

# Whatever Happened to Peak Oil? Major New Shale Oil and Gas Discovery

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*Back during the early days of the Bush-Cheney administration, countless articles and even official statements by the International Energy Agency and various governments proclaimed the onset of what was termed Peak Oil. This was a time when former Halliburton CEO, Vice President Dick Cheney, was named to head the White House Energy Task Force. In the run up to the March 2003 war on Iraq, peak oil or absolute decline in world oil reserves seemed a plausible explanation, if not justification, for the G.W. Bush invasion of Iraq. This author was also for a time persuaded that could explain the oil war. Yet, today we hear little about peak oil. Why, is interesting.*

Peak Oil was and is an invention of certain financial circles along with Big Oil to justify among other things ultra-high prices for their oil. The peak oil theory they promoted to justify the high prices, hearkened back to the 1950's and an eccentric oil geologist with Shell Oil in Houston named King Hubbard.

Bell Curves and such

While working for Shell Oil in Texas, Marion King Hubbert, or King, as he preferred to be known, was asked to deliver a paper to the annual meeting of the American Petroleum Institute in 1956, an event that would become one of the most fateful examples of scientific fabrication in the modern era.

Hubbert posited all of his 1956 conclusions, including that the US would reach oil peak in 1970, on the unproven assumption that oil was a fossil fuel, a biological compound produced from dead dinosaur detritus, algae or other life forms originating some 500 million years back. Hubbert accepted the fossil theory without question, and made no evident attempts to scientifically validate such an essential and fundamental part of his argument. He merely asserted 'fossil origins of oil' as Gospel Truth and began to build a new ideology around it, a neo-Malthusian ideology of austerity in the face of looming oil scarcity. He claimed oil fields obeyed the Gaussian bell curve, itself an arbitrary heurism.

For the giant British and American oil companies and the major banks backing them, the myth of scarcity was necessary if they were to be able to control the availability and price of petroleum as the lifeline of the world economy. The scarcity myth was to be a key element of Anglo-American geopolitical power for more than a century.

King Hubbert admitted in a frank interview in 1989 shortly before his death that the method he used to calculate total recoverable US oil reserves was anything but scientific. It might be compared with wetting one's finger and holding it up to see how strong the wind is blowing.

Hubbert told his [interviewer](#),

What was required there was that I need to know or have an estimate of the ultimate amount that could be produced...I know the ultimate and I know, I can only tailor that curve within a very narrow range of uncertainty. So that's what was done. Those curves were drawn. I simply, by cut and dry, I mean, you drew the curve, calculated the squares, and if it was a little too much you trimmed it down or too little, you upped it a little. But there was no mathematics involved, other than the integral area under the curve, the integral  $\int p \, dq$  by, at times, et, for accumulated production up to a given time...So with the best estimates I could get on the ultimate amount of oil in the United States, my own figure at the time was about 150 billion barrels.

If Hubbert's description of his methodology doesn't sound like rigorous scientific procedure, that's because it wasn't.

Hubbert, in effect, transformed an unproven and inaccurate assertion — that oil derives from fossilized biological remains — into grounds for claiming its inherent scarcity and inevitable decline: "This knowledge provides us with a powerful geological basis against unbridled speculations as to the occurrence of oil and gas. The initial supply is finite; the rate of renewal is negligible; and the occurrence is limited to those areas of the earth where the basement rocks are covered by thick sedimentary deposits." Once that was accepted wisdom in the world of geology, a world whose textbooks were written mainly in America where Big Oil dominated, it was a matter of controlling those oil-rich areas politically or, if necessary, militarily.

Barely a tiny fraction of the earth had even been touched by oil drills when he made his dire forecast of 'finite' and 'limited' supplies in 1956.

