

The Oil Drum: Net Energy

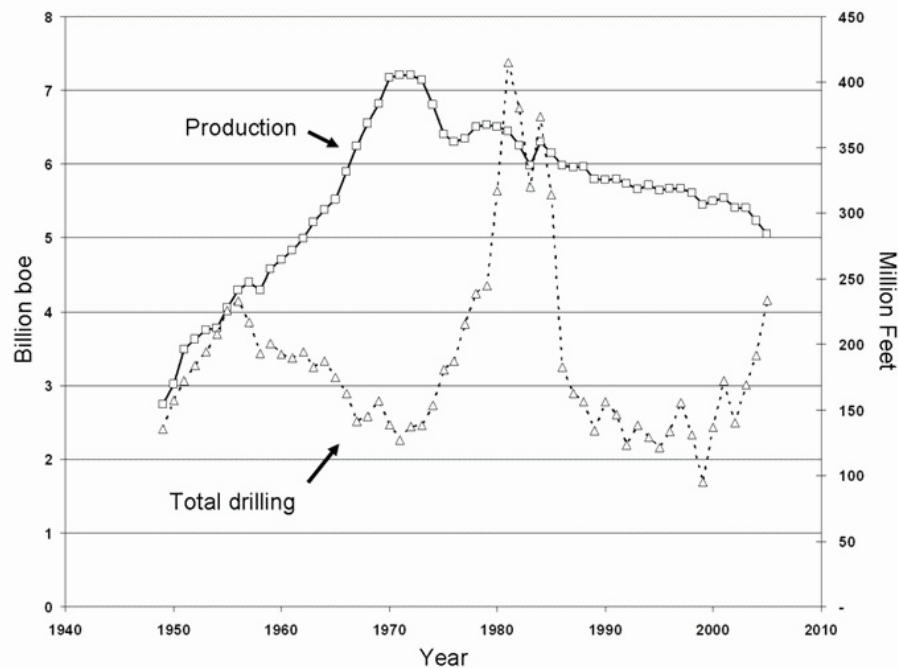
Discussions about Energy and Our Future

Charlie Hall: How much oil and gas will increased drilling provide? Geology's Answer: Not Much.

Posted by [Nate Hagens](#) on August 15, 2008 - 10:15am in [The Oil Drum: Net Energy](#)

Topic: [Supply/Production](#)

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Annual rates of total drilling for and production of oil and gas in the US, 1949-2005 (R^2 of the two = 0.005; source: U.S. EIA and N. D. Gagnon). Since drilling and other exploration activities are energy intensive, other things being equal EROI is lower when drilling rates are high.

As oil prices increase and the presidential campaigns heat up there is a lot of discussion about increased drilling for oil. In economic theory higher prices will give market signals to increase exploration and exploitation of resources and hence deliver more to society, although at a higher price. Will this in fact occur with oil for the United States? Of course we will not know until we do it, but we can look to the past for hints. The enclosed figure represents the history of drilling and production for oil and gas in the United States. The answer seems inescapable: the rate of drilling for oil in the United States has been unrelated to finding or producing oil and gas, which is determined principally by geology. Mother nature, not market theory, determines resource availability, at least in this case and probably many more. (Source: Hall, Powers and Schoenberg (in press))



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