

War and “Peak Oil”

Confessions of an ‘ex’ Peak Oil believer

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Confessions of an ‘ex’ Peak Oil believer

The good news is that panic scenarios about the world running out of oil anytime soon are wrong. The bad news is that the price of oil is going to continue to rise. Peak Oil is not our problem. Politics is. Big Oil wants to sustain high oil prices. Dick Cheney and friends are all too willing to assist.

On a personal note, I’ve researched questions of petroleum, since the first oil shocks of the 1970’s. I was intrigued in 2003 with something called Peak Oil theory. It seemed to explain the otherwise inexplicable decision by Washington to risk all in a military move on Iraq.

Peak Oil advocates, led by former BP geologist Colin Campbell, and Texas banker Matt Simmons, argued that the world faced a new crisis, an end to cheap oil, or Absolute Peak Oil, perhaps by 2012, perhaps by 2007. Oil was supposedly on its last drops. They pointed to our soaring gasoline and oil prices, to the declines in output of North Sea and Alaska and other fields as proof they were right.

According to Campbell, the fact that no new North Sea-size fields had been discovered since the North Sea in the late 1960’s was proof. He reportedly managed to convince the International Energy Agency and the Swedish government. That, however, does not prove him correct.

Intellectual fossils?

The Peak Oil school rests its theory on conventional Western geology textbooks, most by American or British geologists, which claim oil is a ‘fossil fuel,’ a biological residue or detritus of either fossilized dinosaur remains or perhaps algae, hence a product in finite supply. Biological origin is central to Peak Oil theory, used to explain why oil is only found in certain parts of the world where it was geologically trapped millions of years ago. That would mean that, say, dead dinosaur remains became compressed and over tens of millions of years fossilized and trapped in underground reservoirs perhaps 4-6,000 feet below the surface of the earth. In rare cases, so goes the theory, huge amounts of biological matter should have been trapped in rock formations in the shallower ocean offshore as in the Gulf of Mexico or North Sea or Gulf of Guinea. Geology should be only about figuring out where these pockets in the layers of the earth, called reservoirs, lie within certain sedimentary basins.

An entirely alternative theory of oil formation has existed since the early 1950’s in Russia, almost unknown to the West. It claims conventional American biological origins theory is an

unscientific absurdity that is un-provable. They point to the fact that western geologists have repeatedly predicted finite oil over the past century, only to then find more, lots more.

Not only has this alternative explanation of the origins of oil and gas existed in theory. The emergence of Russia and prior of the USSR as the world's largest oil producer and natural gas producer has been based on the application of the theory in practice. This has geopolitical consequences of staggering magnitude.

Necessity: the mother of invention

In the 1950's the Soviet Union faced 'Iron Curtain' isolation from the West. The Cold War was in high gear. Russia had little oil to fuel its economy. Finding sufficient oil indigenously was a national security priority of the highest order.

Scientists at the Institute of the Physics of the Earth of the Russian Academy of Sciences and the Institute of Geological Sciences of the Ukraine Academy of Sciences began a fundamental inquiry in the late 1940's: where does oil come from?

In 1956, Prof. Vladimir Porfir'yev announced their conclusions: 'Crude oil and natural petroleum gas have no intrinsic connection with biological matter originating near the surface of the earth. They are primordial materials which have been erupted from great depths.' The Soviet geologists had turned Western orthodox geology on its head. They called their theory of oil origin the 'a-biotic' theory—non-biological—to distinguish from the Western biological theory of origins.

If they were right, oil supply on earth would be limited only by the amount of organic hydrocarbon constituents present deep in the earth at the time of the earth's formation. Availability of oil would depend only on technology to drill ultra-deep wells and explore into the earth's inner regions. They also realized old fields could be revived to continue producing, so called self-replenishing fields. They argued that oil is formed deep in the earth, formed in conditions of very high temperature and very high pressure, like that required for diamonds to form. 'Oil is a primordial material of deep origin which is transported at high pressure via 'cold' eruptive processes into the crust of the earth,' Porfir'yev stated. His team dismissed the idea that oil is biological residue of plant and animal fossil remains as a hoax designed to perpetuate the myth of limited supply.

Defying conventional geology

That radically different Russian and Ukrainian scientific approach to the discovery of oil allowed the USSR to develop huge gas and oil discoveries in regions previously judged unsuitable, according to Western geological exploration theories, for presence of oil. The new petroleum theory was used in the early 1990's, well after the dissolution of the USSR, to drill for oil and gas in a region believed for more than forty-five years, to be geologically barren—the Dnieper-Donets Basin in the region between Russia and Ukraine.

Following their a-biotic or non-fossil theory of the deep origins of petroleum, the Russian and Ukrainian petroleum geophysicists and chemists began with a detailed analysis of the tectonic history and geological structure of the crystalline basement of the Dnieper-Donets Basin. After a tectonic and deep structural analysis of the area, they made geophysical and geochemical investigations.

A total of sixty one wells were drilled, of which thirty seven were commercially productive, an extremely impressive exploration success rate of almost sixty percent. The size of the field discovered compared with the North Slope of Alaska. By contrast, US wildcat drilling was considered successful with a ten percent success rate. Nine of ten wells are typically “dry holes.”

