

**THE ASSOCIATION  
FOR THE STUDY OF PEAK OIL AND GAS  
“ASPO”**

**NEWSLETTER No. 83 – NOVEMBER 2007**

**ASPO started as a European network of scientists and others, having an interest in determining the date and impact of the peak and decline of the world’s production of oil and gas, due to resource constraints. Now, associates are active in Australia, Austria, Belgium, Canada, China, Croatia, Denmark, Egypt, Finland, France, Germany, Hong Kong, Ireland, Isle of Man, Israel, Italy, Luxembourg, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway Portugal, Russia, Singapore, Slovenia, South Africa, Spain, Sweden, Switzerland, United Kingdom, USA, and Venezuela.**

(The formally constituted entities are shown in bold face)

**Missions:**

- 1. To evaluate the world’s endowment and definition of oil and gas;**
- 2. To study depletion, taking due account of economics, demand, technology and politics;**
- 3. To raise awareness of the serious consequences of oil and gas decline for Mankind.**

Foreign language editions are available as follows:

Spanish: [www.crisisenergetica.org](http://www.crisisenergetica.org)

French: [www.oleocene.org](http://www.oleocene.org) (press “Newsletter”)

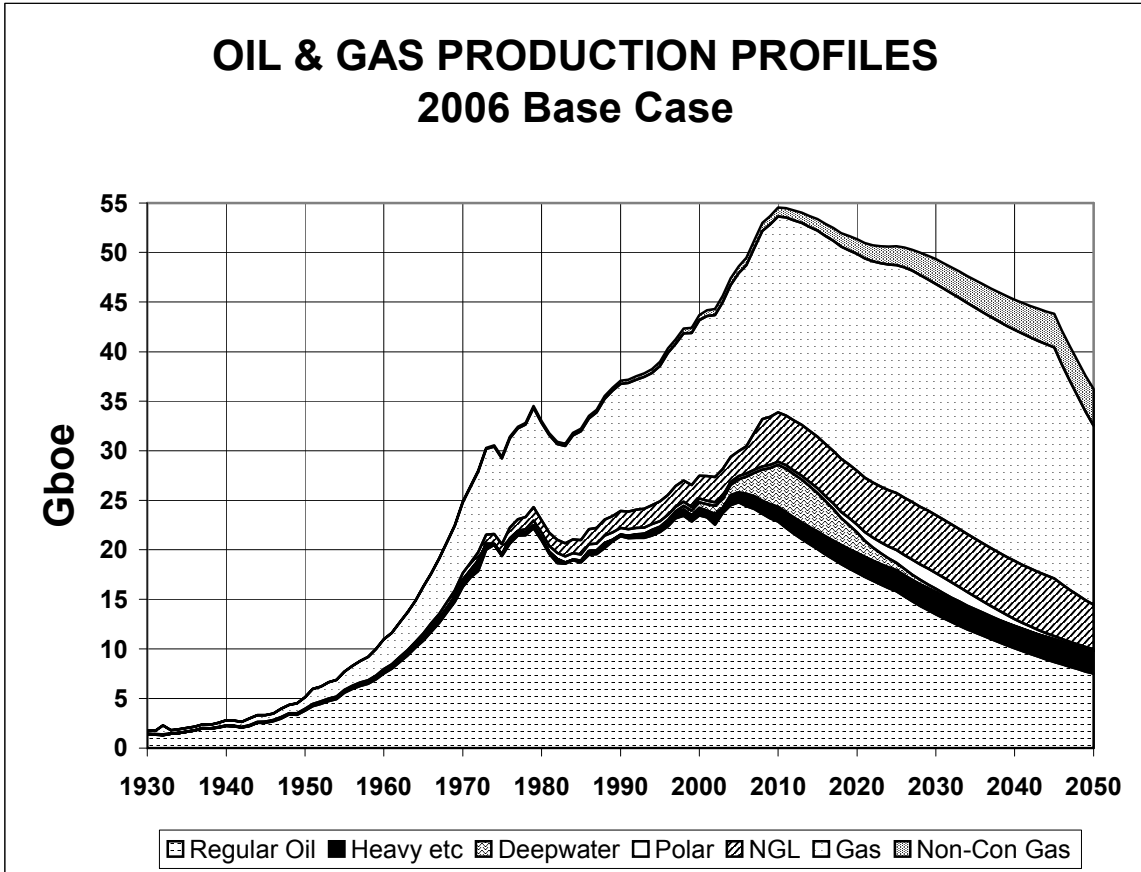
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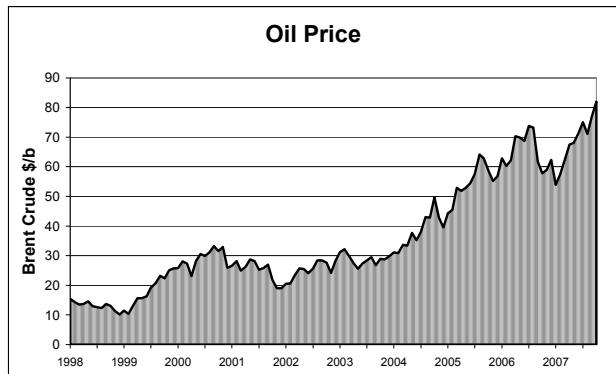
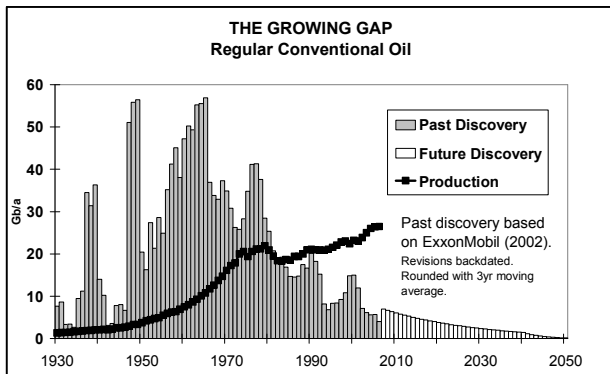
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### The General Depletion Picture



