



Roger Bentley: Global Oil and Gas Depletion

Posted by [Chris Vernon](#) on May 1, 2006 - 3:10pm in [The Oil Drum: Europe](#)

Topic: [Supply/Production](#)

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I don't recall this article being discussed on The Oil Drum but it raises some interesting points.

Roger Bentley has written **Global Oil and Gas Depletion - A Letter to the Energy Modelling Community**, published by the Energy Economics Education Foundation (The [IAEE's](#) education affiliate) and available to download [here \(pdf, page 6\)](#).

Bentley addresses this letter to the energy modelling community, it is a brief summary of the various approaches and highlights the problems of the past. A fundamental difficulty surrounds the two different data sets of P50 and proved reserves, the use of proved reserves in the mistaken belief they are a reasonable measure of the remaining oil being chiefly responsible for the difficulties.

'P50' designates 50% probable, and is an industry estimate at a given date for the most likely size of a field's reserves. P50 estimates are often approximated quite well by 'proved plus probable' reserves.

[Proved reserves] are quite unusable for calculating future oil production as they exhibit serious errors of under-reporting, over-reporting, and non-reporting. These data problems have not been adequately recognised by much of the energy modelling community, leading to serious errors of analysis.

The problems Bentley identifies have led to the 'Economic View' of oil supply:

- Price, investment and technology are the main drivers of supply, not resources.
- Past forecasts failed because they assumed the resource base to be fixed.
- Should supply difficulties approach, they will be signalled by rising price and falling proved reserves.
- Any supply difficulties are most efficiently corrected by the market - short-run increases in price will limit demand and bring on adequate new supplies.

It is belief in this view which Bentley believes prevents the IEA from accepting the peaking arguments, instead favouring the position that reserves are abundant given enough capital investment.

The UK government is also of this opinion, the [Foreign and Commonwealth Office](#) writing in March 06, in a document titled: *Active Diplomacy for a Changing World, The UK's International Priorities* [Link \(pdf\)](#):

Existing conventional oil reserves are projected to meet global demand until 2030, but investment of around £10 trillion (US\$17 trillion) will be needed to turn resources in the ground into supplies for consumers.



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