That Russian geophysics experience in finding oil and gas was tightly wrapped in the usual Soviet veil of state security during the Cold War era, and went largely unknown to Western geophysicists, who continued to teach fossil origins and, hence, the severe physical limits of petroleum. Slowly it began to dawn on some strategists in and around the Pentagon well after the 2003 Iraq war, that the Russian geophysicists might be on to something of profound strategic importance.

If Russia had the scientific know-how and Western geology not, Russia possessed a strategic trump card of staggering geopolitical import. It was not surprising that Washington would go about erecting a “wall of steel”—a network of military bases and ballistic anti-missile shields around Russia, to cut her pipeline and port links to western Europe, China and the rest of Eurasia. Halford Mackinder’s worst nightmare—a cooperative convergence of mutual interests of the major states of Eurasia, born of necessity and need for oil to fuel economic growth—was emerging. Ironically, it was the blatant US grab for the vast oil riches of Iraq and, potentially, of Iran, that catalyzed closer cooperation between traditional Eurasian foes, China and Russia, and a growing realization in western Europe that their options too were narrowing.

The Peak King

Peak Oil theory is based on a 1956 paper done by the late Marion King Hubbert, a Texas geologist working for Shell Oil. He argued that oil wells produced in a bell curve manner, and once their “peak” was hit, inevitable decline followed. He predicted the United States oil production would peak in 1970. A modest man, he named the production curve he invented, Hubbert’s Curve, and the peak as Hubbert’s Peak. When US oil output began to decline in around 1970 Hubbert gained a certain fame.

The only problem was, it peaked not because of resource depletion in the US fields. It “peaked” because Shell, Mobil, Texaco and the other partners of Saudi Aramco were flooding the US market with dirt cheap Middle East imports, tariff free, at prices so low California and many Texas domestic producers could not compete and were forced to shut their wells in.

Vietnam success

While the American oil multinationals were busy controlling the easily accessible large fields of Saudi Arabia, Kuwait, Iran and other areas of cheap, abundant oil during the 1960’s, the Russians were busy testing their alternative theory. They began drilling in a supposedly barren region of Siberia. There they developed eleven major oil fields and one Giant field based on their deep ‘a-biotic’ geological estimates. They drilled into crystalline basement rock and hit black gold of a scale comparable to the Alaska North Slope.

They then went to Vietnam in the 1980s and offered to finance drilling costs to show that their new geological theory worked. The Russian company Petrosov drilled Vietnam’s White Tiger oilfield offshore into basalt rock some 17,000 feet down and extracted 6,000 barrels a

day of oil to feed the energy-starved Vietnam economy. In the USSR, a-biotic-trained Russian geologists perfected their knowledge and the USSR emerged as the world's largest oil producer by the mid-1980's. Few in the West understood why, or bothered to ask.

Dr. J. F. Kenney is one of the only Western geophysicists who has taught and worked in Russia, studying under Vladilen Krayushkin, who developed the huge Dnieper-Donets Basin. Kenney told me in a recent interview that "alone to have produced the amount of oil to date that (Saudi Arabia's) Ghawar field has produced would have required a cube of fossilized dinosaur detritus, assuming 100% conversion efficiency, measuring 19 miles deep, wide and high." In short, an absurdity.

Western geologists do not bother to offer hard scientific proof of fossil origins. They merely assert it as a holy truth. The Russians have produced volumes of scientific papers, most in Russian. The dominant Western journals have no interest in publishing such a revolutionary view. Careers, entire academic professions are at stake after all.

Closing the door

The 2003 arrest of Russian Mikhail Khodorkovsky, of Yukos Oil, took place just before he could sell a dominant stake in Yukos to ExxonMobil after Khodorkovsky had a private meeting with Dick Cheney. Had Exxon got the stake they would have got control of the world's largest resource of geologists and engineers trained in the a-biotic techniques of deep drilling.

Since 2003 Russian scientific sharing of their knowledge has markedly lessened. Offers in the early 1990's to share their knowledge with US and other oil geophysicists were met with cold rejection according to American geophysicists involved.

Why then the high-risk war to control Iraq? For a century US and allied Western oil giants have controlled world oil via control of Saudi Arabia or Kuwait or Nigeria. Today, as many giant fields are declining, the companies see the state-controlled oilfields of Iraq and Iran as the largest remaining base of cheap, easy oil. With the huge demand for oil from China and now India, it becomes a geopolitical imperative for the United States to take direct, military control of those Middle East reserves as fast as possible. Vice President Dick Cheney, came to the job from Halliburton Corp., the world's largest oil geophysical services company. The only potential threat to that US control of oil just happens to lie inside Russia and with the now-state-controlled Russian energy giants. Hmmm.

According to Kenney the Russian geophysicists used the theories of the brilliant German scientist Alfred Wegener fully 30 years before the Western geologists "discovered" Wegener in the 1960's. In 1915 Wegener published the seminal text, *The Origin of Continents and Oceans*, which suggested an original unified landmass or "pangaea" more than 200 million years ago which separated into present Continents by what he called Continental Drift.

Up to the 1960's supposed US scientists such as Dr Frank Press, White House science advisor referred to Wegener as "lunatic." Geologists at the end of the 1960's were forced to eat their words as Wegener offered the only interpretation that allowed them to discover the vast oil resources of the North Sea. Perhaps in some decades Western geologists will rethink their mythology of fossil origins and realize what the Russians have known since the 1950's. In the meantime Moscow holds a massive energy trump card.

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