



Would I were a gambling man

Posted by [Heading Out](#) on August 22, 2005 - 9:18pm

Topic: [Supply/Production](#)

Well it is hard to admit, having spent the last 3 hours playing Blackjack for play money (it is one of the amusements at our Conference) that I am not normally a gambler. But I am caught by the challenge in John Tierney's [column](#) in today's NYT. And was very tempted to e-mail and see if I could have a piece of Matt's side of the action.

Mr. Simmons said he favored a simpler wager, based on his expectation that the price of oil, now about \$65 per barrel, would more than triple during the next five years. He said he'd bet that the price in 2010, when adjusted for inflation so it's stated in 2005 dollars, would be at least \$200 per barrel.

Remembering a tip from Julian, I suggested that we use the average price for the whole year of 2010 instead of the price on any particular date - that way, neither of us would be vulnerable to a sudden short-term swing as the market reacted to some unexpected news. Mr. Simmons agreed, and we sealed the deal by e-mail.

In reality, however, I find the rewards that come from answering technical challenges give a much greater return. In which regard, the Conference I am at does not normally deal with energy related issues in much detail. But this year, for the first time in several years, the Chinese delegation was strong and openly technical. And two of the more interesting papers, which few of the delegates caught, show that the Chinese have been following Western technology in close detail, and have been willing to put those ideas to the test in some of their wells and laboratories.

Their advances are now to the point that they are certainly at least on par with some of the more advanced techniques that are still being evaluated here in the US. We posted the other day about the greater number of engineers being graduated in China than here, and the message I received today is that they have filtered Western technology and are now pushing the envelope faster and with more support than those of us who initially conceived the ideas can find here in the US.

Technorati Tags: [peak oil](#)



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