



Drumbeat: October 26, 2011

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[New Technologies Redraw the World's Energy Picture](#)

Golda Meir, the former prime minister of Israel, used to tell a joke about how Moses must have made a wrong turn in the desert: "He dragged us 40 years through the desert to bring us to the one place in the Middle East where there was no oil."

As it turns out, Moses may have had it right all along. In the last couple of years, vast amounts of natural gas have been found deep under Israel's Mediterranean waters, and studies have begun to test the feasibility of extracting synthetic oil from a large kerogen-rich rock field southwest of Jerusalem.

Israel's swing of fate is just one of many big energy surprises developing as a new generation of unconventional fossil fuels take hold. From the high Arctic waters north of Norway to a shale field in Argentine Patagonia, from the oil sands of western Canada to deepwater oil prospects off the shores of Angola, giant new oil and gas fields are being mined, steamed and drilled with new technologies. Some of the reserves have been known to exist for decades but were inaccessible either economically or technologically.

[Energy Experts Say DOE Oil & Gas Forecasts Are Dangerously Misleading](#)

Washington, DC - A group of distinguished energy experts representing academia, industry, think tanks, and non-profit organizations will meet Wednesday, October 26, 2011 at 10:30 am in front of the U.S. Department of Energy (DOE) to call for "Truth in Energy" regarding the possibility of a near-term oil crisis and long-term oil shortages. Following the news conference, the group will deliver a letter to DOE Secretary Steven Chu calling for urgent action to address this potentially critical threat to America's economy and national security. The Association for the Study of Peak Oil & Gas USA (ASPO-USA, www.aspousa.org) organized the news conference.

Projections of future oil and gas supply from the DOE's Energy Information Administration (EIA) are misleading, overly optimistic, and foster a dangerous complacency about the nation's energy challenges, according to the group. Such rosy forecasts are typical of industry sources. For example, a recent draft study conducted by the National Petroleum Council (NPC), in cooperation with DOE, claims that development of controversial "shale plays" could make the United States self-sufficient in oil and gas. Petroleum companies with direct interests in shale gas development have played lead roles in the study.

EIA, however, is a taxpayer-funded government agency with a mandate to provide "independent and unbiased... information." Speakers will charge that EIA has failed to

fulfill that mission in its oil and gas projections and needs to provide more transparency and explicit explanations about how their forecasts are developed. The group will ask Secretary Chu to answer seven specific questions concerning issues that EIA has failed to critically examine.

[Oil Advances a Fourth Day in New York as China Considers Economic Stimulus](#)

Oil traded near its highest in 12 weeks in New York on speculation China's government will boost the economy of the world's second-biggest crude consumer, while European leaders prepared to tackle the region's debt crisis.

Prices gained as much as 0.8 percent after China's industry ministry said it is studying "stimulative policies" for smaller companies. Global oil supplies are "extraordinarily tight," Goldman Sachs Group Inc. said. European government heads will hold a summit today.

[Gasoline prices could slide another 20 cents](#)

NEW YORK — Retail gasoline prices have dropped about 50 cents a gallon since the spring, and motorists could see them slide another 20 cents before the end of the year.

The national average, which slipped to \$3.446 per gallon on Tuesday, should continue to fall at least through the new year, according to the Energy Information Administration.

[Jeff Rubin: Will an oil-driven misery index defeat a U.S. president?](#)

What U.S. presidents seeking re-election fear most is the wrath of a rising misery index. And nothing brings more misery to the world's largest oil consuming economy than high oil prices.

[Hurricane Rina Churns on Toward Mexico's Yucatan Peninsula](#)

Petroleos Mexicanos, Latin America's largest oil producer, said port and offshore operations are normal, according to an e-mail sent to Bloomberg News. Kinetic Analysis Corp., which assesses the potential impact of hazards, estimated the storm may shut in 6.51 million barrels a day of oil produced by Pemex.

[Kuwait Sets Biggest Gulf Clean-Energy Goal to Free Up Oil](#)

Sun-drenched Kuwait, a desert nation with no solar-power plants and electricity demand that's growing about 8 percent a year, has set the most ambitious target for using renewable energy in the Gulf region.