ESTIMATED PRODUCTION TO 2100									End 2006		
Amount			Gb	Annual Rate - Regular Oil					Gb	Peak	
Regular Oil				Mb/d	2006	2010	2015	2020	2030	Total	Date
<b>Past</b>	<b>Future</b>	<b>Total</b>		US-48	3.6	3.0	2.3	1.8	1.1	200	1970
Known Fields	New			Europe	4.5	3.6	2.5	1.7	0.8	76	2000
1001	773	126	1900	Russia	9.5	9.5	7.6	6.1	3.9	230	1987
	899			ME Gulf	20	20	20	20	18	693	2015
<b>All Liquids</b>				Other	29	27	22	19	13	701	2004
1102	1398	2500		<b>World</b>	<b>67</b>	<b>63</b>	<b>55</b>	<b>48</b>	<b>37</b>	<b>1900</b>	<b>2005</b>
<b>2006 Base Scenario</b>				<b>Annual Rate - Other</b>							
M. East producing at capacity (anomalous reporting corrected)				Heavy etc.	2.8	4	5	5	6	212	2030
Regular Oil excludes Heavy Oils (inc. tarsands, oilshales); Polar & Deepwater Oil; & gasplant NGL				Deepwater	3.6	12	11	6	1	66	2011
				Polar	0.9	1	1	2	4	52	2030
				Gas Liquid	7.6	8	9	9	10	261	2035
				<i>Rounding</i>				-1	2	8	
Revised	30/09/2007			<b>ALL</b>	<b>82</b>	<b>87</b>	<b>80</b>	<b>70</b>	<b>60</b>	<b>2500</b>	<b>2010</b>



### **877. Appalling Ignorance by the British Government**

A petition sent to the British Prime Minister drawing attention to the Peak Oil issue has elicited the following response :

The Government fully recognises that there is uncertainty around the issue of future global oil and gas production. However, on the balance of the available analysis and evidence, the Government's assessment is that the world's oil and gas resources are sufficient to sustain economic growth for the foreseeable future.

As the International Energy Agency (IEA) notes in its 2005 publication, Resources to Reserves - Oil and Gas Technologies for the Energy Markets of the Future, the key problem is not the limit of geological oil resources: "*The hydrocarbon resources around the world are sufficiently abundant to sustain likely growth in the global energy system for the foreseeable future*". Rather, the challenge lies in bringing these resources to market in a way that ensures sustainable, timely, reliable, and affordable supplies of energy.

In this context, the **2007 Energy White Paper (new window)** noted (paragraph 1.18) a number of risks to oil and gas security of supply and prices, including factors that could defer or restrict investment in energy production and hence lead to slower-than-expected growth in production. However, the current high oil prices are already providing incentives for strong investment in alternative sources of transport fuels, such as non-conventional oil and biofuels, and driving energy efficiency improvements in the way the world consumes oil, e.g. in transport vehicles. Governments are also taking action - internationally and domestically - in support of this.