Michael T. Halbouty, a respected oil geologist and petroleum engineer from Texas, wrote in the Wall Street Journal in 1980:

[There are] approximately 600 prospective petroleum basins in the world. Of these 160 are commercially productive, 240 are partially or moderately explored and the remaining 200 are essentially unexplored... 73 percent were drilled in the United States. Yet the prospective basin areas of this country...comprise only 10.7 percent of the world's total...The majority of the world's basins have not been adequately explored or drilled.

Hubbert proceeded to predict that, based on his estimates of total US oil reserves of 150 to 200 billion barrels, the United States output of petroleum would peak in the late 1970s and an accelerating bell curve decline in oil would begin. It was an alarming picture, to put it mildly. It was also false.

### Major New Oil Discovery

I won't go here into the Russian scientific demonstrations going back to the 1950s which empirically demonstrated that oil is constantly being created deep in the Earth mantle through extreme high temperatures and pressure, and is anything but running out. I deal with the subject in detail in my book, *Myths, Lies and Oil Wars*. Here I want to cite a recent bulletin from the US Geological Survey.

On November 28 the US Department of the Interior announced a dramatic new confirmation of huge oil and gas in the region of West Texas into Arizona. The U.S. Department of the

Interior via its US Geological Survey announced the Wolfcamp Shale and overlying Bone Spring Formation in the Delaware Basin portion of Texas and New Mexico's Permian Basin province contain "an estimated mean of 46.3 billion barrels of oil, 281 trillion cubic feet of natural gas, and 20 billion barrels of natural gas liquids," according to an assessment by the U.S. Geological Survey (USGS). This estimate is for continuous unconventional oil, and consists of undiscovered, technically recoverable resources. Dr. Jim Reilly, USGS Director called the region, "our largest continuous oil and gas assessments ever [released](#)." In brief it is major news for American energy supply.

The report went on to state that oil and gas companies are currently producing oil here using both traditional vertical well technology and horizontal drilling and hydraulic fracturing to extract the shale oil and gas. The USGS added that the Delaware Basin assessment of the Wolfcamp Shale and Bone Spring Formation is more than two times larger than that of the [Midland Basin](#).

Even before this major new discovery of shale oil and gas in the Texas-Arizona region around the Permian Basin, the US, including estimated shale oil, was estimated the world's largest oil reserve. According to a July 2018 study by Rystad Energy, a Norwegian consultancy, the U.S. holds 264 billion barrels of oil, more than half of which is located in shale. That total exceeds the 256 billion barrels found in Russia, and the 212 billion barrels located in [Saudi Arabia](#).

If the new USGS estimates are included, the US total oil reserves would be well over 310 billion barrels. King Hubbert's prediction of USA peak oil in 1970 turns out to have been nonsense. What happened in 1970 was that Big Oil manipulated a shift to the ultra-cheap oil of the Middle East and away from domestic USA oil drilling. For them the peak oil argument was a useful political foil that had huge geopolitical consequences for US Middle East policies after 1970. The new discoveries in Texas and Arizona insure that the more rapid depletion of shale oil deposits compared with conventional ones will not spell an early exhaustion of US oil production.

This all has significant geopolitical implications as the US today has emerged in recent years to become the world's largest producer of oil, ahead of both Russia and Saudi Arabia. This could also explain why the US President recently felt able to order a US troop withdrawal from Syria. There is a vast geopolitical shift underway in the last few years.

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## Seeds of Destruction: Hidden Agenda of Genetic Manipulation

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This skilfully researched book focuses on how a small socio-political American elite seeks to establish control over the very basis of human survival: the provision of our daily bread. "Control the food and you control the people."

This is no ordinary book about the perils of GMO. Engdahl takes the reader inside the corridors of power, into the backrooms of the science labs, behind closed doors in the corporate boardrooms.

The author cogently reveals a diabolical world of profit-driven political intrigue, government corruption and coercion, where genetic manipulation and the patenting of life forms are used to gain worldwide control over food production. If the book often reads as a crime story, that should come as no surprise. For that is what it is.

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