



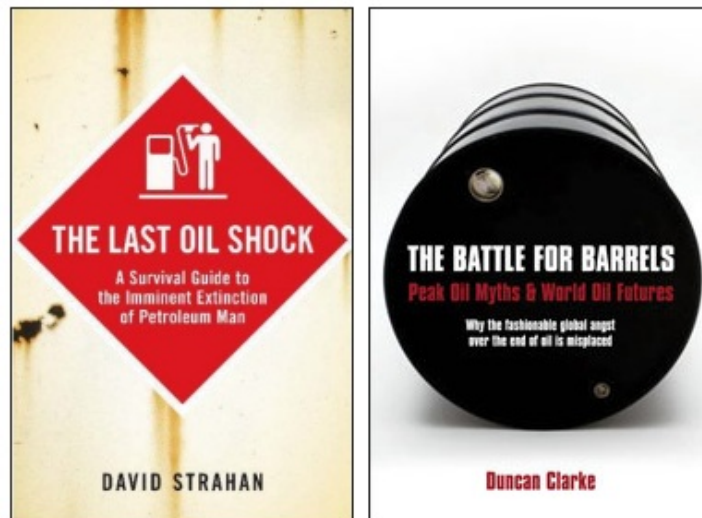
## Open Letter to Duncan Clarke

Posted by [Chris Vernon](#) on August 16, 2007 - 9:58am in [The Oil Drum: Europe](#)

Topic: [Geology/Exploration](#)

Tags: [david strahan](#), [duncan clarke](#) [[list all tags](#)]

Earlier this year two books were published, *The Last Oil Shock* by David Strahan and *The Battle for Barrels* by Duncan Clarke. Both books address the question of future oil supplies but came to dramatically differing conclusions; Strahan arguing global oil production will soon peak and go into terminal decline, Clarke highlighting complexities concerning the evaluation of how much oil remains, historical mistakes in production forecasting and suggesting a more abundant view of our energy future.



[The Last Oil Shock](#) and [The Battle For Barrels](#)

David Strahan has today published an [open letter](#) to Duncan Clarke, full text below the fold.

Dear Duncan,

I suppose advocates of peak oil should be flattered that they are now taken seriously enough for someone to launch such a laboriously researched attack as *The Battle for Barrels: Peak Oil Myths & World Oil Futures*. The idea that global oil production will soon 'peak' and go into terminal decline, with potentially catastrophic results for the world's economy, has struggled to gain significant traction in the mainstream policy debate, but you are clearly alarmed at its progress. If we are to believe your book, what you characterise as the peak oil "movement" is evidently doing something right.

Peak oil forecasters should welcome the attention, and not simply because it publicises their work; you have correctly identified some obvious weaknesses. Unfortunately your analysis is undermined by factual errors, out-of-date or partial reporting of oil depletion models, a failure to examine the planks in your own eyes and – in contrast to your self-professed industry expertise – an extraordinary blindness to the significance of key

events in the real oil world. All of which prevents you from tackling the bigger question raised by your critique, which is *how much difference does this all make to the peak oil argument?* And the answer, after all the huffing and puffing, is surprisingly little.

Although you start by claiming yours is genuine attempt to present the arguments fairly, you quickly dispense with the niceties, and for the first third of your book you ignore the real issues altogether. Instead, under the pretext of analysing peak oil's "social model", whatever that might be, you spend almost 60 pages deriding it as a delusional cult whose advocates are compared to "millenarians making their survival plans; occult groups searching for final redemption; even alien encounter schools promising lift-off to distant planets for the chosen and the faithful". As a concept peak oil is obviously swivel-eyed and writes in green ink, you insinuate, because of the kind of people who attend its conferences.

On the fringes there may be some peak oil campaigners who evoke such caricature, but you smear a widely divergent group of people and approaches with the same tarry brush. And if you attack peak oil by the company it keeps, I am entitled to defend it on the same terms. So lets list some of its supporters that you forgot to mention: Bill Clinton, George Soros, William Rees-Mogg, former UK ambassador to Washington Sir David Manning, and Britain's chief scientific advisor Sir David King, who told me in 2005 that the global peak would arrive "in ten years or less". Worse, you also fail to acknowledge any of the senior oilmen who support the analysis: Richard Hardman, former head of exploration and production at Amerada Hess; former Shell chairman Lord Oxburgh; and Thierry Desmarest, the current chairman of Total, who last year declared the global peak would arrive "around 2020" and urged governments to find ways to depress oil demand growth to delay the event. None of these endorsements 'proves' peak oil is correct, of course, but it does make it rather harder to dismiss the idea as self-evidently deranged. Perhaps that's why you left them out.