For example, as set out in the Energy White Paper, the Government is putting in place policies that will help ease the UK economy away from power supplied primarily through fossil fuels as well as bringing about reductions in carbon dioxide emissions. Our strategy is to work to liberalise international markets, create the right environment to attract investment in exploration and infrastructure and, through measures to improve energy efficiency, and our ongoing commitment to renewable and other low-carbon technologies, help reduce our dependence on fossil fuels.

The tone of the response speaks more of doctrinaire flat-earth ignorance than a deliberate attempt to mislead which might have political justification. One wonders why it refers to a 2005 IEA study, when two years later this same organisation finally found it expedient to admit to Peak Oil, speaking of serious shortfalls after 2012. The German Government admits to an imminent peak (see Item 872), and the US Secretary of Energy instructs the National Petroleum Council to investigate it, but the British Government apparently remains in ignorance.

### **878. US Government admits to Depletion**

A US Government Task Force has issued a major report entitled America's Strategic Unconventional Fuels. It assesses the situation in the following terms :

Global and domestic demand for crude oil and refined products continues to expand, driven by rapid economic growth in developing economies and domestic consumer habits. At the same time, finding and producing oil resources to meet rising demand is increasingly difficult and costly. Companies are failing to replace produced reserves, shrinking the world's conventional oil reserves base. Excess productive capacity is also shrinking, reducing the ability to respond to supply disruptions, increasing price volatility, and driving up prices.

Domestic crude oil production is declining as demand rises, increasing our dependence on imports of oil and refined products. Between 1985 and 2004, U.S. demand for oil and products increased by 25 percent to 20 MMBbl/d and imports more than doubled, reaching over 12 MMBbl/d (58% of demand). The Energy Information Administration projects U.S. oil and refined products imports to increase to 18 MMBbl/d (65% of demand) by 2030. (Figure ES-1) Increasingly, oil and refined products must be imported from nations unfriendly to the United States or threatened by political instability, reducing the security and reliability of supplies critical to our economy, our military, and our national security.

**The Task Force finds that America's increasing demand for oil imports in a world of more limited supply from increasingly unstable sources poses strategic risks that the nation can ill afford to ignore.** These risks include the reliability of fuels to supply our economy, the availability of assured supplies to fuel our military, and the enormous costs of oil imports to consumers and the economy as a whole. The higher cost and volume of oil and refined product imports combine to exacerbate the nation's trade deficit and weaken the value of the dollar against other currencies. **To address this situation, aggressive action must be taken by government and industry to abate growth in U.S. oil demand and to increase production of fuels from domestic sources.**

It discusses the issue of depletion, illustrating a graph very similar to the *Growing Gap*, depicted above at the opening of the newsletter, comparing consumption against discovery by decade. It shows that for the decade 1960-69, 460 Gb (billion barrels) were found worldwide and 116 Gb consumed; whereas for the

present decade, the estimates are 68 Gb discovered and 245 Gb consumed from the remaining stock of earlier discovery; and by the next decade the gap widens to 366 Gb consumed and only 39 Gb discovered. The report evidently accepts the peak of discovery of *Regular Conventional* oil is about to deliver a corresponding peak of production, as is eminently logical.

It stresses that the resources of unconventional oil are large but slow and costly to produce, calling for new national policies to subsidise and plan operations in an optimal way.

Concerns are expressed that military requirements should be met, mentioning that the Department of Defense purchased 312 kb/d in 2006. (This is a large amount of oil, close for example to what a country such as Austria consumes). The report almost implies that the United States perceives itself to be threatened militarily in some way, which is somewhat difficult to understand, given that it was itself the architect of recent foreign wars and threats, some having oil agendas, as confirmed by President Bush when he justified the invasion of Iraq with the words *Our energy supply was at risk*. The report speaks of unstable foreign sources of supply, without apparently appreciating the cause of the instability.

(See [www.unconventionalfuels.org/publications.html](http://www.unconventionalfuels.org/publications.html)) (Reference furnished by Jack Zagar)

### **879. Turkey : a new flashpoint ?**

Turkey has always lain at the crossroads between Europe, the Middle East and Russia. It occupies the territory of an early Christian State, known as Armenia, which flourished until 428 AD, when it fell in turn to the Persians and the Arabs, becoming the seat of what evolved into the Ottoman Empire. At its prime in the 16<sup>th</sup> and 17<sup>th</sup> Centuries, Ottoman dominion extended from the Adriatic to the Caspian, and from the gates of Vienna to Egypt and North Africa. Most of the Middle East, apart from Persia, fell within its jurisdiction.

The Ottomans belonged to the Sunni sect of Islam, facing the Shi'ias of Persia. The division originated in a dispute as to whether the son, or son-in-law, of the Prophet Mohammed, who died in 632 AD, should inherit the mantle, but evidently later acquired political overtones. Christian Armenian communities survived under Ottoman rule, but were treated as somewhat subversive elements subject to periodic repression.

