



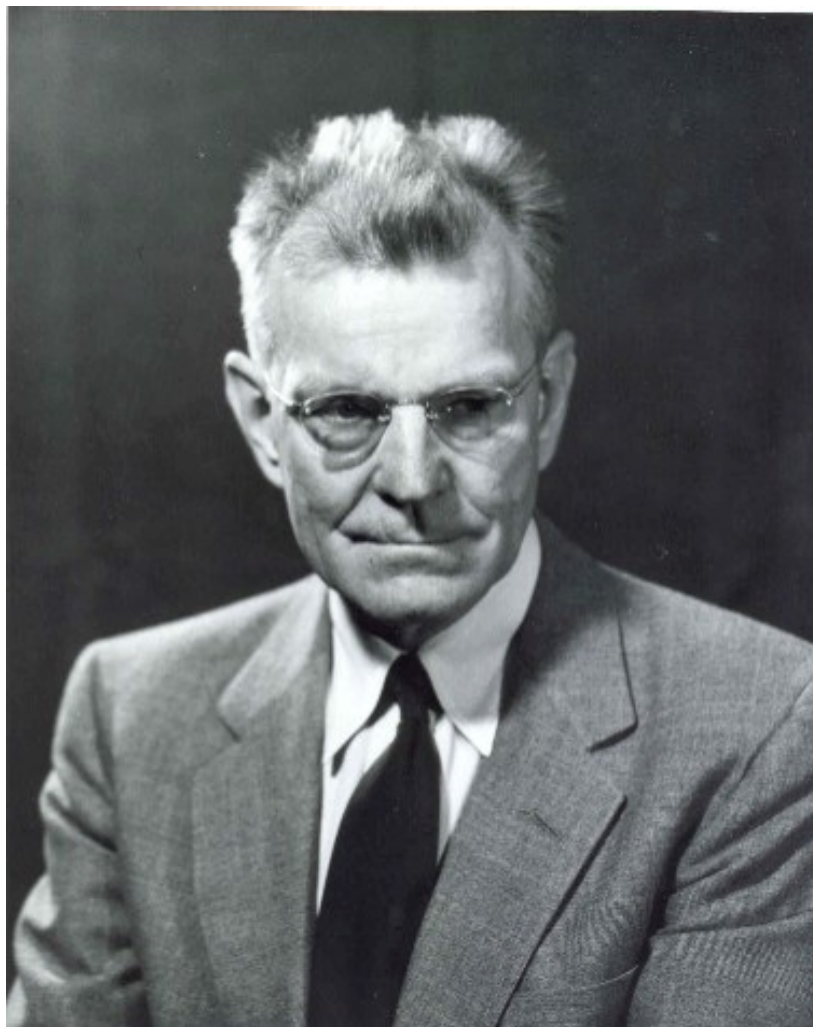
The Vincent E. McKelvey Lifetime Achievement Award

Posted by [Dave Cohen](#) on February 9, 2006 - 9:37pm

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As I sat in the audience at the [ASPO-USA](#) conference last November, I felt gratified to watch Steve Andrews present the first M. King Hubbert awards to Al Bartlett and Matt Simmons. As we all know, Hubbert is the Godfather of Peak Oil, a man ahead of his time who predicted in 1956 the US Lower 48 would peak in the early 1970s. He joined the Shell Oil Company in 1943, retiring from that firm in 1964. From wikipedia we [learn](#) that after he retired from Shell, he became a senior research geophysicist for the United States Geological Survey until his retirement in 1976. He also held positions as a professor of geology and geophysics at Stanford University from 1963 to 1968, and as a professor at Berkeley from 1973 to 1976.



[M. King Hubbert](#) -- *Click to Enlarge*

But Hubbert's predictions about a US Lower 48 peak in about 1970 were ridiculed and attempts were made to push him aside. The principal architect of this USGS policy was [Vincent E. McKelvey](#).

The Oil Drum is a great website and with every such site, there must also be great traditions established. It is with this noble goal in mind, and an antidote to the doom & gloom pervading every post nowadays, that I propose the first annual *Vincent E. McKelvey Lifetime Achievement Award*. But first we must learn something about V.E. McKelvey and the basis for the prize.



Vincent E. McKelvey, Head of the USGS from 1971 to 1977. [Click to Enlarge](#)

Some History and the Basis for the Award

Let us first state the basis of the award and then some supporting history. The *Vincent E. McKelvey Lifetime Achievement Award* is given to any person who has

- Wildly over-estimated ultimately recoverable oil reserves
- Consistently maintained these estimates in the face of reality
- Been rewarded for this optimism (optional)

The ASPO-USA site has published [highlights](#) from a previously unpublished interview of M. King

Hubbert by Steve Andrews that took place on March 5, 1988. The transcript is incomplete and only features some of Hubbert's answers to Andrews' questions. Hubbert was 88 years old at the time. Here are the relevant answers by Hubbert which I believe you will find unambiguous and clear as to what actually happened back then. There is an historical lesson here for all of us now as we read these remarks. *Plus ca change, plus c'est la meme chose.*

