



When they said that Matt Simmons had connections

Posted by [Heading Out](#) on October 26, 2005 - 11:31pm

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Tags: [peak oil](#), [saudi production](#) [[list all tags](#)]

The [New York Times](#) is carrying a story that should trickle, like cold water from a sponge, down the back of one's neck on a hot day..

a senior intelligence official, who insisted on remaining anonymous because he was not permitted to speak publicly on the issue, said that the Saudi plans to increase production by nearly 14 percent in the next four years were not enough to meet global demand. Even the Energy Information Administration recently scaled back its expectations of how much more oil the Saudis could pump in 20 years.

I am not going to hazard a guess at the politics of releasing this disclosure at this time. But one cannot but get a feeling that a world has suddenly changed. For those of us who have written about the problem, there has always been a feeling that we would have to inveigle to get this message across to the general public in a way that they would understand.

And now we have not only this, but also the [TIME magazine articles](#).

To go back to the NYT for a moment, this points back to an earlier Aramco study

But there are doubts about the Saudi assertions about how much oil they have. Data about reserves is tightly guarded, and the Saudis dismiss skeptics as uninformed.

But they do not dismiss Edward O. Price Jr., the former head of exploration for Saudi Aramco and an adviser to the United States government on Persian Gulf oil during both Iraq wars. He questioned future reliance on Saudi capacity in an article in The New York Times last year and wanted to know from his former colleagues how they reached their estimate of more than 150 billion barrels of extra oil. Twenty years ago, a detailed study by geologists from four large American oil companies then in partnership with Aramco found little in the way of undiscovered oil resources, he said.

The article goes on to point out that while the United Arab Emirates have also promised to increase oil production, so far they have come up empty.

And finally the article refers to the Iraqi situation. Now here I must admit to being lazy, and am going to put that as a separate post, since it was actually what I had planned on posting tonight, and so it will immediately precede this piece.

The silver lining, said Greenspan, is that as oil gets more expensive, other energy sources and technologies that use less oil will become more competitive. And that's exactly what's happening. Says Daniel Yergin, chairman of Cambridge Energy Research Associates and author of *The Prize*, the 1991 best seller about the history of oil: "There's a lot of technological innovation kind of bubbling that really has captured the imagination and obsession of a lot of people." The question is, Are we moving fast enough?

Unfortunately they give no new technologies that have not already been addressed. I also get the sense that the authors don't quite grasp the magnitude of the overall situation yet, nor do they understand the reality of the time interval before we can get this solved, and what it is going to mean to the global economy.

Yet on the other hand, just to have reality finally appear in discussion is somewhat refreshing. Now all we have to do is to see that the investments are properly made and we can relax a bit.

But then this brings us back to why the topic suddenly appeared to be important today!



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