Efforts to modernise the Ottoman Sultanate arose in the early years of the 20<sup>th</sup> Century with the rise of the so-called Young Turks. This was accompanied by various moves towards independence from the member territories, leading to the formation of the Balkan League of Bulgaria, Serbia, Montenegro and Greece in 1912 which led to war against Turkey, with varying degrees of backing from the major European powers. A Greek army marched towards Istanbul, and Libya was taken by Italy. The Young Turks orchestrated a *coup d'etat* in 1913 and brought the country into the First World War on the side of Germany. This may in part have arisen from Germany's prior interest in building a railway through Ottoman territories from Berlin to Baghdad to take a stake in the Middle East. In fact, the first hints of oil in Iraq were the seepages identified by German engineers surveying the proposed railway.

In the first year of the war, Turkey launched an attack on Russia in the hopes of capturing the oil fields of Baku, but was roundly defeated. The defeat was in part attributed to the Armenians, some of whom had fought with the Russians hoping to regain their ancestral lands, and prompted renewed deportations and massacres. In one sense, the conflict was a civil war between different factions having rival claims to the country, but it smacked of genocide insofar as one side was Christian and the other Muslim. Genocide has become a somewhat emotive term following the persecutions in Germany during the Second World War, and is an element used as justification for Israel by way of atonement for the suffering.

British forces defeated the Turks in the First World War, having encouraged various Arab elements within the Ottoman Empire to rise in rebellion. Britain then set about dismantling the Empire with the creation of new States in the Middle East which were given somewhat arbitrary frontiers. The division however failed to recognise the claims of Kurds, numbering some 30 million, who are descendents of the ancient Medes, occupying a swath of country from Syria through southeast Turkey and northern Iraq into Iran. The British occupation of what became Iraq did not at first include the predominantly Kurdish northern region of Mosul, where the giant Kirkuk Oilfield is located, but that was added in 1926 following a Kurdish rebellion against the Turkish administration in the preceding year.

We may note in passing that the oil rights of Iraq originally belonged to the Turkish Petroleum Company, formed with capital from Shell and the Deutsche Bank in 1912 by Calouste Gulbenkian, himself an Armenian with links to Baku. It was transformed, as one of the spoils of war, into the Iraq Petroleum Company, to be owned by BP, Shell, CFP, Exxon, Mobil, although its founder managed to hold on to his famous 5%. It had exclusive control of Iraq's oil until 1972 when it was nationalised.

The Russian Army had occupied the eastern part of Turkey, with its predominantly Armenian population, in the early years of the First World War but lost control following the Bolshevik Revolution of 1917. Dispute and conflict continued until the post-war settlement, when the United States recognised the State of

Armenia at the Treaty of Sevres in 1920, and drew its boundaries. The country was then subject to a Soviet invasion, becoming a Soviet Socialist Republic. The Greeks too had ambitions to take Turkey and launched an invasion in 1921 to be defeated in the following year.

In 1923, Mustafa Kemal, known as Ataturk, the leader of the Young Turk Movement, came to power adopting a dictatorial style of Government, albeit aimed to modernise the country, disestablishing the long-standing Muslim Caliphate in 1924.

Gradually the political situation stabilised over the ensuing years as the *de facto* status of Turkey, and the countries of its former empire, was recognised and accepted, however reluctantly, by those involved, including the major European powers. Ataturk died in 1938, and Turkey came under pressure to join Germany, its former ally, in the early years of the Second World War, but it managed to remain neutral until it joined the victorious side just before its end.

The country then came under renewed pressure from Russia, which desired to establish military control of the waterway through Turkey which connects the Black Sea with the Mediterranean, but this was countered by the United States. Turkey became a member of NATO in 1952, being host to some of the US military bases that ringed the Soviet Union in the Cold War. There were however some ongoing conflicts in relation to Cyprus, which had previously been part of the Turkish Empire and still has a large Turkish community in the northern part of the country, who see themselves as Turks before being Cypriots. The tensions prompted a Turkish invasion in 1974, and the issue remains far from settled.

Turkey has enjoyed a degree of economic prosperity over the past few decades, although many of its citizens emigrated to Europe, finding work especially in Germany. It has been eyed by the European Union which desires to bring it into its economic and financial empire, although difficulties remain in relation to the rival claims of Greece and Turkey to the island of Cyprus.

The European Union is also supporting a plan to build a new gas pipeline, called Nabucco and costing 4.6 billion Euros, aimed to bring Caspian and Middle East gas through Turkey to Austria, passing through Bulgaria, Romania and Hungary.