OPEC's fifth-biggest oil producer, whose air conditioners run cheaply off state-subsidized oil-fired power plants, aims to generate 10 percent of its electricity from sustainable sources by 2020, said Eyad Ali al-Falah, assistant undersecretary for technical services at the Ministry of Electricity and Water.

[Argentina Orders Oil, Gas, Mine Companies to Repatriate All Export Revenue](#)

Argentina ordered oil, gas and mining exporters to repatriate all their export revenue as the government struggles to stem accelerating capital flight in South America's second-biggest economy.

[Cheniere and BG ink \\$8 bln deal to export US LNG](#)

NEW YORK (Reuters) - BG Group will export liquefied natural gas from the United States under a landmark \$8 billion deal with Cheniere Energy that will allow domestic producers to ship bountiful shale gas supplies to the world for the first time.

The deal, announced Wednesday, paves the way for terminal developer Cheniere to secure financing for the its Sabine Pass project in Louisiana which could be the first LNG export plant built in the United States in nearly 50 years as U.S. gas production hits record highs.

[ConocoPhillips reports 14 pct drop in 3Q profit on lower oil production](#)

NEW YORK — ConocoPhillips says its third-quarter profit fell about 14 percent due to unexpected production losses in China and Libya. Conoco has also been selling assets as it reshapes the company.

[Japan's JX plans Nov crude refining down 2 pct y/y](#)

TOKYO (Reuters) - Japan's top oil refiner JX Nippon Oil & Energy Corp plans to refine 5.93 million kilolitres (1.24 million barrels per day) of crude oil in November for domestic consumption, down 2 percent from a year earlier, a company executive said on Wednesday.

[China oil refiners lost \\$289 mln in Jan-Aug - NDRC](#)

(Reuters) - China's oil refining industry lost 1.84 billion yuan (\$289 million) from January to August, the National Development and Reform Commission said on Wednesday.

With a fall in crude oil prices, refiners' losses narrowed in July and August after widening to the highest level this year in June, the commission said. It did not provide figures for

August.

[Russia's Lukoil starts drilling in Iraq](#)

MOSCOW (UPI) -- Russia's private oil company Lukoil announced that it started drilling operations in the West Qurna-2 oil field near the Iraqi port city of Basra.

"We have launched drilling, well borers are already there," company chief Vagit Alekperov was quoted by Russia's state-run news agency RIA Novosti as saying.

[IMF: Mideast oil importers face economic slowdown](#)

DUBAI, United Arab Emirates (AP) - Middle Eastern countries without significant oil resources face a sharp slowdown in economic growth as the effects of the Arab Spring reverberate across the region, the International Monetary Fund said Wednesday.

In a twice-yearly report, the IMF cut its economic growth forecast for the Mideast's oil importing countries - including Egypt and Tunisia - to just 1.9 percent this year. That is down from an earlier IMF forecast of 2.3 percent and well below the more than 4 percent growth in 2010.

[Saudi king set to name Prince Nayef as heir](#)

(Reuters) - Saudi Arabia's King Abdullah was expected to name Interior Minister Prince Nayef as his heir on Thursday, formalising a smooth succession in the world's biggest oil producer.

Nayef has already run the kingdom on a daily basis for extended periods in recent years, during absences of both King Abdullah and Crown Prince Sultan, the heir who died Saturday.

[Poland to speed shale gas if Gazprom keeps price up](#)

(Reuters) - Poland will get an additional incentive to push forward with shale gas projects if Russia's Gazprom refuses to lower multi-year gas prices, Deputy Prime Minister Waldemar Pawlak said on Wednesday.

[EU must adopt zero-tolerance approach to tar sands](#)

Tar sands lead to landscape scars, large amounts of energy and water being used and masses of toxic waste.

[Nebraska Legislature plans special session on Keystone XL project](#)

Nebraska Gov. Dave Heineman has called the Legislature into special session next week to address growing concerns over the proposed Keystone XL pipeline. The pipeline would carry tar sands oil across one of the Midwest's most important aquifers.

The action throws a potentially significant new stumbling block into a Canadian company's hope of winning approval before the end of the year for the 1,700-mile pipeline, which would move diluted bitumen -- often heavy in sulfur, nickel and lead -- from Alberta to the Texas coast.

