approval of a new contracting model that lets private companies operate oil fields.

Private investors have been barred from the oil sector since its 1938 nationalization and Mexico's move to ease restrictions is a rare piece of good news for western oil firms who in recent years have faced increased barriers to investment in the most promising places in the world for oil exploration.

[Command economics: for China, not all it's cracked up to be](#)

The drumbeat these days is that command economies, specifically China's, are tough to beat. Beijing simply formulates and executes a plan of action, absent messy public debate. That is the narrative, for example, on carbon emissions reductions - China, it is said, is on an inexorable Big Green Push as part of a new path of economic development. But is it?

[China's energy drive: back on track](#)

Beijing has set an ambitious target to reduce the intensity of energy use in China - and so desperate is the desire to meet it that in one town in Hebei thousands of traffic lights were shut off for more than a week this year.

Now, after months of similar extreme power cuts, Beijing's bureaucrats are able to breathe a sigh of relief: it looks like China is back on track to meet the goal of reducing energy use per unit of gross domestic product by 20 per cent from where it was five years ago.

[Ecuador takes control of Petrobras assets](#)

Ecuador took control of the local operations of Brazil's Petrobras today after the company refused to sign a new service contract, said Wilson Pastor, Ecuador's Minister for Oil Policy.

[Morgan Stanley Buys North Sea Forties; Two Russian Ports Raise Shipments](#)

Morgan Stanley bought a cargo of North Sea Forties oil from Royal Dutch Shell Plc. Russia's two largest ports will increase crude shipments next month.

[Lithuania oil terminal signs Gazprom Neft deal](#)

(Reuters) - Lithuania's state-owned oil terminal Klaipedos Nafta said on Thursday it had signed a deal with a trading subsidiary of Gazprom Neft to export fuel oil.

Loadings from Gazprom Neft, the oil arm of Russia's gas giant Gazprom, will amount to a minimum of 10-15 percent of the terminal's projected annual capacity of 7.1 million tonnes, Klaipedos said in a statement.

[Gazprom says rerouting South Stream through Romania makes sense](#)

MOSCOW (Itar-Tass) -- Gazprom has recognized the feasibility of re-routing the gas pipeline South Stream through Romania's territory, as follows from the company's

statement.

[Power crisis looms without lower use](#)

Bangkok and other densely populated cities could face massive power outages in the near future if Thais do not start saving energy now while opposing construction of huge new power plants.

[New planning process will not slow nuclear - minister](#)

(Reuters) - A major change to Britain's planning process under the new government will not delay the permitting of nuclear power plants, energy minister Charles Hendry said Thursday to ease fears of nuclear developers.

[Japanese scientists to solve world's energy crisis, with sand](#)

A team of Japanese scientists believe they have developed a way to provide 50 percent of the world's energy needs from one source by 2050 -- by building solar power plants in the Sahara desert.

Deserts contain abundant silica, the raw material for silicon, and the scientists' plan, called "The Sahara Solar Breeder Project," involves building silicon-manufacturing plants powered by the sun, which can then breed into further plants and more power.

[How sustainable is renewable energy?](#)

The success, to date, of fossil fuels being able to meet energy demand any time required has led to a feeling of society wide unrealistic entitlement. This translates into a belief that whatever we want we can always have whenever we want it. This of course is leading to problems as it patently can no longer be maintained. It also has led to the development of quite unrealistic expectations as to how far renewables can replace fossil fuels.

Renewable energy is being tagged on to a massive existing demand led fossil fuelled energy system that has historically grown and grown. Attempts at demand reduction and increased efficiency seem to deliver slim savings and these are often cancelled, for example, by people choosing higher comfort levels or just doing higher mileage in their more efficient cars.

[An Alternate History of the Energy Crisis](#)

U.S. Secretary of Defense James V. Forrestal was terrified. The year was 1948 and diplomats worldwide contemplated what might occur if nations recognized Israel as an independent state.

If the United States recognized the soon-to-be nation, Arab nations might cut off what would become crucial oil shipments, he feared. The crimp in turn could imperil the Marshall Plan, which in turn could provide momentum to the communist juggernaut.

"The nation could be forced to convert to four cylinder cars" within a decade, he predicted. (The quote has been cited in several books, including "O Jerusalem" by Larry Collins and Dominique Lapierre.)

Opel Pandas on the streets of Baltimore! Men surely didn't take a bullet at Anzio for that. In the end, the U.S. recognized Israel, the oil embargo of 1948 didn't occur and Detroit dragged its feet on fuel economy for decades.