The Anglo-American invasion of Iraq in 2002 opened a new chapter of tension, re-igniting the ancient conflicts between Sunni, Shi'ia, Kurd, and Armenian factions, now supplemented by Zionist pressures. No doubt, many Turks, who are predominantly Sunni, have sympathy for the suffering of the people of Iraq, and some may resent the fall of its previous Sunni Government. The Kurds however do not share that view, having been oppressed by the previous regime, (as well as by Britain in the 1920s when their villages were bombed), and no doubt welcomed the invaders with open arms.

It might accordingly make military sense for the foreign forces to establish themselves in the Kurdish parts of northern Iraq, using it as a base from which to subjugate the remainder of the country. As the current Middle East tensions spread eastward, steps may be taken to arm and encourage the Kurds of Iran to rise in that country. In any event, the administration of Kurdish Iraq has already secured sufficient independence to grant oil concessions to various companies, including the Hunt Oil Co of Dallas, Texas. But these moves have re-ignited the ambitions of the Kurdish separatists in Turkey, who now face a military crack-down.

Oil is naturally an important factor in the evolving situation. Turkey, although it lost its control of the oil rich Middle East outside Iran at the end of the First World War, is still an important transit country, not only for the long-established pipeline from Iraq but for the new one from the Caspian, both of which feed the Ceyhan terminal on the Mediterranean coast. As mentioned, the planned Nabucco gas pipeline to Europe will also pass through Turkey.

Key elements influencing the United States Government have obvious motives to keep alive the issue of genocide, and a House of Representatives Committee recently so described the suppression of the Armenians in Turkey almost a century ago, although it is hard to see if it has more current relevance than the fate of the Red Indians or the Rwandans. Perhaps it is a prelude or pretext for some new moves with regard to Kurdistan. It has not been well received by the Turkish Government, which has withdrawn its Ambassador from Washington in anger.

TURKEY		Regular Oil
<b>Population M</b>		74
<b>Rates Mb/d</b>		
Consumption	2006	01.15
per capita b/a		3
Production	2006	0.042
Forecast 2010		0.033
Forecast 2020		0.019
Discovery 5-yr average Gb		0.0016
<b>Amounts Gb</b>		
Past Production		0.87
Reported <i>Proved Reserves*</i>		0.3
Future Production - total		0.28
From Known Fields		0.19
From New Fields		0.08
Past and Future Production		1.15
Current Depletion Rate		5.5%
Depletion Midpoint Date		1991
Peak Discovery Date		1961
Peak Production Date		1991

\*Oil & Gas Journal

Turkey has become a major importer of oil, consuming 617 kb/d while producing no more than 42 kb/d on a declining trend, with production having peaked in 1981. Its people therefore face the full burden of high oil prices, adding to the tensions. It is well said that oil and politics are never far apart, and Turkey evidently has some new geopolitical cards in its hand, being in a position to shut off the export of Caspian oil through its pipeline and close American military bases on its territory.

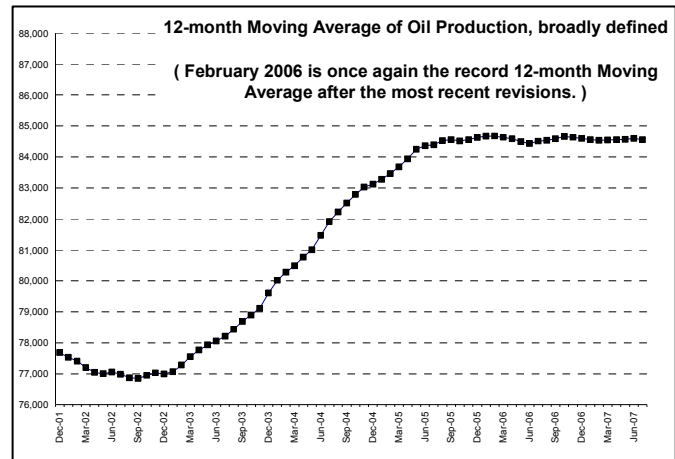
These events have not passed un-noticed on the oil markets, prompting a new surge in oil price to above \$90 a barrel on New York, a record high.

### 880. Production: Flat

The high prices of oil appear to be curbing demand, as production has been virtually flat for two years. The maximum so far was in February 2006, based on estimates by the EIA for all liquids. They include refinery gain which adds 2-3%, explaining why they are slightly higher than strict production, as used in the depletion model behind this newsletter.