[Fracking proves a hard sell](#)

PITTSBORO, NC - A Florida-based natural gas company owner found mistrust and a plethora of questions waiting for him last week at a Chatham County commissioners meeting.

[Arctic Village Is Torn by Plan for Oil Drilling](#)

Perhaps more than any other village in the Arctic, Point Hope has a history of uniting against outside forces and, if not prevailing over them, at least outlasting them. Now it is divided. Mr. Tuzroyluk is chairman of the \$30 million Tikigaq Corporation here, one of more than 200 native corporations in Alaska authorized by Congress. The corporation, whose shareholders are mostly village residents, supports drilling. Yet the Native Village of Point Hope, whose council is elected by village residents, officially opposed drilling.

"Our town," Mr. Tuzroyluk said, "we're kind of torn apart between development and sustaining our lifestyle."

[Crime turns oil boomtown into Wild West](#)

WILLISTON, N.D. (CNNMoney) -- As oil companies pump more and more crude out of the ground and workers from around the country arrive to cash in on the black gold rush, a new wave of crime has taken over the once quiet towns of Northwestern North Dakota.

Within the last few months, a Watford City pharmacy was robbed of \$16,000 in narcotics, four people were stabbed at a local strip club in Williston, a semi truck crashed into an RV full of people sleeping and the first prostitution ring in decades was busted.

[Drilling in Fast-Growing Areas Ushers in New Era of Tension](#)

A 90 million-year-old oil bed called the Niobrara — estimated to contain two billion barrels, locked in shale that in past drilling eras was considered too costly to extract — laces down from southeast Wyoming and Nebraska. And like a cowboy with Saturday-night pay in his pocket, ready to spend big and have a good time, the energy industry is riding into town to drill for it.

Drilling permits in suburbs, parks and even in lakes have made the local news. Using hydrofracturing technologies — breaking the shale with water, sand and chemicals to release the oil — and horizontal, spiderlike tentacle borers that can spin out beneath communities, the still-emerging boom is bringing energy exploration to some of the fastest-growing counties in the nation, and to places with no experience whatsoever in dealing with it.

[EU energy supply at risk after Fukushima -Capgemini](#)

PARIS (Reuters) - European Union governments must encourage investments of as much as 1.1 trillion euros (\$1.53 trillion) by 2020 to ensure the bloc's continued energy supply security, French computer consultancy Capgemini said in a study on Wednesday.

The impact of Japan's Fukushima nuclear disaster on certain EU states' energy mix has cast doubt on Europe's supply security, the outlook for power prices and efforts to fight global warming, Capgemini energy analyst Colette Lewiner said.

[Uranium Deals Prove Most Lucrative as Nuclear Demand Increases: Real M&A](#)

Uranium takeovers are offering investors the biggest potential payoffs, less than a year after the partial meltdown of Japan's Fukushima nuclear plant.

[Trial Starts for Chief of Security at Mine](#)

The former chief of security of a West Virginia coal mine where 29 workers died in an explosion last year went on trial Monday, with prosecutors alleging he had lied to federal agents about safety violations at the mine.

The security chief, Hughie Elbert Stover, 60, an employee of a subsidiary of Massey Energy Company, which owned the Upper Big Branch mine, is charged with making false statements to investigators by telling them that the company did not have a policy of giving advance notice of mine inspections to its workers, a practice that violates federal law.

Prosecutors say that Mr. Stover himself trained security guards to use a radio system to tell miners of the presence of inspectors, according to the indictment. Mr. Stover has denied the accusation.

[News analysis: Obama takes bipartisan heat on energy policy](#)

WASHINGTON – As his re-election campaign heats up, President Obama finds himself in an awkward position trying to defend his environmental policies against Republicans and disillusioned environmentalists who backed his campaign in 2008.

[Solar power is beginning to go mainstream](#)

NEW YORK (AP) — Solar energy may finally get its day in the sun.

The high costs that for years made it impractical as a mainstream source of energy are plummeting. Real estate companies are racing to install solar panels on office buildings. Utilities are erecting large solar panel "farms" near big cities and in desolate deserts. And creative financing plans are making solar more realistic than ever for homes.

