## NO Impact Peak Oil- Shale

### No peak oil- discovery of shale will dominate the market

Reuters 8/3- Oil Utica http://www.reuters.com/article/2011/08/03/column-oil-utica-idUSN1E7720GR20110803

One of the big surprises in recent years for the oil market has been the reversion of the steady decline in U.S. crude output and the emergence of its shale sector as a nontrivial source of global supply growth. New unconventional shale oil plays, such as the Eagle Ford Shale in Texas, have transformed within a few short years from highly speculative exploration projects to potentially major oil producers. Eagle Ford, which as recently as 2009 was still often described as a new frontier in natural gas production, is now seen becoming a major crude oil production center. Already the area is smashing through output forecasts as companies lever strong cash flows due to high oil prices to develop the technical expertise to drill more quickly and productively into the seemingly prolific play. Most significantly for the global oil market, the shale plays have emerged as a source of non-OPEC production capacity growth. While these crudes will not enter into global trade flows, they will chip away at North America's crude oil import requirements. Moreover, forecasters are only just getting a grip on the significance of shale oil. Projections for 2012 output are being ripped up as productivity in the sector exceeds all but the most aggressive forecasts. The International Energy Agency forecast in mid-July that the United States would produce approximately 7.9 million barrels per day in 2012, with shale oil driving a modest increase in production from 2011. But between June and July the U.S. Energy Information Administration boosted its own forecast for 2012 liquids production by a startling 170,000 bpd. Further revisions may be in the offing. Consultancy Bentek said last week Eagle Ford output had more than doubled in the last two months to 160,000 barrels per day and was on track to grow fivefold by 2015.

## No Peak Oil- Oil Stabilizing

### Oil prices are stabilizing- recent drop in prices proves

UPI 8/3- Crude Oil Prices Slide http://www.upi.com/Business\_News/2011/08/03/Crude-oil-prices-slide-Wednesday/UPI-71191312381559/

Crude oil prices dropped under $92 per barrel Wednesday in New York on continued signals the economic recovery is floundering. Prices are still adjusting to a series of weak economic indicators including a disappointing 1.3 percent growth in the gross domestic product in the second quarter and June's 0.2 percent drop in consumer spending. September delivery West Texas Intermediate crude oil on the New York Mercantile Exchange dropped $1.86 to $91.93 per barrel. Home heating oil prices shed 7.27 cents to $3.0189 per gallon. Reformulated blendstock gasoline lost 10.6 cents to $2.9313 per gallon. Henry Hub natural gas prices lost 6.5 cents from a recent settlement to $4.09 per million British thermal units. At the pump, the national average price of unleaded gasoline dropped slightly to $3.701 per gallon from Tuesday's $3.703, AAA said.

## Shale Oil Solves Peak Oil

### New reserves of shale solve peak oil crisis- causes no dependency on middle east oil

Bunger and Crawford 4- Peter, consultant in energy policy, Harry, engineer of petroleum “Is Shale Oil America’s Answer to Peak Oil Challenge” http://fossil.energy.gov/programs/reserves/publications/Pubs-NPR/40010-373.pdf

While achieving total US energy independence is an unrealistic objective, it is conceivable that large-scale production of domestic oil shale, combined with continuing growth in tar sand and extra-heavy oil production, could make the US effectively independent of Persian Gulf oil supply sources. Achieving such a goal would have enormous economic, strategic, US oil shale resources possess the same characteristics of accessibility, richness, production assurance, and high product quality as Alberta tar sand resources. Perhaps the surest way for America to add large quantities of proved US reserves is to demonstrate the commercial viability of oil shale. A recent report by the US Department of Energy’s Office of Naval Petroleum and Oil Shale Reserves (NPOSR) details the strategic significance of America’s oil shale for military and domestic needs.3 4 The report suggests that the richness and magnitude of America’s oil shale resources warrants management as a long-term strategic resource, complementing the shorterterm response capability offered by the Strategic Petroleum Reserve. Development of US oil shale resources could take a decade or more after start-up to mature fully. As with the Canadian tar sand, it may need to weather start-up technology performance issues and occasional, lower petroleum- price cycles.With the advent of a peak in oil production, crude oil prices almost certainly will remain elevated, however, reducing the historic investment risk of low oil prices.