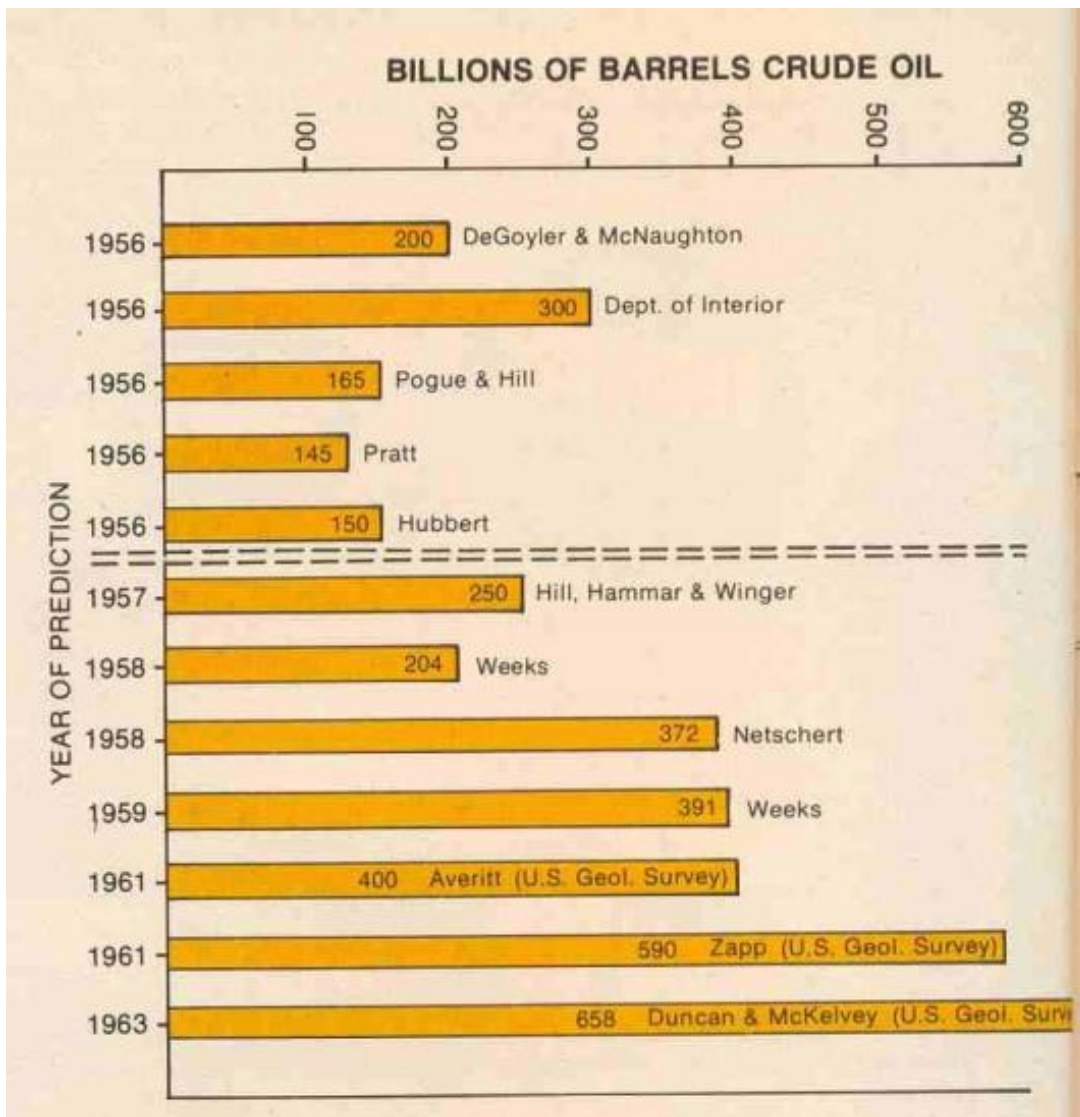
- "Finally, in June of 1962, we had a review meeting of everybody's reports. By this time other reports had been written and there was a general committee review, including by certain outsiders who were invited there...So, I came up with this figure of about 170 billion barrels for [recoverable] oil [in the Lower 48] and roughly 1000 trillion cubic feet for gas. The Geological Survey [Vincent McKelvey and A.D. Zapp] gave us 590 billion barrels for oil and 2630 trillion cubic feet for gas. So there's the problem we're working with. Those reports were checked in to the President [Kennedy; written at his request] in November 1962. In January he wrote a letter releasing the reports for the public and recommended that they be given the widest dissemination."
- "[The USGS leadership] had tried to steer me away from oil and gas and leaving that to McKelvey, but I didn't steer very well [he chuckles]".
- "So we go on then during the decade of the 1960s. The Geological Survey--with McKelvey in particular--publishing repeatedly with a co-author or two, updating these estimates, but always coming out with substantially the same figures...around 600 billion barrels for the Lower 48 states, for crude oil, and natural gas in a general bracket around 2,500 trillion cubic feet. And the trustees of the U.S. Geologic Survey, which is one of the greatest scientific bodies of the U.S. government, are such that whatever their official figures were, they were taken seriously in Congress"
- "What I pointed out in this report was that if this McKelvey estimate were true, the peak in production for oil would not occur until near the end of the century. Whereas according to my figure it was due to occur around the end of the 1960 decade".
- "Those [Proved Reserve Committee] figures were standing between them [Laskey and McKelvey] and the [optimistic] conclusions they were trying to draw. A 500 or so billion barrel figure was utterly incompatible with petroleum industry data. So what? Petroleum industry data were wrong and the government should take it over and make their own data. And eventually that's what happened. The API and so on finally said "go to hell, and we'll pull out of it. You handle it." And subsequently we've had no reliable figures on proved reserves which we'd had for years before that, a consistent series run by a standing committee of a cross-section of the petroleum industry".