[Future of Solar and Wind Power May Hinge on Federal Aid](#)

IN recent years, wind and solar power have been among the fastest-growing sources of energy in the country.

But questions loom over their future: Will federal incentives that are important to their growth continue? And what happens if those incentives expire?

[Masdar profits from 'green'](#)

Masdar, the Abu Dhabi company that has trimmed the budget for its flagship development, has found a recipe for making money--showing others how to build green.

[In Clean Tech, Venture Capital Looks for Problem-Solvers](#)

In Silicon Valley, where venture capital dollars nurture fledgling technology companies, clean tech is getting a makeover. Many investors are shying away from the high risks and costs of creating new forms of energy. Instead, they are doing what they do best — using software to cope with problems, in this case caused by climate change.

[Sports Rally Around Green Projects](#)

AMERICAN sports are often an exercise in excess: fans consume large quantities of beer and hot dogs, stadiums with giant scoreboards and retractable roofs are surrounded by parking lots filled with thousands of cars. In many ways, they represent the broadest cross-section of consumer culture and America's wasteful ways.

But the sports industry — from teams to leagues to stadium and track operators — is becoming more environmentally friendly. In just the last few years, several new arenas

have been certified by the United States Green Building Council, and nearly a dozen other facilities have added solar panels. Teams like Seattle and St. Louis have ambitious energy-saving programs at their parks, and the United States Open tennis tournament composts a majority of its waste. Even Nascar, a sport built on gas-guzzling racecars, has introduced a program that includes the recycling of used tires, oily rags and more.

[On the Front Lines of the Power Grid](#)

QUICK! You are on duty in a secret control room in a nondescript, windowless building. The sign out front is so small that people driving by cannot read it, and it may give no clue what goes on inside, anyway. But your task is crucial: you are matching the ever-changing power needs of tens of millions of electricity customers with supply coming from hundreds of electricity generators, deciding which units will run and which ones will be idle, and making quick adjustments for the generators you can't schedule, like the wind machines and solar panels.

Hardly anybody will ever know you are here, unless you mess up.

[Occupy Christchurch – What's going on?](#)

What concerns these people cannot be simply characterised as rampant capitalism as has been claimed. It is the interlocking nature of six current crises that they are bringing attention to.

[5 Ways the World Will Change Radically This Century](#)

A panel of academics met at Columbia University's Earth Institute on Monday (Oct. 17) to discuss the impacts of the human population explosion, including the ways in which it will change the face of the Earth this century. Here are five striking changes you — or your kids or grandkids — can expect to see.

[Endless population, shrinking resources](#)

The situation with oil is different as various experts believe the maximum rate of global petroleum extraction will be reached by 2030, after which the rate of production will enter terminal decline.

Steinbach believes peak oil is a huge challenge facing the Earth, especially when considering the exploration for new reserves and the development of new technologies.

[With 7 Billion People, World Has a Poop Problem](#)

Investing in sanitation is by any measure a winning bet: According to the U.N., for every dollar invested in sanitation, \$8 are returned in reduced public health costs and lost productivity due to disease. According to WaterAid, a \$30 donation buys one person access to both clean water and sanitation.

The availability of a toilet can have wide-ranging effects, George said. In developing areas, she said, up to 20 percent of girls drop out of school, because they have no place to relieve themselves. Providing a latrine can mean the difference between illiteracy and education.

[China's one-child rule turns into a time bomb](#)

China's one-child policy has prevented almost half a billion births but has turned into a demographic time bomb as the population ages, storing up huge economic and social problems for the country.

[Preppers a diverse group](#)

Despite his online moniker, High Hopes doesn't have much hope at all for the world's resources, particularly oil.

He subscribes to the Peak Oil theory, espoused by observers in and out of the oil business, that claims the world's oil supply is approaching its zenith, that production is on a decline or at least is unable to keep pace with consumption.

"We're not going to run out, but we'll blaze through it very fast, overusing it faster than we can pump it," he said.

[The Third Industrial Revolution — an interview with Jeremy Rifkin](#)

What was the real cause of the Great Recession? More importantly, in a country accustomed to robust rebounds from burst bubbles, why is our economy stuck in neutral?

