



Breaking news: Mexico finds the next Cantarell?

Posted by [Yankee](#) on March 14, 2006 - 8:03pm

Topic: [Geology/Exploration](#)

Tags: [cantarell](#), [deepwater](#), [mexico](#), [oil field](#) [[list all tags](#)]

BusinessWeek reports something of a shocker: [Fox: Deep-water oil find may top Cantarell](#) (Note that this was discussed in [previous threads](#), but I guess the editors managed to miss it. I can only imagine that many of you did too, so here it is for everyone. Thanks, Leanan. But keep reading—I promise you new content under the fold.)

We've mentioned before that Cantarell is in decline, and this article reports that "Production at Cantarell is expected to decline 6 percent this year, to 1.9 million barrels a day, and decline even more sharply in subsequent years." Cantarell's original total reserves were 11.5 billion barrels. (Khebab's post at EnergyBulletin on the [state of Mexican reserves](#) also bears on this issue.)

The emailer who sent us this story noted that he believes that the field is in fact bigger than Cantarell, but also a heavier grade.

This new field is a deep-water find that is 950 meters (3,117 feet) underwater and a further 4,000 meters (13,120 feet) underground. Interestingly, though, the article goes on to say that it might take more time to get at the oil than might be expected:

Pemex sees deep-water crude as one of its best bets for replacing reserves and for increasing production as Cantarell declines.

The fastest way for Pemex to get the oil out would be by forming alliances with companies that have the deep-water technology. However, current laws forbid private companies from exploration and production activities in Mexico except when they are under contract to Pemex.

Energy Secretary Fernando Canales told Dow Jones Newswires the ban on Pemex forming alliances for deep-water drilling would slow down the process of developing the reserves, but won't keep Pemex from getting at the oil.

Vicente Fox was on "Rita Crosby: Live and Direct" on MSNBC yesterday to [announce this find](#). Not surprisingly, the first question out of Crosby's mouth was "Do you think this new reserve that you are speaking of, would you make this new reserve available to the United States?" Since the part of the transcript concerning Fox is so short, I can reproduce it here:

PRESIDENT VICENTE FOX, MEXICO: And we will be announcing in a couple of weeks from now, a huge, new reserve of oil and natural gas.

COSBY: Do you think this new reserve that you are speaking of, would you make this new reserve available to the United States?

FOX: Of course, United States is our number one customer, oil wise.

COSBY: Do you think this will help us?

FOX: Well, we'll keep selling to the United States as well as we keep selling to different parts of the world. We don't think this is the most convenient for anybody to have such high prices of oil.

"Not convenient" to have high oil prices? Well, I guess that's one way of putting it.



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