In the early 1970s I was a graduate student in geology. And I was also sitting in gas lines due to the Arab Oil embargo. When I was offered a job with Cities Service Company, still a major oil company, I thought I would be able to both do good for my fellow citizens by finding more oil and collect a generous salary while doing geology.

When I started work, I quickly realized that the oil business was a great deal more than just finding oil. That, of course, was and is necessary. But there was the small matter of how the company would show a profit from this activity. After I had spent several years evaluating the geology of potential exploration targets all around the world, and perhaps because I was one of the few geologists who had a rudimentary knowledge of computer programming, I was asked to help do the calculations to determine whether the ventures would be profitable.

As my career developed, this led to positions in the company’s planning department, looking at strategic issues. The oil price increases of the 1970s had the entire industry talking about M. King Hubbert’s theory that oil production would peak, and I was assigned to study this and other long-term issues.

Cities Service Company disappeared in the consolidation of the oil industry that took place in the first part of the 1980s. And although I had tried to avoid it, I found myself unemployed. So were most other geologists, so I worked as a computer specialist for a number of years.

But things do sometimes move in circles and beginning in the late 1990s oil shortages were again on the horizon. As it happened, my computer consulting work landed me in an environmental NGO which was concerned about climate change, sustainability and other environmental issues on a global basis. Many environmentalists believed that global peak oil would save the climate—and the world. Although political agreement seemed impossible, the oil would simply “run out” and earth would be saved. My previous work in the oil industry made me skeptical that it would work out this way.

Kenneth Deffeyes, who might be called a disciple of M. King Hubbert, predicted that the global oil production peak would be in November of 2005. He was both correct and wrong: correct because production from the type of oil deposits that
both Hubbert and Deffeyes discussed did start to decline in 2005, but wrong because there are other types of oil deposits. As was the case when I started working for the oil company, there is a great deal more involved than just the way oil has accumulated in geologic formations.

This interplay between geologic oil accumulations, pure economics, and the impact that political processes and events have on the oil economy continues to fascinate me. We all want to know about the future; perhaps even predict it. The challenge is to make sense out of a great many anastomosing trends. It is a challenge—and it is great fun.

My feeling is that the world we have known since the industrial revolution is changing. Indeed, it must change due to population pressure, resource availability, information technology, and climate change—and probably other factors. In this book my aim is to look at the oil industry and how it is being affected by all these changes. It has been a fun book to write, and I hope you will enjoy it.

Along the way, I have had the benefit of a great many stimulating conversations. The list is long, but I do want to give special mention to: Roger Bentley, Arthur Dahl, Ken Deffeyes, John Gault, Joachim Monkelbaan, Andrea Moscariello, Ken Russell, and Deborah and Frank Vorhies. In some cases they may disagree strongly with what I have said, so I want to be clear that they are not responsible for the ideas presented here. But that does not detract from either their intellectual stimulation nor, more importantly, their friendship.

And final thanks to Charles Hall, the series editor. In the course of writing he has been patient and very helpful.

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