In his latest book, *The Third Industrial Revolution*, economist and author Jeremy Rifkin argues that the crash of the US housing market was not the proximate cause of the Great Recession, but was instead an aftershock of crude oil hitting a price of \$147 per barrel oil in July 2008 – 60 days prior to the crash of the financial markets.

[What Peak Oil Means For Our Economy](#)

“There is simply no question that the risks here are beyond anything that any of us have ever dealt with.” These are the words of Robert Hirsch in the Hirsch Report, no commissioned by the United States Department of Energy, in 2004, to

examine the effects and implications of peak oil on society and the economy.

The Economic and social implications of peak fossil fuels will force us to re define our economic system and it will become necessary to re – assess our pre conceived notions of what is economically and socially possible. In effect it will lead to a forced localisation of our economic activities, which will undoubtedly bring certain difficulties and hardships in the short run, however, if communities respond in a collaborative way to these new realities they can put in place the necessary mitigations to help build more sustainable and resilient communities which will stand the test of time. The alternative is simply frightening.

[Outside Cleveland, Snapshots of Poverty's Surge in the Suburbs](#)

“The growth has been stunning,” said Elizabeth Kneebone, a senior researcher at the Brookings Institution, who conducted the analysis of census data. “For the first time, more than half of the metropolitan poor live in suburban areas.”

As a result, suburban municipalities — once concerned with policing, putting out fires and repairing roads — are confronting a new set of issues, namely how to help poor residents without the array of social programs that cities have, and how to get those residents to services without public transportation. Many suburbs are facing these challenges with the tightest budgets in years.

[China Takes a Loss to Get Ahead in the Business of Fresh Water](#)

TIANJIN, China — Towering over the Bohai Sea shoreline on this city's outskirts, the Beijiang Power and Desalination Plant is a 26-billion-renminbi technical marvel: an ultrahigh-temperature, coal-fired generator with state-of-the-art pollution controls, mated to advanced Israeli equipment that uses its leftover heat to distill seawater into fresh water.

There is but one wrinkle in the \$4 billion plant: The desalted water costs twice as much to produce as it sells for. Nevertheless, the owner of the complex, a government-run conglomerate called S.D.I.C., is moving to quadruple the plant's desalinating capacity, making it China's largest.

“Someone has to lose money,” Guo Qigang, the plant's general manager, said in a recent interview. “We're a state-owned corporation, and it's our social responsibility.”

[EU to resist US pressure on airline emissions](#)

BRUSSELS — The European Union insisted Tuesday it will enforce a new law that imposes an emissions cap-and-trade program on airlines flying to and from Europe, despite angry opposition from the U.S. Congress.

[Climate-change skeptic turns skeptical about the skeptics](#)

Muller, who has been an avowed skeptic of climate change and global warming arguments, set out to prove the data wrong. Instead, he has published an essay in The Wall Street Journal that pulls no punches about its findings.

“Global warming is real,” Muller wrote in his column for the WSJ discussing his findings. “Perhaps our results will help cool this portion of the climate debate. How much of the warming is due to humans and what will be the likely effects? We made no independent assessment of that.”

[Delhi faces high risk from global warming - study](#)

SINGAPORE (Reuters) - Rapidly growing megacities in Africa and Asia face the highest risks from rising sea levels, floods and other climate change impacts, says a global survey aimed at guiding city planners and investors.

The study by risk analysis and mapping firm Maplecroft, released on Wednesday, comes as the United Nations says the world's population will hit seven billion next week and as huge floods inundate areas of Thailand and the capital Bangkok.

[FACTBOX - Global climate change risk rating](#)

REUTERS – Countries and megacities in Africa and Asia are among the most vulnerable to the impacts of climate change over the coming years, a global survey shows, underscoring the risks from floods, rising sea levels, droughts and storms.

With populations in many developing nations growing quickly, particularly in megacities with 10 million or more people, already creaking infrastructure could be overwhelmed by an increase in deadly disasters.

[Extreme Melting On Greenland Ice Sheet, Team Reports; Glacial Melt Cycle Could Become Self-Amplifying](#)

Combining data gathered on the ground with microwave satellite recordings and the output from a model of the ice sheet, he and graduate student Patrick Alexander found a near-record loss of snow and ice this year. The extensive melting continued even without last year's record highs.



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