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## First meeting of ASPO-USA a success, next stop Boston

by Megan Quinn

DENVER, Colorado - Organizers of the recent world oil conference here are now preparing to take their planned annual event on the road to help spread the word across America about the coming peak and irreversible decline in world oil production..

Next stop on the tour is Boston, where organizers aim to keep the peak oil awareness movement on the march as peaking looms ever closer -- or indeed, may be already here.

This month's two-day Denver World Oil Conference brought together more than 400 people from the oil industry, local governments, academia and community organizations who were told that peaking is nigh, that the consequences could be dire and that governments, individuals, and organizations must prepare now.

It was the first conference of the Association for the Study of Peak Oil - USA, an offshoot of the European-based ASPO, which was formed four years ago by retired petroleum geologist Colin Campbell of Ireland. Fourteen other national ASPOs have since been formed in Europe.

"Peak oil is like climbing a down escalator, with someone controlling the speed at the top," Denver oil analyst and investment banker Tom Petrie said in the conference's opening talk. He said that new production due to come online over the next decade will not be enough to offset worldwide depletion in existing fields -- with estimated declines from 2.5 percent to 8 percent per year -- and that by 2015 "we could be producing six million barrels per day below projected demand."

A number of familiar peak oil crusaders also spoke, including U.S. Representative Roscoe Bartlett (R-MD), and oil investment banker Matthew Simmons. Two veteran and respected oil financial analysts, Henry Groppe and Charles Maxwell, shared the podium and the same views that peaking was at hand. Other speakers pushed their favorite technologies to profit from after peak, and outside the conference center someone dressed as a chicken proclaimed conference goers were Chicken Littles because there was still plenty of oil.

The morning after the conference ended, ASPO-USA co-founder Richard Lawrence, buoyed by the success of the Denver event, sought ideas for the second conference in Boston next fall to keep the momentum going. Among the suggestions: invite speakers who will garner more media attention and encourage the financial community to attend.

Other headliners at the microphone in Denver were its mayor, John Hickenlooper, a former petroleum geologist, and Randy Udall, a co-founder of ASPO-USA and executive director of the Community Office for Resource Efficiency in Colorado . "This is a depletion Woodstock," Udall said about the conference, referring to the epochal rock festival in 1969 that defined a generation.

Former Colorado Governor Richard Lamm explained the coming peak and decline of oil production as a clash of cultures between growth and sustainability. "While growth has 500 years on its side," he said, "the downside of the curve is a vastly different world." Lamm added, "Our lifestyle is up for re-definition."

Others at the conference talked about a new way of living in a post peak oil world. Maxwell, a Wall Street investor who is known as the "dean of energy analysts," recommended planned conservation and going "back to the basics," including turning off lights and adjusting thermostat settings.

Maxwell also suggested that the United States will need to develop more of a "sense of community, like in Cuba," as he referred to segments of a new documentary shown at the

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conference on Cuba's response to the loss of 50 percent of its oil following the breakup of the Soviet Union. That documentary was produced by The Community Solution program in Yellow Springs, Ohio.

Pat Murphy from The Community Solution joined Julian Darley of the Vancouver-based Post Carbon Institute on a panel to discuss conservation measures and local solutions to peak oil on a panel dealing with municipal responses.

"Our focus is on local solutions and lower energy ways of living," Murphy said, "and we think that local living implies some eventual level of decentralization counter to the trends of the last 60 years." Darley talked about his plan for "re-localization," which means "getting your daily needs from your local community."

Similar ideas were discussed at the "Second U.S. Conference on Peak Oil and Community Solutions" held in Yellow Springs in September. That conference, organized by The Community Solution, included a presentation by ASPO-USA co-founder Steve Andrews, who said at the Denver gathering that the two conferences "complement one another."

Groppe, from a Houston-based energy consulting firm, was another Denver conference highlight as he talked about the myths and realities of oil. Among the myths: unconventional sources such as tar sands and oil shale, "will replace depletion of conventional oil and grow world oil production.."

