

# **SAN □ Sustainability Action Network**

A Kansas not-for-profit organization

P.O.Box 1064  
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29 July 2008

Lawrence City Commission  
6 East 6<sup>th</sup> Street  
Lawrence, KS 66044

re: Peak Oil presentation on 12 August 2008

Dear Mayor Dever & Commissioners:

Peak Oil is the shorthand term for the beginning of global decline in oil extraction. Keep in mind, the global Peak Oil discussion is focused on declining rates of extraction of *conventional oil*, the light sweet crude prevalent from most producers.

Other than petroleum geologists, energy agencies, OPEC, and public advocacy groups, most people have difficulty grasping the full meaning and ramifications of Peak Oil. Though many equate Peak Oil with rising oil prices (47% since January 2008, and 195% since January 2007), price increase itself is not Peak Oil, only the market response to an unabated demand for oil by industrial economies.

Declining petroleum supply is truly determined by two factors – the *extraction rate* from known proven reserves relative to the *discovery rate* of potential new reserves. According to Dr. Colin Campbell (petroleum geologists and founder of ASPO - the Association for the Study of Peak Oil), 1 trillion barrels of oil have been extracted, and about 900 billion barrels remain to be extracted, including 130 billion yet to be found.

Now imagine a full bathtub with the drain open and the spigot flowing at a rate to keep it topped off. That “drain” is the rate of oil extraction from remaining global reserves. That “spigot” is the discovery rate of new reserves that adds to the supply. The global oil spigot is now filling the tub slower than the oil drain is sucking it out.

Historically, oil producers have always been able to “top off the tub” and keep the two flow rates equivalent. No longer. The tub level is slowly dropping. We are on the declining side of the Oil Extraction Peak. To quote Richard Heinberg (Senior Fellow at the Post Carbon Institute and renowned Peak Oil educator), “The question is not When will the oil run out? but When is the flow going to start to diminish?”

Obviously, decline in extraction means decline in supply. Because we are no longer able to ramp up extraction, the only way to bring prices down is to cut demand.

The documentation included herein is offered to help explain the many variables that affect Peak Oil, how pervasive is oil dependency for industrial societies, how solving ANY other problems is hampered by the rising cost of oil, and how our community can respond to mitigate vulnerabilities. The Peak Oil Resolution encapsulates the scope of Peak Oil and the practical steps that a Mayor's Task Force can take to address it locally. We look forward to continuing this discussion on 12 August.

thank you,

Michael Almon

attchmt: Lawrence Peak Oil Resolution, Oil Depletion Protocol, supportive documents