[Peak Oil: Apocalypse or Promised Land?](#)

I found it rather hard to tell what point of view Erik Curren is actually arguing for or against in "Peak oil risks becoming an apocalyptic cult." But it seems to be don't tell people the truth as they might ignore you, or even worse, laugh at you. So, let's browse through the sections of Curren's article.

[New at the library](#)

At the center of the novel is 11 year old Jasper Copeland, the son of Union Grove's doctor, who runs away from home after committing a cunning act of revenge. Having put forward a shocking yet eerily convincing vision of the world's future in his acclaimed nonfiction book "The Long Emergency," James Howard Kunstler now seamlessly weaves hot-button issues such as the decline of oil and the perils of climate change into a compelling narrative of violence, religious hysteria, innocence lost and love found.

[John Michael Greer: No time for lullabies](#)

First, and to my mind the most crucial, is the need for dissensus. It's impossible to know in advance what particular set of tools and skills will be the one best suited to squeak past the mess taking shape around us – and by this I mean to include both the short-term mess defined by the implosion of America's debt economy and its overseas equivalents, and the long-term and even more daunting mess defined by the head-on collision between a civilization and technostucture predicated on limitless expansion and the hard limits of a finite planet. Green wizardry, as I've already discussed here, is only one option, and even within green wizardry there needs to be plenty of room for different paths, new inventions, local traditions, and a good helping of outright eccentricity.

['When Oil Peaked' argues for alternative energy sources — soon](#)

Fans of John McPhee's 1981 book "Basin and Range" will remember Kenneth S. Deffeyes, the longtime Princeton professor who helped guide the reader through what was then called the "New Geology." "Deffeyes," McPhee wrote, "is a big man with a tenured waistline. His hair flies behind him like Ludwig van Beethoven. He lectures in sneakers."

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[Crude Oil Trades Near a One-Week High After U.S. Jobless Claims Decline](#)

"Oil has established a new trading range between \$82.50 and \$89.50 as the demand side gets a little stronger," said Christopher Bellew, senior broker at Bache Commodities Ltd. in London. "A lot of the strength today can be attributed to short-covering before the U.S. holiday."

[Oil to Enter Backwardation 'Rapidly' on Rising World Demand, Barclays Says](#)

Oil markets are poised to enter backwardation, with prompt-delivery prices higher than those for later supply, as demand for crude increases, according to Barclays Plc.

"Global spare crude capacity has fallen this year and is likely to end the year at only a little above 5 percent," a team led by Paul Horsnell, head of commodities research at Barclays Capital in London, wrote in a report dated Nov. 24. "We expect a more volatile and backwardated market to emerge rapidly."

[Gold and oil part ways](#)

NEW YORK (CNNMoney.com) -- Gold and oil prices have been joined at the hip in recent months, but that all changed in the days leading up to Thanksgiving.

[OPEC is central bank for world's oil, says UAE official](#)

The UAE's envoy to OPEC today compared the organisation to a central bank for the world's oil supply.

"Whenever the market is running short or is oversupplied and prices are going through

huge volatility, they call on OPEC to step in and make the right adjustment or intervention," said Ali al Yabhouni, the UAE's OPEC governor. "OPEC is acting as a central bank."

[ANALYSIS-Indonesia struggles to hold down oil imports](#)

SINGAPORE (Reuters) - Indonesia's crude imports will keep rising over the next few years as its economy rebounds and a delay in getting peak output from the giant Cepu field defeats efforts to cut dependence on overseas crude.

Indonesia's need for crude imports for its simple refineries will feed competition among top Asian buyers such as China and India for sweet grades as regional supplies from matured fields dwindle while strong dated Brent prices may curb arbitrage flows from the Atlantic Basin.

[Oil pipeline bypassing Hormuz is completed](#)

Construction of a pipeline from Abu Dhabi's largest oilfields to Fujairah, allowing crude to bypass the Strait of Hormuz, has been completed.

The pipeline to the Arabian Sea promises greater security in the event that the narrow waterway is closed, and promises to help cut the costs of exporting oil from the UAE.

[Shell restoring Nigerian oil output, fixes pipeline](#)

LONDON (Reuters) - Royal Dutch Shell Plc said on Thursday it was restoring production of Nigerian crude oil after repairing a pipeline damaged by oil theft in Africa's top exporter last week.

Shell's Nigerian venture on Friday had declared force majeure (FM) on Bonny Light exports -- freeing the company from contractual deliveries due to actions beyond its control -- after the pipeline was damaged.

[China to build more gas reserves in 11 areas](#)

China has recently decided to build a number of natural gas reserve facilities in 11 areas, namely Pingdingshan and Wenliu in Henan Province, Changchun in Jilin Province, Liaohe in Liaoning Province, Daqing in Heilongjiang Province, Ordos in Inner Mongolia, Yanling in Hebei Province, Huai'an in Jiangsu Province, Qianjiang and Yingcheng in Hubei Province, and Anning in Yunnan Province.