The latter models Peak in 2010 at 87.3 Mb/d that becomes 90 Mb/d with refinery gain. A depletion-based Peak may not of course be reached if high prices hold down demand, delivering more of a plateau than a peak. The curbing of demand, or a fall in production due to further military action in the Middle East, would naturally leave more in the ground for the future and reduce the rate of subsequent decline.

(Graph furnished by William Tambllyn)



### 881. The Challenge of Contraction

Charles Darwin proclaimed that evolution is determined by the survival of the fittest, but that in turn demands definition of the environment within which the process applied. The simple limpet, *patella*, has lived happily on the rocks little changed for 500 million years. But more sophisticated species proliferated in particular circumstances, only to die out when their niche closed for whatever reason.

It can now be said with absolute assurance that *Hydrocarbon Man* will be virtually extinct this Century. *Homo sapiens* stepped out of Africa some four million years ago, and was at first represented by a subspecies, *Sustainable Man*, whose numbers grew only slowly over the succeeding years to reach about one billion when *Hydrocarbon Man* was born in the middle of the 19<sup>th</sup> Century. *Sustainable Man* then declined as *Hydrocarbon Man* took his place such that the overall population grew to its present level of 6.6 billion. It is calculated that current oil supply is equivalent in energy terms to 22 billion slaves working 24 hours a day.

The challenge facing the modern world is therefore to devise and introduce the new economics of Contraction, paving the way for the re-emergence of *Sustainable Man* as the dominant human species. This could be an exciting new challenge for the various academies, now teaching out-dated flat-earth economic and financial curricula. In fact, they could listen to the words John Maynard Keynes, their high priest who apparently understood perfectly well what he was doing. In a paper, written in 1930, he looked forward to the day *when people will once more value ends beyond means and prefer the good to the useful..... the time for that is not yet. For at least another hundred years we must pretend to ourselves and to every one that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our Gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into daylight.*

The oil companies themselves, as so to speak the progenitors of *Hydrocarbon Man*, can set an example, and indeed it appears that they are already beginning to do so. Notable amongst them is BP, whose new Chief Executive, Tony Haywood, is known to understand and recognise the issue of Peak Oil perfectly well. He has recently announced that his company is to shed thousands of jobs over the next few years as he moves to tear down the tiers of bureaucracy that tend to characterise major oil companies. Those who have worked for them will recall the frustration of dealing with committee upon committee in distant Head Offices making fatuous decisions in substantial ignorance of the local circumstances. As a classic, we may quote the example of a geologist who had started to present a proposal to explore an area in Sumatra, only to be interrupted by the Committee Chairman, who, looking at his agenda, interjected with the words "*That is all very interesting, but when are we coming to the Indonesian item?*", geography evidently not being his

strong card. Success in the corporate hierarchy came to those with glib tongues, sharp elbows and skill with those expandable pointers to aim at the summary maps spread out on the executive tables.

Apart from downsizing the redundant time-serving staff, the major companies are also taking other sensible steps. They are selling off their less profitable marketing chains, which may still bear their logo despite having new owners; they are failing to expand refineries, and perhaps selling off the less profitable ones, recognising that falling supply will leave surplus downstream capacity in the years ahead. They are also buying their own stock on a massive scale, which confirms that their past is worth more than their future, but is somewhat irresponsible as it artificially props up the stock market, making a crash that much more severe.

Governments naturally have the greater responsibility for managing the Contraction. One useful step might be to gradually phase out corporate taxation, which in many respects is an oblique subsidy because the cost of operating, no matter how inefficiently conducted, is taken as a charge against taxable income. Thus, when the executive pays himself a salary grossly in excess of that needed to meet his wildest whims, it is effectively the taxpayer who foots the bill. Short-term trading on the stock market could be heavily penalised, so that investors are forced to have a longer term view, accompanied by a growing sense of loyalty to, and responsibility for, their investments. The manager must come to see himself as the servant of the investor and not the slave of an ephemeral market, controlled by those who are skilled at judging the largely self-fulfilling trends but lack any real knowledge of the underlying businesses in which they place the investments.

The transition to the new order of Contraction will inevitably be fraught with many tensions, as the political parties gradually adapt to the new circumstances imposed by Nature, but there are signs of hope. In Britain, for example, there is a move to give tax benefits to those accepting the responsibility of marriage as opposed to facile co-habitation. Perhaps *Homo sapiens* will survive after all.

### **882. Yemen Goes Nuclear**

It is noteworthy that Yemen has signed a deal with a US Company for the construction of a nuclear power station to provide 5000 MWe over the next ten years. The Yemen has been a modest oil producer, having found some 3.5 Gb of oil since exploration began in 1963. Production is running at 415 kb/d which is estimated to be the peak rate, with future production set to decline at about 7% a year. Gas reserves stand at about 14 Tcf but for some reason production fell from 22 to 2 Mcf a day in 2000. The country's population has increased ten-fold over the past Century to reach 22 million to-day, and it currently faces power cuts, with electricity being much needed to desalinate water.

