

One must expect dissent

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Topic: Supply/Production

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There is a slow but steady increase in the reports that discuss the problems of oil supply and that appear in the national press. This has, in turn, led to more critics of the concept that we are heading into a crisis. On Tuesday there was an article in the <u>St Louis Post Dispatch</u> by Barclay Jones, a Professor of nuclear, plasma and radiological engineering at the U of I Urbana-Champaign. And to go along with the TIME magazine feature on the Future of Energy there were opposing viewpoints from Ken Deffeyes and Peter Huber.

Turning first to Dr. Jones's comments, he begins his piece with the comment

In the national debate over energy, the idea that world oil production may peak within the next few years is gaining currency.But this notion rests on two persistent misconceptions about the oil situation: first, that there is not much oil left to be discovered and, second, that new technology won't make much of a difference.

And having got the facts in his opening paragraph wrong, he compounds the problem in the very next, where he states that

In fact, some of the most oil-rich areas in Russia, the Caspian Sea, the Middle East, the delta areas of Africa, Greenland and the deepwater parts of the Gulf of Mexico have scarcely been explored. With prices up, oil companies are investing heavily in these areas......For every place where oil production is declining, such as the North Sea or Texas, production is increasing elsewhere.

Well I suppose that as long as oil production, collectively around the world, is still going up, then one could make a case for the latter part of the argument being true, but to suggest that there has been little exploration of the oil-rich areas that he cites is to either be unaware of the extent of modern exploration activity, or perhaps it is that he feels that until the oil has been "found by the bit" that the area has not been properly explored. With today's rig costs companies generally have done a lot of geophysical exploration before they will commit to that investment, and the evidence from the references in places such as the Oil and Gas Journal, and Rigzone articles show that he is clearly mistaken.

Dr Jones bases his article on the U.S. Geological Survey estimates and sources in the petroleum industry, which state that "there are more than 131 billion barrels of oil and 1,000 trillion cubic feet of natural gas remaining to be discovered in this country." With all those rigs (1,481 in the US, 477 in Canada) merrily drilling away you would have thought we would have found a significant portion of that by now. But apparently we are drilling in the wrong place, if we were

only to drill in the eastern GOMEX, off the Atlantic and Pacific coasts and on federally-managed land we would find it all. But if we don't then it will be all our fault.

And then there is

The second misconception is that advances in technology won't make much difference. Yet better technology and management has helped Russia - the new "hot" area for oil exploration - to significantly expand its production.

Sophisticated drilling technologies are making it easier to find new supplies and to squeeze more oil out of existing fields.

Sigh! It was the introduction of Western and modern technology into Russia that allowed them to bring back many of their old fields, but having made that restoration, it is now generally recognized that Russia is now back to close to a peak production point. The "new" technology has been used in the West for some time, and it actually the use of that technology that is accelerating the depletion that we write about here so frequently. Well I could go on, but you have heard the gist of his remarks, and we have discussed the unreality of his position many times. It is only, however, by refuting them consistently that the American public can be made to understand the realities of geology.

A similar case can be made for Peter Huber's comments, that began, after a cursory description of Hubbert's Peak, with

Nonsense. Technology and politics--not geology--determine how much we pump and what it costs.

As his argument continues, however, it begins to look remarkably like that of Dr Jones.

Today Alaska contains 18 billion bbl. of off-limits crude. We've embargoed at least an additional 30 billion bbl. beneath our coastal waters. And we could fuel many of our heavy trucks and delivery vehicles for a decade with the 20 billion bbl. worth of natural gas we've placed off limits in federal Rocky Mountain lands.

He places his hopes, further, on Alberta's tar sands, and those of Venezuela, on methane hydrates, and on getting oil from coal. He points out that "General Patton's Third Army completed its roll across Europe on coal liquefied with German technology." Which is something I must confess to not knowing.

A few strokes of a pen (or laptop) and see, all the world's troubles are gone. Trivial details such as only a death-wish denialist might raise, such as "How?" or "When?" are of course not worth discussing!

Tragically it is articles such as these that continue to suggest to the general public that the rise in the price of oil is purely because of the greed of the oil companies, and that the world does not have a problem. Perhaps they should move to Northern England this winter, where a fuel shortage and a more than normally cool set of temperatures might help their understanding of the difference between wishful thinking and immediate reality.

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