At present, China has altogether four gas storage projects that are newly built or still under construction, located in Tianjin, Beijing and Jiangsu, which are slated to start operation by 2012.

[China to develop unconventional gases in 10 years: Woodmac](#)

(Reuters) - China will start developing unconventional gas sources within 10 years to fuel its massive economy, possibly bringing down global liquefied petroleum gas prices, a senior energy consultant said on Thursday.

The expanding country faced with flat to declining production of normal gas sources in 20 years aims to do geologic tests and approve projects within a decade for resources such as shale gas, said Gavin Thompson, China gas research director with the UK-based consultancy Wood Mackenzie.

Those developments could impact world liquefied petroleum gas prices as China demands less, a change welcomed by other Asian countries that still depend on it, Thompson told Reuters.

[China Unconventional Gas Development Faces Unique Challenges, WoodMac Says](#)

China, the world's biggest energy user, will take a different course from the U.S. in unconventional gas development because of "unique" geological, technical and commercial reasons, consultant Wood Mackenzie said.

[China to Meet Five-Year Energy-Saving Target by Year-End, Daily Cites NDRC](#)

China will likely meet its five-year energy-reduction targets by the end of the year after energy consumption per unit of gross domestic product declined by 3 percent in the first three quarters on a year earlier, China Daily cited Xie Zhenhua, vice chairman of the National Development and Reform Commission, as saying.

[Enbridge's planned rate hike fuels anger](#)

Enbridge Gas announced on Tuesday plans, that If approved, would cause residential customers to see their delivery fees rise by as much as 27 per cent.

The largest commercial, institutional and industrial customers would see delivery costs jump by 180 per cent.

[Gas prices not following routine](#)

After gas prices rose dramatically in 2008, A.J. Bryant said he got used to paying more at the pump and budgeting accordingly.

Thus, he said he hasn't noticed that gas prices in Jackson and elsewhere are in the unusual position of being higher now than during summer, when prices usually reach their peak each year.

[Russia to cut oil exports via Kozmino Q1 '11-sources](#)

Oil traders said Russia may have to re-route some oil flows from the West to the East, as from January 2011 it will need resources to feed a spur that links Russia to China.

[Russia Energy Min against higher oil products tax](#)

(Reuters) - Russian Energy Minister said on Thursday he does not support the idea of an increased oil products export duty in order to plug the country's budget deficit.

[Korea fund buys stake in Canada oil sands developer](#)

CALGARY, Alberta (Reuters) - Osum Oil Sands Corp, a small privately-owned oil sands development company, said on Wednesday it will sell C\$100 million (\$99 million) worth of its shares to Korea Investment Corp, marking the sovereign wealth fund's second investment in Canada's oil sands.

[Developing nations embrace stronger oil standards](#)

Developing countries are embracing an initiative to develop international health and safety standards for the oil and gas industry, with Gulf states among the most enthusiastic supporters.

The finding has emerged from a study commissioned by the Offshore Petroleum Industry Training Organisation (OPITO) to explore how the globalisation of the industry is affecting its safety requirements.

[Three Dead After Gas Leak at Oil Refineries Haifa Plant, Israel Police Say](#)

Minister of Industry, Trade and Labor Binyamin Ben-Eliezer said he had warned about the plant's safety risks and called for it to be relocated.

“The facility is like a nuclear bomb and I have for years warned about its dangers,” Ben-

Eliezer told Israel's Army Radio. "If we arrive at the conclusion that the facility poses a threat to life, we will shut it."

[E-mails show struggle to guess size of Gulf spill](#)

WASHINGTON -- The Obama administration struggled behind the scenes to determine how much oil spilled in the Gulf of Mexico from a BP well this year and defended estimates that for months were inaccurate, according to thousands of government e-mails.

[Feinberg paying oil spill claims faster than BP did](#)

NEW YORK (CNNMoney.com) -- Kenneth Feinberg said that he would get checks out quickly to economic victims of the BP oil spill, and so far, he has been sticking to his word. Thus far, Feinberg's Gulf Coast Claims Facility is paying out claims faster than BP did.

[Section of Gulf of Mexico closed to shrimpers after tar balls found](#)

The National Oceanic and Atmospheric administration said yesterday that it had closed 4,200 square miles of federal waters in the Gulf of Mexico to royal red shrimping after a commercial shrimper discovered tar balls in his net.

[Chevrolet Volt's official MPG: 60 mpg \(sort of\)](#)

NEW YORK (CNNMoney.com) -- The U.S. government has finally decided what fuel economy figures to put on the Chevrolet Volt, General Motors said Wednesday.

