And Saudi Arabia had an answer . . .

Posted by Heading Out on February 9, 2006 - 12:33am
Topic: Supply/Production
Tags: florida, haradh, lng, mrc, repsol, saudi arabia, smart wells, spain [list all tags]

Part of the problem with news out of Saudi Arabia is that it is often a little nuanced, and every word needs to be noted. So just after writing yesterday that it would be interesting to see what SA would do, following the drop in production for OPEC in January, Schlumberger is carrying the news that the Haradh development will come on stream soon. The development, down at the bottom end of the Ghawar field, was included in several of Matt Simmon's presentations, and, some time ago, I stole a descriptive slide from him to show the technology that they are using there. You will note that in addition to Maximum Reservoir Contact (the multiple laterals off from the main horizontal well) they are also using interspersed valving to create Smart Wells. The reason for this is

> The company didn't say what the current output level is, but has said output is expected to be 300,000 b/d of crude oil and 140 million cubic feet per day of natural gas in the second quarter.
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> Saudi Aramco said oil began flowing Wednesday through a gas/oil separation plant at the southern end of Ghawar, the world's biggest oil field, just 21 months after approval of funding and ahead of schedule.
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> In the statement, Saudi Aramco said 520,000 b/d of treated seawater will be injected into the field each day to maintain reservoir pressure.

> It would appear that they are using perimeter flooding with the water, and if they are anticipating the field to last 30 years, then one can assume that the valves won't be needed for a while. Not, that is, until the water starts to break through into the wells and that should take some time. However the article ends with

> Saudi Oil Minister Ali Naimi said in January that with the addition of Haradh, output capacity would be 11.3 million b/d in April.

. It is important, I think, to note the use of the word "capacity" in that statement. Further, in light of Matt Simmons critique of the field in "Twilight in the Desert," it will be of further interest to see how production holds up, over the years.

At the same time, much closer to home, a battle is apparently brewing in the Senate over drilling off the Florida coast. In that regard we are still apparently in NIMBY land. Time will tell.

There was an interesting, albeit not enlightening, paragraph today in the Moscow Times about President Putin's visit to Spain.

> Spanish Industry Minister Jose Luis Montilla confirmed that energy giant Gazprom and Spanish-Argentine oil and energy company Repsol YPF were in talks to collaborate on a liquefied natural gas project. He did not provide further details.
>
> Spanish media reported in October that Repsol and Gazprom met to discuss business opportunities to supply Russian gas to Spain and possible cooperation in supplying liquefied gas to the United States and other countries.

It may be remembered that it was only recently that Repsol announced that they were cutting their estimates of current reserves by 25%.

As a footnote, yesterday I meant to cite an earlier post on Iran and their anticipated shortfall, it was posted back in May.