



Many of you have seen this already...but for those of you who haven't...

Posted by [Prof. Goose](#) on May 14, 2005 - 6:06am

If you're going to send someone you care about something to read today, send them [this article at ASPO with the interview with T. Boone Pickens](#). I know it's old news for many of us, but IMHO, this is a very good and succinct version of what's coming in Q4.

"Let me tell you some facts the way I see it,' he began. 'Global oil (production) is 84 million barrels (a day). I don't believe you can get it any more than 84 million barrels. I don't care what (Saudi Crown Prince) Abdullah, (Russian Premier Vladimir) Putin or anybody else says about oil reserves or production. I think they are on decline in the biggest oil fields in the world today and I know what's it like once you turn the corner and start declining, it's a tread mill that you just can't keep up with.

So, when you start adding the reserves in these countries, you're not even replacing what you're taking out.

Let me take you to another situation quickly. 84 million barrels a day times 365 days is 30 billion barrels of oil a year that we're depleting. All of the world's (oil) industry doesn't even come close to replacing 30 billion barrels of oil. We don't spend enough money to even give ourselves a chance to replace 30 billion barrels. It may be because the prospects are not there. I rather imagine that's what the answer is to that.

So, if you accept that 84 million barrels a day is all the world can (produce), and then look at refining capacity, I think it's just a coincidence that refining capacity... world capacity... is 84 million barrels a day. So, we're in balance: 84, 84.

Now you see the projections for the fourth quarter of '05, I mean like tomorrow; it is 86 to 87 million barrels of oil a day required. China (and) India (are) growing fast. Our economy is going down a little bit, but it doesn't seem to be shutting off demand for gasoline, oil, natural gas, whatever. But around the world... just assume that the (U.S.) economy is slowing, but China is still ramped up; it is still 86, 87 million for the fourth quarter.

Now we've got some pretty good inventory, those will be... I think.. they'll be gone in the third quarter. I can't wait to see how this is all going to play out."

Technorati Tags: [peak oil](#), [oil](#)



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).