

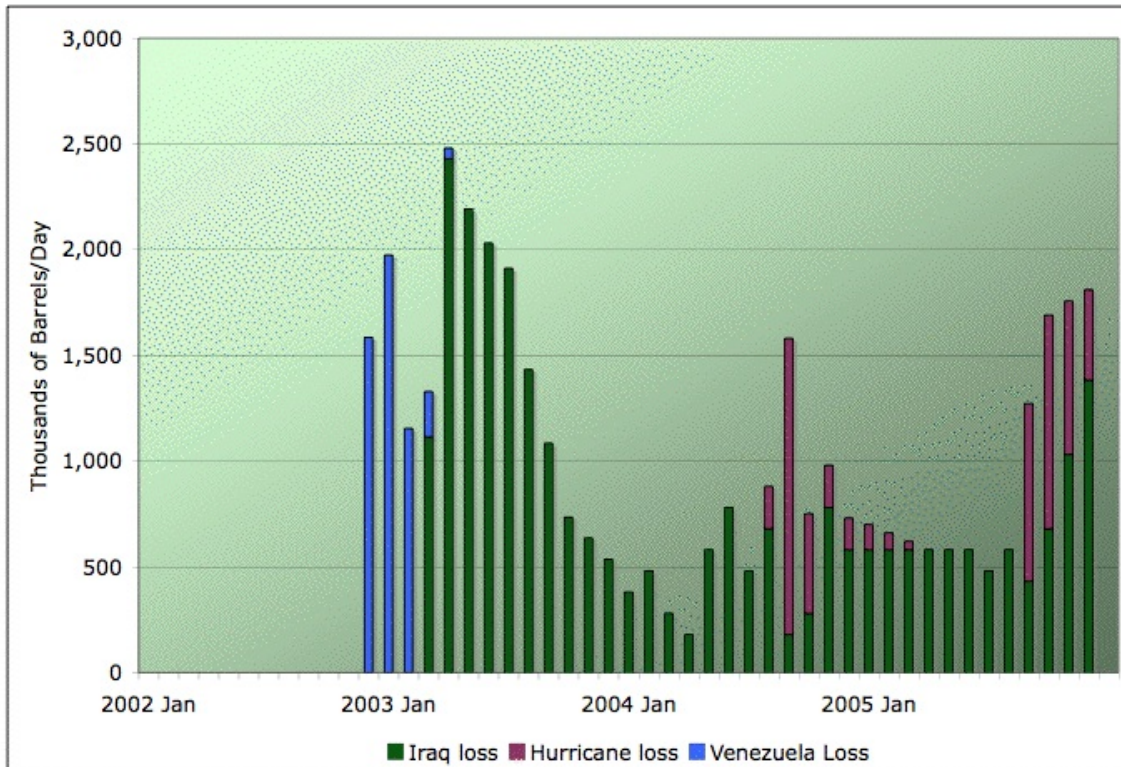


Can Acts of God and Bush Explain the Plateau?

Posted by [Stuart Staniford](#) on January 4, 2006 - 2:28pm

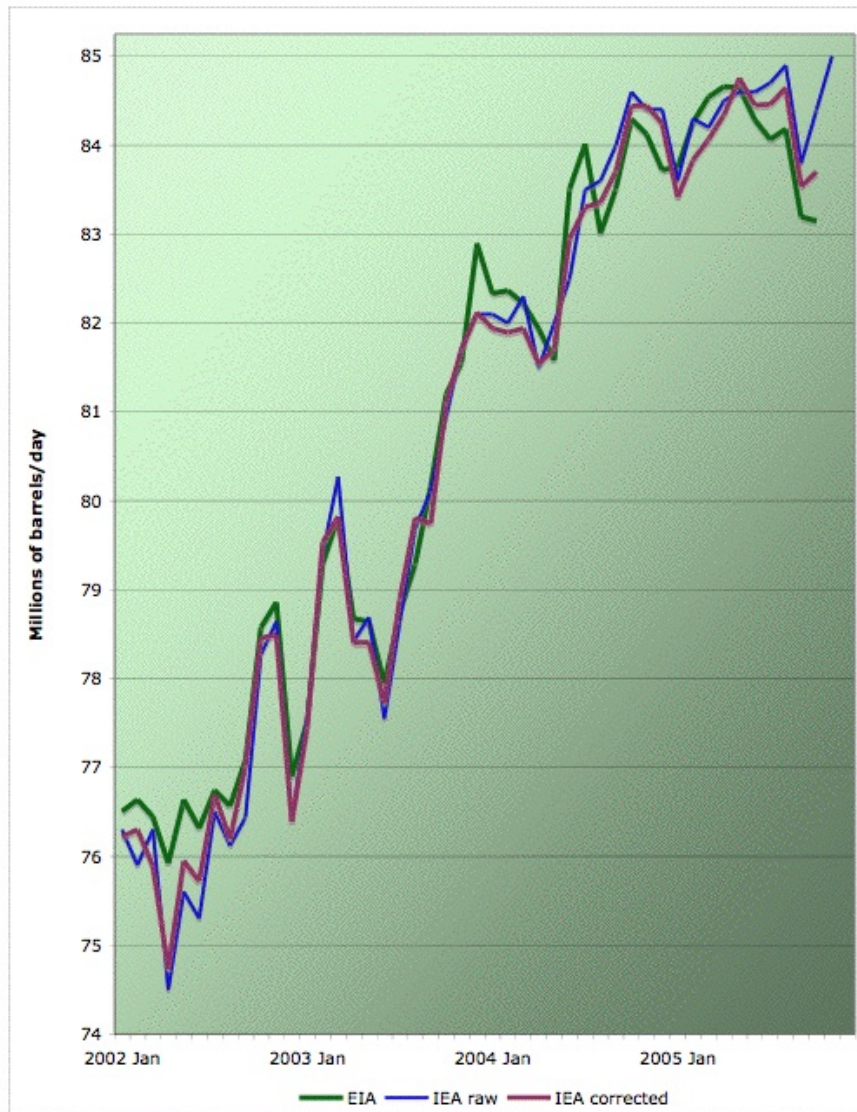
Topic: [Supply/Production](#)

