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Crude Oil Peak

#1 in Monitoring the Global Crude Oil Peak

Oil supply context Chilcot Inquiry

Although the Chilcot Inquiry has a chapter on oil (section 103) not a single journalist asked a question on Iraq's oil in Tony Blair's press conference on the Chilcot Inquiry
 The full transcript is here:

<http://www.mirror.co.uk/news/uk-news/tony-blairs-emotional-defiant-chilcot-8362570>

So what was the oil supply situation in 2002?

web.archive.org/web/20000414054656/http://www.petroleum.co.uk/speeches.htm

IP THE INSTITUTE OF PETROLEUM

Full text of Dick Cheney's speech at the IP Autumn lunch

By some estimates there will be an average of two per cent annual growth in global oil demand over the years ahead along with conservatively a three per cent natural decline in production from existing reserves. That means **by 2010** we will need on the order of an additional **fifty million** barrels a day. So where is the oil going to come from?

While many regions of the world offer great oil opportunities, the **Middle East** with two thirds of the world's oil and the lowest cost, is still where the **prize** ultimately lies, even though companies are anxious for greater access there, progress continues to be slow.

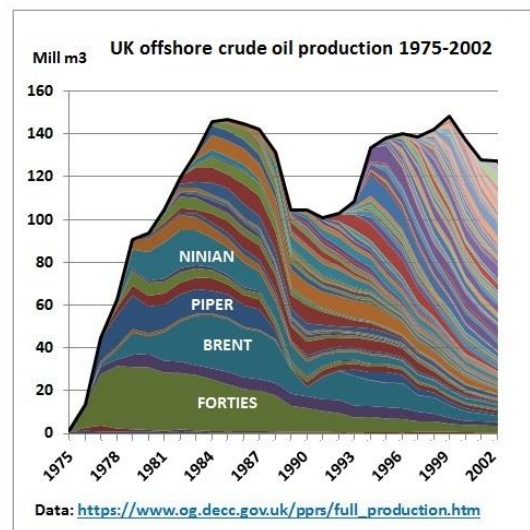
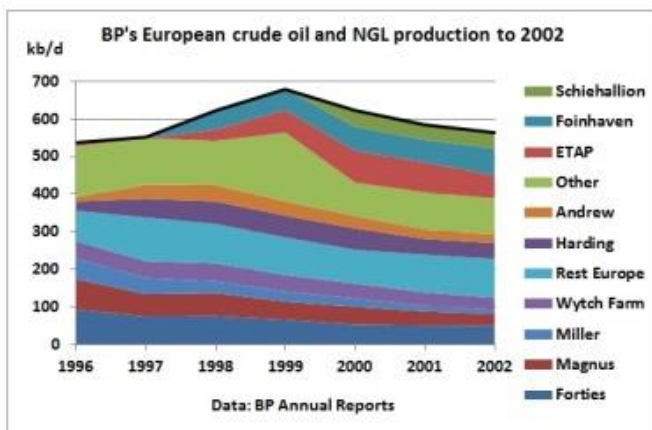
A couple of years earlier, in 1999, Dick Cheney said in a speech at the Institute of Petroleum (UK) that the ultimate oil prize is in the Middle East

<http://web.archive.org/web/20000414054656/http://www.petroleum.co.uk/speeches.htm>

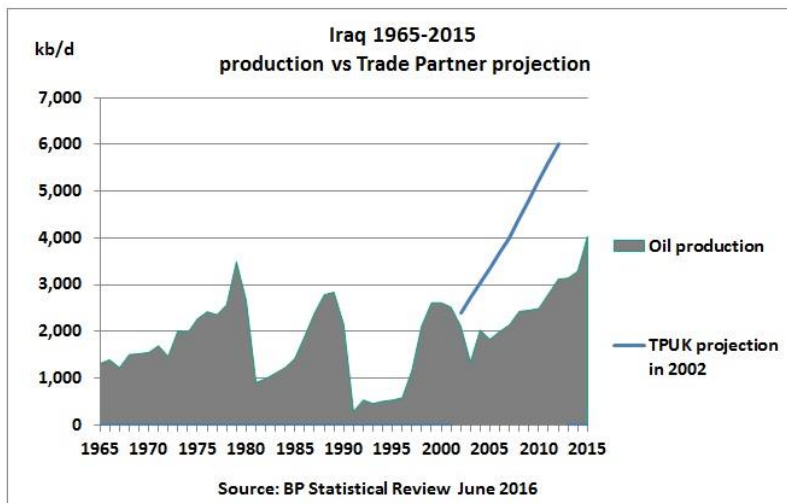
Also in 1999, Irish oil geologist Colin Campbell did a presentation on peak oil in an all parties committee in the House of Commons.

