



## To Forbes - A Gentle Cough of Correction at TOD's End

Posted by [Heading Out](#) on July 21, 2013 - 1:08am

Forbes recently [issued a commentary](#) on the closing of The Oil Drum, which deserves some rebuttal, since, as with many stories on the "Peak Oil" topic, it conveys too many incorrect statements and false assumptions.

Just over eight years ago I became irritated by several articles in the Main Stream Media that were clearly technically wrong. (My academic research includes many years of making holes in geological media, an interest that began with my doctoral work in the late 1960's). I began writing about some of the misconceptions in regard to the approach of Peak Oil in a blog I was writing at the time. Shortly thereafter I agreed to join with Kyle, who was then writing his own blog, under the nom de plume of Prof Goose, to jointly create the website The Oil Drum.

In the beginning, Kyle handled the site management issues (a task he later passed on), and my main contribution has been the intended one of writing on the more technical sides of the situation. This was particularly the case during the events surrounding the Deepwater Horizon disaster, where readership of TOD rose to around 60,000 a day. But writing for a site that began to achieve some technical credibility had its drawbacks. Very early on I got into the habit of referencing almost every fact I cited, given the questions that arose whenever I appeared (at least to my audience, but also, at times, in fact) to misspeak. Working for the site has made me a better writer, but it was clear almost from the start that the two of us could not sustain the interest that the site very quickly drew.

Over the years I felt very fortunate that Kyle went out and found funding, and innocents willing to carry the burden of editing the increasingly large talent of folk that were kind enough to contribute to the large interest that the site engendered. The site was fortunate to attract some really perceptive folk, and if I hesitate to name them it is only from the fear of missing the odd one and causing offence to people that I have acquired great respect for over the years. Many of those now have their own sites, and so TOD acted in some small way as an encouragement for that effort and to broaden and grow the community that is concerned about the coming point where the production of oil, at a reasonable price, will be unable to keep up with demand and the unpleasant consequences that will then arrive.

I was watching the hearing before the UK House of Commons Science and Technology Committee this past Wednesday on [the public understanding of climate](#). In response to a question, Ralph Lee of Factual, Channel 4 and David Jordan, Director of Editorial Policy and Standards for the BBC pointed out the difficulty in sustaining the level of stories on Climate Change, because of the need for these to generate significant new material to justify publication. They noted that repetition of the basic information, beyond a certain point, was counter-productive. So it is with the Peak Oil story. The facts, in neither case, change, but the amount of new information while accumulating (vide the superb work that Leanan has done with Drumbeat over the years) is often repetitive or confirmatory of earlier stories and thus harder to turn into interesting and exciting new material. There are developing stories that justify continued interest in the topic, but the slow pace with which some of the stories unfold make it difficult to sustain interest.

The transition of Egypt to an importing state for example, revealed in the Energy Export Databrowser figure shown a few weeks ago illustrates a growing problem that their new government must address, but it can only be covered a few times before interest wanes.

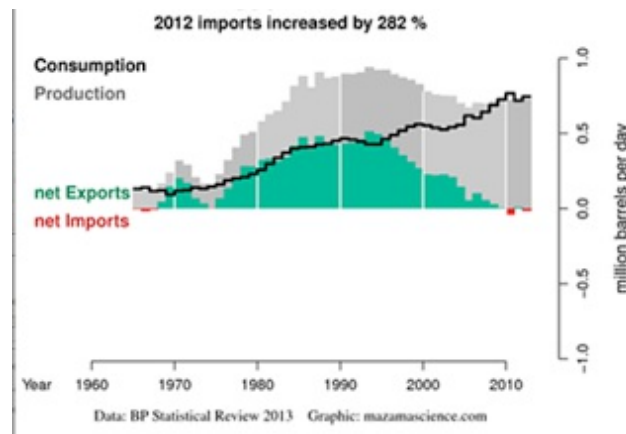


Figure 1. Change in oil consumption and the need for more imports for Egypt ([Energy Export Databrowser](#))

And this holds true for many of the topics covered in the past years. The perceptive articles written at TOD on Saudi Arabia by Stuart Staniford (who now writes [Early Warning](#)), Euan Mearns and with JoulesBurn's [images from the satellites](#) showed how Ghawar was in significant decline. But there are only so many photos of oil rig sites in the desert that can be made interesting. Aramco are switching to the heavier oils offshore. Manifa has just started [new production](#) and [Safaniya](#) is being expanded. These are needed to offset the permanent declines in production from the older fields, but again, other than chronicling these steps it is hard to sustain interest in an inexorable process that takes years to play out and where the route to Peak Oil is following along many of the predicted lines.

Even drawing back the curtains of hype over the Bakken and Eagle Ford production, which Rune and Art have so ably done, can only be written about at a certain low frequency before folk see it as repetitious.

Much of the story of the future supply will, in my view, come from activity outside the United States. There will always be a need to update activities in and offshore Alaska, and in the US shales and other formations where future production will have to come from, but as we are likely to see by the end of this year, the gilt on that gingerbread is very thin. Thus the posts that I have been writing recently (and which will continue on [Bit Tooth Energy](#) – my own home site) will likely focus on the situations abroad, such as the Middle East, where the political upheaval has a much greater potential to disturb overall global supply than the changes in the US. Similarly Japan is [moving toward a more militant attitude](#) as China [moves to extract fuel](#) from disputed fields in the East China Sea. This however, again, is a potential tragedy unfolding in slow motion.

At the beginning of the year the EIA were predicting that [gas prices would fall](#) this year and pundits that suggested that gas prices would stay down after the recession still appear with regularity to quote their lines of optimism, even as [gas prices stay stubbornly high](#) and potentially may rise through the rest of the year. Why is that? Well the OPEC nations need a certain level of income and adjust their production each month to help sustain prices – something these optimists seem unwilling to recognize.

The problem, however, is that if global demand rises at (for the sake of discussion) 1 mbd a year, then a point will be reached, fairly soon when increasingly this OPEC supply becomes no longer capable of filling the demand. Prices will then rise again, balancing supply against those able to

pay for their demand at that price. Stating that this is not going to happen because "a way will be found" is to remain an ostrich.

No, gentle readers, the closing of TOD is, in my opinion, based on a deliberate but IMHO faulty management decision made in that group a couple of years ago. It was predictable at that time, but it has nothing to do with the coming of Peak Oil, and is not even symptomatic of much of a delay in that arrival.

And with that off my chest I will return to writing about the evolving problems. My hope at the founding of TOD was that it would chronicle the events through the Peak, it got to nearly the Peak, though I don't anticipate that this will be a pleasant story beyond that point. But, that coverage will now shift to being only at [a new location](#) at a time chosen by the TOD editors.



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