Tags: [hubbert peak](#), [hurricanes](#), [iraq](#), [oil prices](#), [peak oil](#), [plateau](#) [[list all tags](#)]



Production losses due to Iraq (Source [EIA table 1.1a](#) with production subtracted from February 2003 level), Venezuela (Source [EIA table 1.1a](#) with production subtracted from average 2002 level), and hurricanes (Source: [EIA hurricane losses archive](#). Shut in production at mid month. Frances and Ivan shut-in eyeball-estimated from graphs.)

Recall that [just before Christmas](#), we were discussing the apparent bumpy plateau in world oil production since last year. This picture, to be specific. (However, the version here has been updated with the EIA's October number and slightly revised August and September numbers and has also had a graphic facelift).

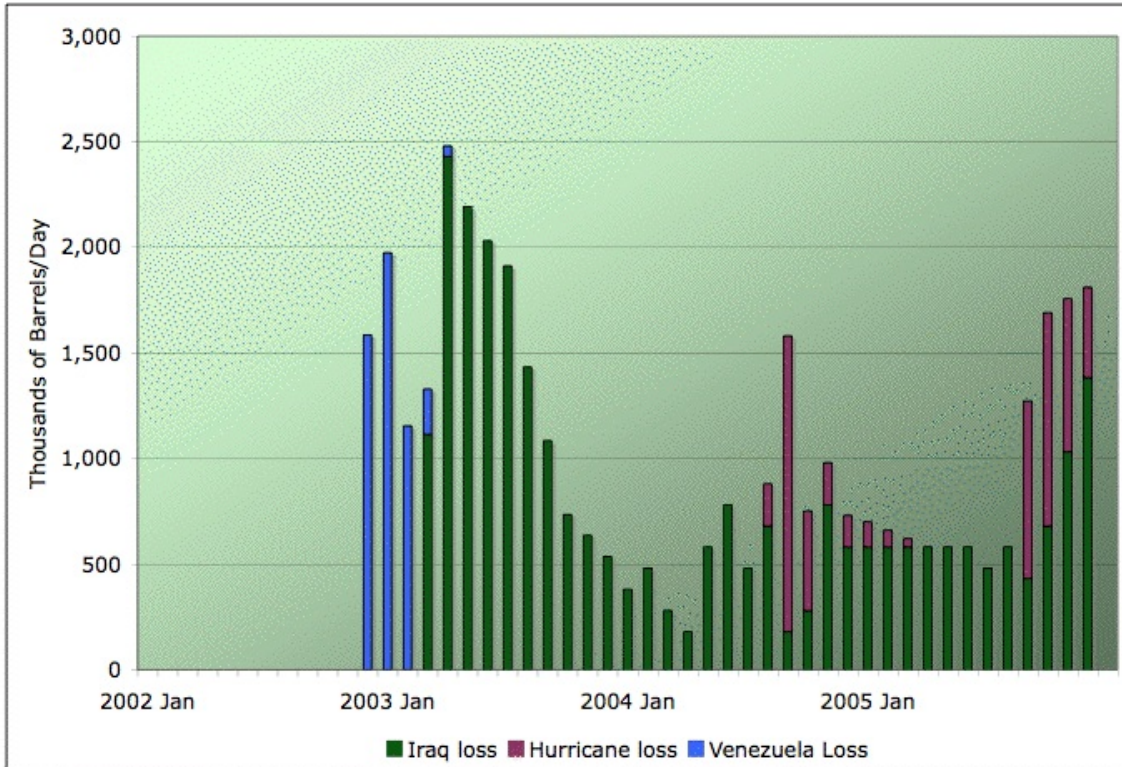


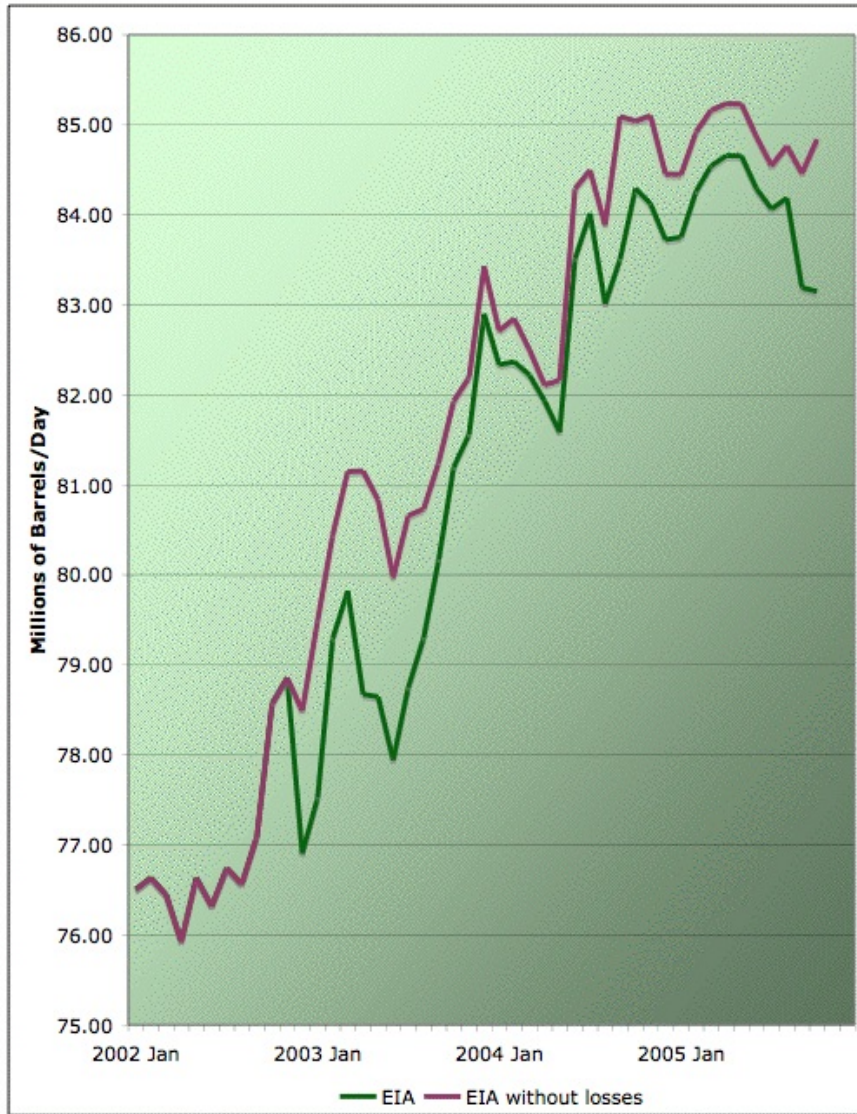
Average monthly oil production from various estimates. Click to enlarge. Believed to be all liquids. Graph is not zero-scaled. Source: [IEA](#), and [EIA](#). The IEA raw line is what they initially state each month. The IEA corrected line is calculated from the month-on-month production change quoted the following month.

In that discussion, our helpful contrarian Freddy Hutter [argued that](#)

Peaksters can get excited all they want watching the mid 2005 plateau and read into it what they want but the rest of us know it was hurricane and refinery related and the trendline will continue into 2010 amid the gnashing of teeth.

The refinery issue we'll save for another day, but I want to examine the question of whether the hurricanes explain the plateau. However, it doesn't seem quite unbiased to me to look only at the hurricanes because the other big accident we had affecting production in the period of interest was the Iraq war. Finally, we had some choppiness due to events in Venezuela also. As best I can recall, those were the major problems that had nothing to do with depletion but cut into production. The summary of these various production losses looks as follows:





Average monthly oil production from EIA, and as corrected for geopolitical and hurricane losses. Click to enlarge. Believed to be all liquids. Graph is not zero-scaled. Source: [EIA](#)

As you can see, if the various problems had not have occurred, we would have had more oil and slightly less volatile supply. However, the plateau shape doesn't go away. If anything, it's a little more pronounced. So I think to argue that the recent plateau is explained by hurricanes is to select only those factors that fit one's desired outcome. Looking at the broader picture, the plateau cannot be explained by the acts of God and Bush.



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