Other countries in the Middle East are also looking at the nuclear option, presumably having realised that their current oil and gas supply is set to decline in the years ahead from natural depletion. It may make sense for them to use their current high oil revenues to invest in their futures, but some of them are deemed to pose a threat to countries outside the region.

### **883. ASPO-USA Conference**

ASPO-USA has held a very successful conference in Houston, with the following highlights:

1. Henry Groppe (Groppe, Long & Littel), T. Boone Pickens (Mesa Petroleum) and Matt Simmons (Simmons & Co.) believe that the world is at maximum oil production now. Charlie Maxwell (Weeden & Co.) believes it will likely be a year or two later.
2. Tom Petrie (Merrill Lynch) opined that peak oil will be a major inflection point in human evolution.
3. John Olson (Sanders Morris Harris) described the recent run up in oil prices and the simultaneous increase in world oil demand as *upside-down elasticity*. It's not supposed to work that way!
4. David Hughes (Canadian Geological Survey) opined that peak oil trumps climate change and believes that peak coal might occur around 2025. He agreed with Rutledge (Cal Tech) that the hydrocarbons in the IPCC forecast do not exist, i.e., there is not enough CO<sub>2</sub> to force the IPCC forecasted climate changes.
5. Kyriacos Zygourakis (Department Chair in Chemical & Biomolecular Engineering, Rice University) did a logical and factual dissection of biofuels. Not only is corn-to-ethanol an energy loser, cellulose-to ethanol will likely have low net energy.
6. Roger Bezdek (MISI) presented the current worldwide airline, airplane, FAA, and airport forecasts for the next few decades, noting that they all foresee dramatic increases in flights and activities, due primarily to robust world GDP growth. Noting that *causality works both ways*, the GDP declines that result from peak oil will cause major contractions in the airline industry and the cities that depend on air travel, e.g., Las Vegas.

7. Richard Nehring (Nehring Associates, the US oil and gas database firm) said, *rather than look at this [peak oil] as a problem of inadequate supply, we should look at this as a problem of too much consumption.*

8. Houston Mayor, Bill White, a former oil man and former Deputy Energy Secretary, said the oil production story is *a race between depletion and technology*, and that eventually depletion will win. *It is very telling that we are finding fewer giant oil fields. I don't think the people looking for that oil have any less talent or fewer tools than their predecessors.*

9. Mariano Gurfinkel (University of Texas Dept. of Economic Geology), a former oil man who worked on the National Petroleum Council's September 2007 report, expressed optimism that markets will help us. Yet he also stated that, *I'm concerned about supply not being able to meet demand. The world going forward will not be business as usual; we will face big change.*

10. Bob Hirsch (Senior Energy Adviser MISI) outlined scenarios for mitigation planning in the face of world energy shortage, stressing that time was short, as the adjustments great.

*(Information furnished by Bob Hirsch and Steve Andrews)*

### **884. The Role of Government**

Despite the mounting evidence of an imminent peak in oil supply, several governments still decline to face up to the issue. It poses the question of what exactly is the purpose of government: is it a designed to try to meet the best interest of the people it represents? or is it rather a mechanism for controlling such people in the interest of those in command? A reader poses the question in the following terms:

Many are curiously optimistic. The IEA, and the US DOE EIA, and the Department of Business and Enterprise of the UK, and the US Gas Research Institute (GRI, now liquidated and replaced by GTI, the Gas Technology Institute), and the Cambridge Energy Research Associates (CERA), and the US DOE NPC (National Petroleum Council), all made essentially the same misleading claim: *Humanity has nothing to worry about in oil and natural gas supplies for the next few decades.*

Insofar as some of these groups are government institutions with the duty TO GIVE RELIABLE ADVICE TO THE TAXPAYERS who pay their salaries, and **NOT TO BETRAY THE TAXPAYERS**, the question humanity has to address is the following: *How do you address the situation in which somebody in your employment, who has been employed to give you reliable warnings in energy questions of an incredible gravity, is totally derelict in his or her duties, and gives you a totally false sense of energy security, which is incredibly destructive to all of society, for no other apparent reason than that this is the type of advice that the current commercial energy establishment wants you to get?*

