



A Reality Check on Oil Supply for Newt Gingrich

Posted by [aeberman](#) on November 28, 2011 - 9:59am

Topic: [Supply/Production](#)

Tags: [field data](#), [gingrich](#), [oil supply](#), [us presidential elections](#) [[list all tags](#)]

During the CNN Republican presidential debate Tuesday, November 23, Newt Gingrich made statements about U.S. potential oil supply that reveal either total ignorance of energy or supremely dangerous demagoguery. He stated that the United States could discover and produce enough oil in 2012 to cause a worldwide oil price collapse.

GINGRICH: But let me make a deeper point. There's a core thing that's wrong with this whole city. You said earlier that it would take too long to open up American oil. We defeated Nazi Germany, fascist Italy, and Imperial Japan in three years and eight months because we thought we were serious.

If we were serious, we would open up enough oil fields in the next year that the price of oil worldwide would collapse. Now, that's what we would do if we were a serious country. If we were serious...

(http://blogs.suntimes.com/sweet/2011/11/cnn_republican_debate_nov_22_2.html)

Earlier in the debate, when discussing the impact on Europe and the global price of oil of stopping Iranian exports through sanctioning its central bank, Gingrich said that would not be a problem. The United States would simply provide an additional 4 million barrels of oil per day to Europe to cover the Iranian shortfall.

BLITZER: The argument, Speaker Gingrich -- and I know you've studied this, and I want you to weigh in -- on the sanctioning of the Iranian Central Bank, because if you do that, for all practical purposes, it cuts off Iranian oil exports, 4 million barrels a day.

The Europeans get a lot of that oil. They think their economy, if the price of gasoline skyrocketed, which it would, would be disastrous. That's why the pressure is on the U.S. to not impose those sanctions. What say you?

GINGRICH: Well, I say you -- the question you just asked is perfect, because the fact is we ought to have a massive all-sources energy program in the United States designed to, once again, create a surplus of energy here, so we could say to the Europeans pretty cheerfully, that all the various sources of oil we have in the United States, we could literally replace the Iranian oil.

Now that's how we won World War II.

(http://blogs.suntimes.com/sweet/2011/11/cnn_republican_debate_nov_22_2.html)

It seems absurd to have to rebut these preposterous statements, but here are the facts.

During the week ending November 18, 2011, the US used 14.8 million barrels (Mbopd) of crude oil as input to refineries. This included 5.9 Mbopd of domestic crude oil production and 8.3 Mbopd of net crude oil imports. From this input, 18.6 Mbopd of petroleum products were produced and consumed (Exhibit 1).

Thousands of Barrels Per Day	
Crude Oil Input to Refineries	14,796
Domestic Production	5,887
Net Imports	8,283
Production	
Natural Gas Plant Liquids	4,287
Renewable Fuels	2,201
Refinery Processing Gain	1,012
	1,074
Total	18,585
Finished Motor Gasoline	8,592
Kerosene-Type Jet Fuel	1,386
Distillate Fuel Oil	4,069
Residual Fuel Oil	296
Propane/Propylene	1,177
Other Oils	3,065

Exhibit 1. Summary of EIA Weekly Petroleum Status Report for Week Ended November 18, 2011
(http://www.eia.gov/pub/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/current/pdf/wpsrall.pdf)

The U.S. would have to increase field production by more than double current production to become oil independent by increasing domestic production to 14.8 Mbopd. Even peak production in 1970 of 10,000 bopd would only meet 68% of current crude oil consumption. To bring about a collapse in world oil prices, as Mr. Gingrich suggests, would mean increasing U.S. production by substantially more than this.

Maximum daily production from Prudhoe Bay Field, the largest in the United States, was 2.0 million bopd in 1988 (http://www.aspo-usa.com/archives/index.php?option=com_content&task=view&...). Mr. Gingrich suggests that we can find more than six additional Prudhoe Bay-sized fields in one year. Prudhoe Bay was discovered in 1968, did not begin production for 11 years, and did not reach peak production until 20 years after its discovery. But Mr. Gingrich thinks that there are many Prudhoe Bay fields waiting to be found that can be at explored, developed and brought to peak production in one year.

It is difficult to imagine that Mr. Gingrich could be unaware of these fundamental facts and probabilities. If so, he must be placed in a lower category than Rick Perry and Herman Cain, who simply could not remember what they presumably knew. The only other possibility is that he knows the reality of oil supply and is misleading to the American people in order to gain support for a positive "can do" message. Either way, it is clear that Mr. Gingrich does not have a realistic understanding of the oil exploration and production business.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/).