The Oil Drum: Europe
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ASPO-USA: Geopolitical Implications of Peak Oil Theory

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Professor Michael Klare addressed the Boston conference on the second day. Respected in the peak oil community for his two books *Blood and Oil: The Dangers and Consequences of America's Growing Dependency on Imported Petroleum* and *Resource Wars: The New Landscape of Global Conflict*, Klare spoke on the difference between easy oil and hard oil and the geopolitical implications of entering the second half of the oil age.

Michael Klare, ASPO-USA, Boston

Klare opened by stating that peak oil theory has two points:

- Once peak oil is reached, global oil production will reach its maximum sustainable output and then begin an irreversible decline.
- The second aspect of peak oil theory doesn't get as much attention as it disserves, it is that the first half of the oil produced in any oil province or globally is the easy to get oil, putting off until later the hard to get oil.

Going on to describe the characteristics of this "easy oil" as, close to the surface, in large reservoirs, on land, close to home and **safe**. See Pennsylvania, the first great oil province of the world followed by Oklahoma and Texas.

Conversely the hard to get oil is deep underground, dispersed in small pockets, far off shore, hard to get at technically, expensive to produce, in remote areas, environmentally sensitive and **unsafe**.

It is this second point Klare wanted to stress – the idea that the easy oil is gone, leaving us with the hard oil.

The presentation was peppered with lists, those lists we've just seen and the following lists describing where most of the world's remaining oil remains and the challenges these countries face.

Most of the remaining oil is in: Saudi Arabia, Iran, Iraq, Kuwait United Arab Emirates, Angola, Nigeria, Libya, Algeria, Sudan, Russia, Kazakhstan, Azerbaijan and Venezuela. A lot depends on whose OPEC reserve numbers you find most compelling and how you regard tar sand but Klare stated that the rest of the world after those countries has only 9% of the world's remaining oil. That's how much easy, safe oil we have left and not all of that is all that easy anymore when you consider ultra deepwater Gulf of Mexico and polar.

Making some observations regarding the countries listed above, Klare stated that some three quarters of remaining oil is in predominantly Muslim countries. Additionally most of the remaining oil is in countries that are unstable, corrupt, divided along ethnic or political lines, hostile to the US and ruled by dictators or fragile authoritarian regimes. Many of these problems are at least partially exacerbated by the presence of oil.

> ...as the world increasingly depends on these countries in the years ahead these countries will become increasing violent, unstable and dangerous. The pursuit of oil itself is a source of violence because it divides factions against each other.
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> Take Iraq, the driving force of violence is the fact that the Kurds and the Shiites want control over the oil revenues exclusively for themselves, freezing out the Sunnis. The Kurds already have effective control of oil production in the northern zone. The Shiites are ramming through the parliament effective control over oil production in the south. This will exclude the Sunnis from any oil revenue whatsoever so it's hardly surprising therefore that the Sunnis are the driving force behind the insurgency in Iraq.
>
> There is no prospect of peace in Iraq so long as this process proceeds. This is the engine driving the violence today that's putting American soldiers at risk.

Klare continued by covering the US foreign policy of securing access to oil by military means adding he was more worried about the prospects for violence over oil than the prospects for scarcity and higher prices.

> The US military is becoming nothing else than a global oil protection service on behalf of the big oil corporations – that is what putting on the uniform of the armed services is being reduced to.

Klare concluded by stressing that we must not make our dependence on oil a cause for risking human life in warfare. This should be the key concern for the young people who may be coerced to join the military.

Although Klare didn't mention it specifically, the other critical factor of "hard oil" is the falling ERoEI (Energy Return on Energy Invested). Whether it's through increased military activity or that the oil is just several km under a hurricane threatened Gulf of Mexico it's clear ERoEI and therefore the net energy available from the remaining oil will be less that its volume might suggest. Cry Wolf recently reported back from the Boston conference breakout session on ERoEI.

Perhaps we spend too long looking at the geology of the peak oil and the idealised situations in the

US or the North Sea. Hubbert's curve, which seems to do so well at modelling the performance of easy oil provinces, is a factor of geology. The Hubbert down slope does not take into account the geopolitics Klare focuses on.

Taking a moment to consider the geopolitical challenges facing the extraction of the second half of the worlds oil it seems highly unlikely that future global oil extraction rates are going to live up to their theoretical geological/logistical potential.