In the Middle Ages, such a traitor would probably have been burned alive at the stake. Given all that is at stake today, that probably would be a merciful response, inflicting only a negligible amount of suffering compared to the suffering that will be caused by the treacherously wrong advice. It might also be a quite cost-effective response, giving future bureaucrats a somewhat greater incentive to behave properly. If matters of *Civil Rights* or of *Constitutional Questions* make it somewhat impractical to burn people alive at the stake in public these days, the fact that this would be a merciful response, given the results one can certainly expect of the misbehaviour, should give humanity an incentive to try to ensure that bureaucrats can never betray us again with impunity. They betrayed us in the War in Vietnam, in the War in Iraq, and now again in Petroleum. Can we afford to allow this type of treason to become a tradition? What should we do to keep this from becoming a tradition? Take your head out of the sand, and give this some thought. Should we try to have a *Government of the people, by the people, and for the people*, or should our government be no more than a mafia operation? This is a serious question, and if we do not take it seriously we will be sorry.

*(Furnished by Frank de Winter)*

### **885. Peak Politics**

Professor Klare has written an excellent article entitled *Beyond the Age of Petroleum*, reviewing the links between Peak Oil and current US policy in the Middle East. It ends with the following observation

#### **Life After the Peak**

And so we have a portrait of the global energy situation after the peak of conventional petroleum, with troops being rushed from one oil-producing hot spot to another and a growing share of our transportation fuel being supplied by nonpetroleum liquids of one sort or another. Exactly what form this future energy equation will take cannot be foreseen with precision, but it is obvious that the arduous process will shape American policy debates, domestic and foreign, for a long time.

As this brief assessment suggests, the passing of peak oil will have profound and lasting consequences for this country, with no easy solutions. In facing this future, we must, above all, disavow any simple answers, such as energy "independence" based on the pillage of America's remaining wilderness areas or the false promise of corn-based ethanol (which can supply only a tiny fraction of our transportation requirements). It is clear, moreover, that many of the fuel alternatives proposed by the Bush Administration pose significant dangers of their own and so should be examined carefully before vast public sums are committed to their development. The safest and most morally defensible course is to

repudiate any "consensus" calling for the use of force to protect overseas petroleum supplies and to strive to conserve what remains of the world's oil by using less of it.

*from the November 12, 2007 issue of THE NATION*

The United States, supported surprisingly by several other countries, has now imposed new economic sanctions on Iran, prompting a growing debate about the justification and likelihood of an imminent military attack upon the country. It is not easy to identify the crimes it has allegedly committed: it is by no means the only country to perceive the need for nuclear energy; and it probably has more justification to help the suffering Shi'ia community in Iraq than do the invaders of that country, whose actions led to the death of about one million innocent people. *(Reference furnished by Paul Metz)*

### **886. Oil Company Confession**

It appears that the actual production of the major companies is already heading downwards, but it is not yet clear if this is a temporary situation or the onset of terminal decline. They do however begin to change their tune, now becoming ready to accept the reality of Peak Oil, stressing that it is not synonymous with final exhaustion. The Chief Scientist of ExxonMobil has already pointed out that peak discovery was in the 1960s, which evidently points to an imminent corresponding peak in production. Now, a Vice-President of Chevron (speaking at a Dow Jones Conference in California) readily admits to peak, saying that the world will have to turn to biofuels, and oil from coal and tarsands, stressing the challenges of doing so. The word *challenge* tends to imply that the problem can be overcome, but that is not necessarily the case. While indeed oil from these other sources can be tapped, it is obvious that they will be more difficult, costly, and above all slow, to produce, by no means diminishing the economic and eventually the political impact of the peak of conventional oil.

*(Reference furnished by Douglas Low of ODAC)*

### **887. ASPO6 Conference DVD**

A complete recording of the recently held 6<sup>th</sup> Annual International ASPO Conference, ASPO6, is now available to order from the ASPO Ireland website: [www.aspo-ireland.org](http://www.aspo-ireland.org)

The 5 DVD boxset contains each of the 4 sessions on a DVD plus a bonus DVD packed with interviews by Chris Vernon of The Oil Drum with some of the speakers, chairs, panellists, and keynotes at the conference. A 4 minute overview of the contents of the DVD can be viewed on the ASPO Ireland website to provide a sense for the quality of the material.

### **Calendar - Forthcoming Conferences and Meetings**

ASPO members and associates [shown in parenthesis] will be addressing the subject of Peak Oil at the following conferences and meetings. Information for inclusion in future newsletters is welcomed.

**2007**

Dec. 4-5          Vorarlberg Sustainability Conference, **Bregenz**, Austria [Campbell]

### **NOTE**

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Multi-Science Publishing Co. (Sciencem@hotmail.com) wish to advise that copies of the book *Oil Crisis* by C.J.Campbell, providing background reading, are still available for purchase.