When at last you turn to the substantive issues, some of your arguments are well taken. It is perfectly true that a number of predictions of the global peak have come and gone without the sky falling in; that some peak oil forecasters have adopted apparently overly-conservative estimates of 'ultimately recoverable resources', the total oil that will ever be produced from the crust of the earth; and that one reason for both these failings may be a reluctance by some to acknowledge the role of 'reserves growth', the observed tendency for oil fields to yield more than originally expected, through some combination of technological advance and conservative initial estimates. I can agree with all of that in principle, but the world has moved on. The critique seems damning at first, but only because you ignore or misreport a slew of depletion models from forecasters such as Jean Laherrere, Energyfiles, Richard Miller at BP, and PFC Energy, which have already addressed these and other issues that you raise, and still produce a peak before or around 2020.

In any event, picking away at the forecasting record does nothing to disprove the concept of peak oil itself: the idea that global oil production will peak and decline at about the midpoint of depletion, which is to say when at least half the oil that will ever be produced is still underground. This pattern has been demonstrated repeatedly the world over; PFC Energy's analysis shows that countries peak on average when they have produced 54% of the oil discovered so far. But by fixating on past forecasts you manage to avoid confronting the elephant in the room: the obvious facts that suggest the peak is close, with or without the help of any depletion model.

There are 98 oil producing countries in the world. [Around 60 appear to be in terminal decline already](#) – including once mighty producers such as the United States, Mexico, Norway, Indonesia and the UK, where North Sea production peaked in 1999 and has

already fallen by well over 40%. Aggregate oil production in the OECD peaked in 1997 and has been in decline ever since. It is almost unanimously agreed that oil production in the entire world except for OPEC will peak soon after 2010. This view is held not only by 'peak oil' forecasters, but also major oil industry consultancies such as PFC Energy, and even by notable opponents of the idea of an early global peak: the International Energy Agency, Shell and ExxonMobil – whose CEO [Rex Tillerson](#) told me recently that non-OPEC growth would be all over in “two to three years”. From early in the next decade, by common consent, the only thing standing between us and the conventional oil peak is the OPEC cartel.

This matters because there are severe and well-justified doubts about the true size of OPEC's reserves, buttressed last year by the leak of internal documents from the Kuwait Oil Company. The documents revealed that although Kuwait has for two decades been telling the world it has about 100 billion barrels of proved reserves, the KOC's internal assessment in 2002 was just 24 billion, confirming the widely held suspicion that the reserves of many OPEC countries were falsely inflated in the early 1980s when members were vying for larger shares in the new quota system, and they have been stuck with the falsehood ever since. Yet you dismiss this evidence out of hand as “peak oil mythology” solely on the basis that it “was rejected by the oil minister”. Such credulity is laughable, and not widely shared in the oil industry. No senior oilman I have spoken to privately believes OPEC's claimed numbers. Even the oilfield database run by your former employers IHS Energy discounts the reserves of the big-5 Middle East members by 100 billion barrels. In 2005 PFC Energy briefed Dick Cheney that on a more conservative reading of OPEC's reserves, its production could peak in 2015. So, this is apparently not an obviously absurd view. When OPEC peaks, so must the entire world.

In this context your other arguments pale into insignificance or are simply wrong. You persistently mistake oil company exploration activity for evidence that lots of oil will be discovered. You claim that the bigger estimates of the global oil resource produced by [United States Geological Survey](#) and others somehow trounce peak oil – without apparently realising they are perfectly compatible with a peak before 2020. You somehow regard current geopolitical difficulties as positive for future oil production without ever being specific (when exactly do you expect peace to break out in Iraq, the Russian authorities make nice with international oil companies, and the Nigerians to stop attacking production platforms and kidnapping foreign oil workers?) And you insist without evidence that a rising oil price will transform the supply picture. But at no point do you quantify *how much* difference any of this might make to the date of the inevitable peak – but then peak oil deniers never do.

Yours sincerely,

David Strahan



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