



Is there a CTL in your future

Posted by [Heading Out](#) on May 17, 2006 - 11:57pm

Topic: [Supply/Production](#)

Tags: [aramco](#), [coal-to-liquids](#), [depletion](#), [peak light oil](#), [saudi arabia](#) [[list all tags](#)]

This must needs be a short note since old Heading Out is off on his travels again for a few days. But I noted that there was some comment on the imminence or otherwise of CTL plants, and I had mentioned that last week [Roger Bezdek](#) had commented that one of the solutions to our coming energy shortage would be that each year would see five 100,000 bd of CTL plants constructed in the United States. Since there is some comment on whether we have any, I draw your attention to a story in [the Energybiz insider](#) that comments on the situation.

The company has a project in East Dubuque, Illinois, which it expects to be the first commercial coal-to-liquids plant in the United States by 2010. Even before that, it expects to show the project is doable. A demo plant in Colorado will be producing 10 barrels of coal-based oil a day by the first quarter of 2007, says Ramsbottom.

"The future of coal-to-liquids in the United States is no longer a theoretical, what-if, conversation," says Ramsbottom. "We plan to have a fully commercial, fully operational coal-to-liquids plant up and running by 2010."

And as I sit in a hotel room, somewhere distant from Dave, I thought I might add just a little note to the discussion on depletion rates in Saudi Arabia, that erupted at the bottom of the Drumbeat.

About the time that this post first got started Aramco were designating the increased production from Abu Sa'fah and Qatif (some 800,000 bd) as being purely to replace depletion of existing wells. They subsequently have added them into available increased production, while stating that they would balance of the depletion by, instead, going back and doing more in-field drilling in the old fields. If one takes that number and recognizes that it is roughly 8% of Saudi production this is consistent with other statements, that have been coming out for about 6 months now, and which are reported here when we find them, that the basic Saudi drop from existing production, is around 8%.

Mainly as I have tracked this over the past year (and posted on it), and the situation has changed, I chose to concentrate on how much additional production Aramco can bring on stream, given that we have an indication of the number of rigs they have, how many are set aside for exploration (against production); how fast they normally drill wells, and how much oil, on average, one can expect from each well. (A number that declines a bit each year and which I recently suggested is now in the range between 3,000 and 3,500 bd).

The actual sentence that I picked up on this time was the one about them now only being able to sustain 10.8 mbd, since this is down from numbers that have been quoted in the past.

And as a final aside, since my travels continue on the morrow, I chatted with someone today that was just back from MENA and his comment was that light sweet crude had definitely peaked and is in decline, and the industry is still adjusting to the needs to work with the heavier crudes, since the change in production practice extends all the way from initial extraction, through refining, to final EOR.



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