The final figure is 60 miles per gallon, but because it can run on electricity, gasoline, or a combination of both, the EPA fuel economy label is going to look a little different from the ones used on other cars.

[Power Premium Shrinking as France Converges With Germany](#)

The extra cost to buy French electricity compared with Germany's is shrinking as the European Union moves toward a single power market for the continent.

[Most recommended: Energy saving device](#)

Designed like a standard extension socket, this gadget can detect the change in power when you switch your television on or off. Put your TV on standby as normal using the remote and the smart socket will wait a few seconds before switching it off completely. It will also switch off other devices like set-top boxes and DVD players at the same time.

IntelliPlug also includes a remote sensor, so when you want to switch the TV back on, you just hit the standby button and the system will restore power to all your devices.

[Demand and supply in the post-peak oil world](#)

An inter-governmental agency is bound to be cautious. But last year, the IEA almost doubled the oil fields' depletion rate to 6.7 per cent. The rate of 3.7 per cent assumed in 2007 was changed after a study of 800 fields. Robert Hirsch, who led a study on peak oil for the US Department of Energy, considers a 4 per cent decline catastrophic. He believes that US administrations have discouraged the research into 'peak oil' after he delivered the bad news.

Further, IEA expects Saudi production to rise five million bpd or 50 per cent. Energy investment banker Matthew Simmons, who died in August, suggested that Saudi production could be tapering off soon. British geologist Colin Campbell has contended that true oil reserve figures would set off panic on the stock markets, 'that at the end would suit no one'. So we have forecasts of oil prices much above what the IEA is predicting.

[Economic growth: a zero sum game](#)

Understandably growth, growth and more growth is the mantra of politicians, economists and media commentators the world round. However, what if future growth is just not possible? The recently released World Energy Outlook (WEO) from the International Energy Agency (IEA) did not go so far as to say that future growth is no longer possible, but it does suggest that at the global level future economic growth is now a zero sum game. In short, China and India's gain is the OECD's loss.

[Ag plan gears up for education process](#)

Small scale farming in the West Kootenay cannot compete with the massive farming operations in California where most of our food is imported from, says one of the authors of a coming Area Agricultural Plan.

Russell Precious said what exists currently in the West Kootenay is not abundant enough, nor priced competitively enough to persuade people here to buy local.

However, with education and the advancement of peak oil, what is grown here could become more affordable — in economies of scale — and more desirable, he explained.

[Westinghouse Expects Additional AP1000 Nuclear Reactor Orders From China](#)

Westinghouse Electric Co., owned by Toshiba Corp., expects additional orders for its third- generation AP1000 reactors from China after selling four units three years ago to the world's fastest-growing nuclear market.

[The world's largest wind farms](#)

Driving out of the dusty little town of Sweetwater, the climb up to the High Plain reveals a few small clumps of wind turbines, the odd row of them, nothing special.

I've seen plenty of wind farms and I wonder if I'm the victim of Texan bragging: the claim to host five of the largest wind installations in the world.

But the higher I get, the further I can see and soon there's an extraordinary vista: ridge after rolling ridge crowded with thickets of turbines.

[How to prevent an Arctic Cold War](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=400663&version=1&template_id=46&parent_id=26)http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=400663&version=1&template_id=46&parent_id=26

Russia, the United States and Canada, among others, have vital interests in the Arctic region. Russia can benefit enormously if it safely develops northern energy and mineral reserves, much of which lie in shallow water on its continental shelf. Moscow's emerging Arctic strategy gives great weight to protecting this resource.

[EU May Ban Some UN Offsets to Stop `Windfall' Profits](#)

The European Union proposed banning some credits linked to industrial-gas projects in its carbon program from the start of 2013, limiting the options available to the continent's emitters to cut pollution costs.

[Japan says extending Kyoto pact is "meaningless"](#)

TOKYO (Reuters) - Japan opposes extending the Kyoto Protocol binding only rich nations to limit carbon emissions and will fight for a broader deal even if it finds itself isolated at U.N. talks, a senior official said on Thursday.

[Small islands seek 2011 deadline for climate deal](#)

(Reuters) - Small island states want U.N. climate talks in Mexico next week to set an

end-2011 deadline for agreeing a new treaty as a step to slow the rise in sea levels, a spokeswoman said.

Many other nations, including the United States, fear that setting a time limit may be counter-productive after the U.N.'s Copenhagen climate summit failed to meet a 2009 deadline for a binding deal.

If you're in the U.S. : **Happy Thanksgiving!** For everyone: happy [fifth anniversary of peak oil](#).



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