Groppe also proclaimed that "world oil production is peaking," and "will decline irreversibly," but not precipitously. He suggested consumption should be reduced, especially through transportation improvements..

Congressman Bartlett began by confessing, "I run as a Republican but I try not to be an idiot." He has recently tried to educate his fellow House members about peak oil, by giving speeches on the House floor and handing out copies of peak oil books and posters. He has also organized a House caucus on peak oil.

Bartlett urged that America not try "to the fill the gap," caused by the peak and decline in oil production, because "the higher you go, the higher you'll fall." Instead, he called for using less energy, which he said he believes is possible while still maintaining a high quality of life.

Investment banker Simmons, author of the recently published book, *Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy*, said in a keynote address that "Peak oil is a fact, not a concept," because, "all finite resources have limits to growth." "New oilfield technology will not save the day," Simmons said, adding neither will "digital oil fields producing conceptual reserves."

Simmons cited recent statements from Kuwait's energy minister that production from its largest field, the second largest in the world, is exhausted and declining, and from Saudi Aramco's al-Husseini that Saudi Arabia's production will peak at 12 million barrels a day, despite U.S. Energy Information Administration projections that Saudi Arabia needs to produce 22 million barrels per day by 2020 to keep pace with rising global demand.

He concluded by saying that the world may be past peak, as too many oil-producing countries are in decline and the world is out of spare drilling rigs. "If we ignore the new energy vision, we will live in far darker world," he said.

Simmons was given an "M. King Hubbert Award" at the conference, named in honor of the late geologist who developed the concept of peak oil. The late L.F. "Buzz" Ivanhoe, founder of the Hubbert Center for Petroleum Studies, and physicist Albert Bartlett, who has given more than 1500 presentations on exponential growth, also received the award, as well as Geodestines author Walter Youngquist, who said in a prepared statement, "Peak oil will affect more people in more places in more ways than anything else in the history of the world."

A conference eye-opener was a session on oil drilling with Charles Brister and John Barnes, both experienced oil men. Brister told how it has "never been easy work," sharing stories about rig shortages, massive lay-offs in the 1980s, extreme weather conditions, and broken drill bits costing \$30,000.

Barnes said that while two years ago they only needed to drill to 8,000 feet, they now need to drill to depths of about three miles.. In addition, the industry has experienced dramatic cost increases for parts, and there is a tremendous labor shortage, as 50 percent of the aging workforce is retiring in the next 10 years.

Chris Skrebrowski, editor of the London-based Petroleum Review, contested the assumption by economists that market forces will create enough new supplies of oil by explaining that new discoveries take at least five years to produce, skilled personnel is in high demand, and the major oil companies are struggling like "elephants on a small patch of grass." Skrebrowski added, "We are moving into a new world, a land without maps."

Ecological economist Charles Hall, introduced as the "Adam Smith of energy accounting," challenged the neoclassical economics view that technology, high prices and substitution will overcome depletion. He noted that the energy return on energy invested of oil, or net energy, was 100:1 in 1930, 25:1 in 1970, and was down to 11-18:1 in the 1990s.

A net energy analysis project is high on ASPO-USA's agenda. Lawrence and another ASPO-USA cofounder, Ron Swenson, discussed the planned project at the conference. "The timing is critical," Swenson said, "We need a model." Over the next year, ASPO-USA will work on the project, along with continuing educational initiatives on peak oil and organizing the Boston conference.

The new organization is also intent on "developing intelligent responses to mitigate the impact of Peak Oil on our society" according to its fact sheet, because as Udall from ASPO-USA put it: "Peak Oil is a test. Those who pass it will live and those who fail it will die."

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~~~~~ Editorial Notes ~~~~~

*Other coverage of the ASPO-USA conference in Denver:*

*[Tom Whipple in the Falls Church News-Press](#)*

*[Denver Post](#)*

*[Stuart Staniford in The Oil Drum](#)*

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