And the result? McKelvey was appointed head of the US Geological Survey in 1971! Just about the very time that US Lower 48 oil production peaked! And the denouement? Here's what Hubbert told Andrews:

...you've got the US Geologic Survey who mislead the government for 15 years. In fact, until they fired him [McKelvey], he wouldn't let go. They fired him in 1977. And he was still hanging on. And the US Geological Survey has traditionally been one of the great scientific institutions in the country until they went into this screwball situation in about the late 1950s. And went haywire, God only knows why.

The US Secretary of the Interior at the time, Stewart Udall, later apologised for having helped lull Americans into a "dangerous overconfidence" by accepting the advice of the US Geological Survey so unquestioningly. A long-serving US Geological Survey director who had led the campaign against Hubbert, V E McKelvey, was forced to resign in 1977.

For more excellent reading on the basis for the McKelvey award, look at [Our Petroleum Predicament](#) from where we get this graph.



Note the 1963 McKelvey & Duncan prediction
[Click to Enlarge](#)

Now, once again, the USGS estimates of existing oil resources are a delusional politicized set of falsehoods that are not based on good petroleum geology or feasible estimates of commercially recoverable oil resources. Their 2000 study of world-wide oil reserves predicted a possible peak in oil production around the year 2037 and weighed in at a URR of something over 3 trillion barrels of oil. The USGS fantasy underlies many other Cornucopian predictions we hear from other sources. Saudi Arabia itself consults with the USGS to estimate their reserves! History,

Guidelines and Nominees for the Prize

In so far as I am trying to start a tradition here, I can only rough out some guidelines that can be refined as future years pass. My current thoughts include

- The nominee should ideally be an oil industry analyst or insider.
- There is no country distinction, Peak Oil is a world-wide phenomenon. Anyone in the world can be nominated.
- Consideration can be given to those outside the industry whose achievements warrant special attention

To get us started, I have come up with a short list of nominees of my own for 2006. Here is that list, with short annotations.

- Daniel Yergin, head of CERA, for outstanding delusional optimism in their latest assessment reporting an oil glut by 2010
- Ali Al-Naimi, the Saudi Oil Minister. Much esteemed and beloved, little comment is required here since there is no upward bound on Saudi Arabian oil reserves
- Claude Mandil, Executive Director of the IEA for whom a trillion barrels here or a trillion barrels there simply doesn't matter as long as you've got more trillions of dollars to invest than there are stars in the Milky Way
- Michael Lynch, who believes in, if not an infinite amount, a very very large amount of recoverable hydrocarbons in the future years ahead
- Steven Leavitt (Freakonomics, special consideration). Though not working in the industry itself, this economist believes in the infinite power of Adam Smith's invisible hand--the power of price and the magic of technology
- Jerome Corsi (abiotic oil, special consideration). When not swift-boating John Kerry, he has pronounced the goodness of abiotic oil which magically appears from deep within the Earth
- Peter Huber (author of [The Bottomless Well](#), special consideration) -- "They explain why demand will never go down, why most of what we think of as "energy waste" actually benefits us; why more efficient cars, engines, and bulbs will never lower demand, and why energy supply is infinite"
- Lee Raymond, head of ExxonMobil, who knows personally that we will never run out of oil but has not had the time to read his own companies' production reports

This is just a preliminary list to get you started. We are currently accepting nominees for the "McKelvey Prize" and I expect many others to be nominated. Any nominee should not simply be asserted but good reasons should be given for that person's consideration. I look forward to many intelligent choices and the winnowing process that will follow. I hope to finally create an online poll so TOD members may vote on the finalists. There will be no actual attempt to be fair in the process as regards who will be on that list of finalists of course but I can assure you that all legitimate candidates will be considered including outstanding individuals or longshots not mentioned above in my tentative list. On the other hand, who told you that life is fair?

Lighten up! Don't sweat the fact that Iran & Nigeria are a mess, Iraq is a goner, Cantarell, Burgan, Ghawar and the other large mature megafields are going down the drain. Vote for your favorites and give your rationale. As with the Nobel Prize for literature, a long-shot could certainly win the "McKelvey Prize". 😊



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