By 2002 it was clear from oil statistics that UK oil production had peaked in 1999 (the dip in production between the 2 peaks was caused by the Piper Alpha platform accident).

In particular, BP's European oil production had also peaked in 1999.



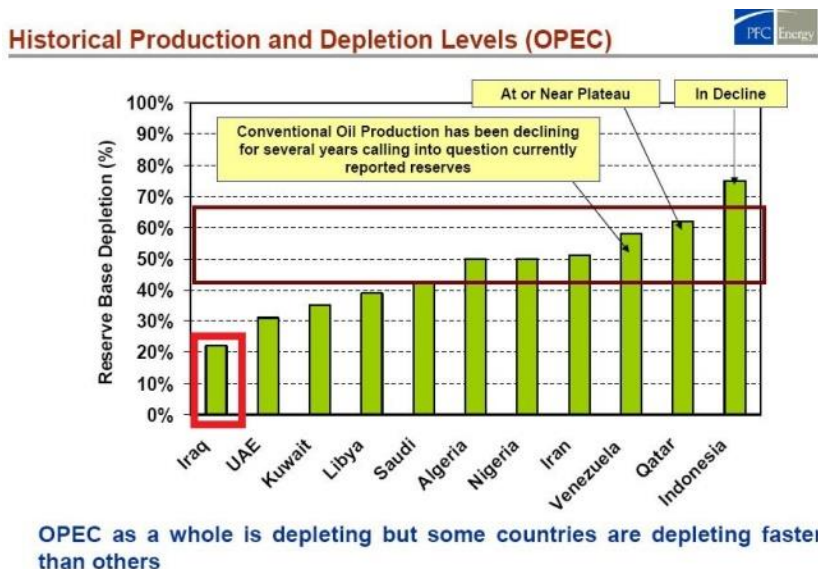
Therefore, action was required. Iraq had under-produced oil in comparison to eg. Iran which overproduced oil with a peak of 6 mb/d in the mid 70s – which contributed to the 2nd oil crisis in 1979.



In the Chilcot papers there is a note for Sir David Manning raising concerns that US officials had talks with oil companies interested in the re-construction of Iraq’s oil sector **without involvement of the UK** and that therefore access to a level playing field should be ensured. Iraq’s oil production could ultimately be lifted to 10 mb/d, with 6 mb/d within 10

years, requiring total investments of \$50 bn (line in above graph, compared to actual production – grey area). However, direct negotiations between the UK government and oil companies should not be held because this would suggest that oil is the objective of the war. <http://www.iraqinquiry.org.uk/media/210303/2002-11-29-note-dti-junior-official-note-for-sir-david-manning-on-uk-oil-company-interests-in-iraq.pdf>

The theme to avoid the public impression that the war was about oil, can be found in numerous documents, eg. Items 85 and 86 in the section 103 paper.



<< smoking gun. This graph is from a slide show presented by PFC Energy to the Centre for Strategic and International Studies in Washington, in Oct 2004.

Iraq’s oil depletion level was 22%, much below the levels of other OPEC countries. The brown box denotes the area where oil production is peaking i.e when it is getting more difficult to extract oil. The

objective was therefore to get at Iraq’s oil-geologically easy pre-peak oil in order to push the global peak (which started in 2005 anyway and contributed to the financial crisis) a couple of years into the future. Note that conventional oil production in 2015 was not much higher than in 2005. After Howard’s flawed 2004 energy white paper (“sufficient oil supplies for 40 years”) I had a 3 year long exchange of letters with him. I doubt he has ever understood oil-geology. Details are on my website.

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