



## **EIA reports on April**

Posted by Stuart Staniford on July 5, 2006 - 12:16am Topic: Supply/Production Tags: peak oil, plateau [list all tags]



Average Saudi Arabian daily oil + condensate production, by month, from EIA and JODI, together with Baker-Hughes oil rig count. January 2000-April 2006. Inset graph shows annual oil consumption and exports according to BP (including NGL). Click to enlarge. Source: EIA International Petroleum Monthly Table 1.1a, Baker-Hughes, and BP. Last green point is from press reports.

**NB:** for background on this latest is a series of plateau posts, see <u>Plateau Background</u>, which also has links to all the posts in the series.

The EIA has <u>reported in for April</u>, and find themselves in almost perfect agreement with the IEA (84.53mbpd, versus 84.56mbpd).



Average daily oil production, by month, from EIA and IEA, together with 13 month centered moving averages of each line, recursed once. Click to enlarge. Believed to be all liquids. Graph is not zero-scaled. Source: <u>IEA Oil Market Reports</u>, and <u>EIA International Petroleum Monthly Table 1.4</u>. The IEA line is calculated from the month-on-month production change quoted the following month from their initial report, except for April 2006 which is the initial report.

In my quest for the perfect plateau graph, I made the above which performs the same recursed 13 month centered moving average that we've been doing for a while. The innovation is to do it separately for both EIA and IEA (instead of on the average of them). I combine that with the monthly data for both EIA and the IEA corrected, with just the latest data point from the IEA raw line (which is shown in purple). It's really worth a click to get the full-size version.

I think this reveals an interesting fact: historically the IEA have been a shade more pessimistic than the EIA, but they have been reversing roles over the last couple of years.

Anyway - plateau continues, not much news. April is not a contender for highest month, but nor is it particularly low.

To give us a little more to talk about, I've been investigating some OPEC countries a little more. I started making a series of plots for individual countries that show both the EIA and JODI estimates of production, together with the Baker Hughes rig counts for each country. This is in the interests of distinguishing the "official line" on the OPEC plateau - which is more or less that OPEC has lots of oil, but isn't making the investment to produce it, and the "geological peak oil" theory that OPEC is peaking and could not produce more oil despite efforts to do so.

The truth may well be a hybrid of both theories. Let's start with Saudi Arabia:



Average Saudi Arabian daily oil + condensate production, by month, from EIA and JODI, together with Baker-Hughes oil rig count. January 2000-April 2006. Inset graph shows annual oil consumption and exports according to BP (including NGL). Click to enlarge. Source: <u>EIA International Petroleum Monthly Table</u> <u>1.1a</u>, <u>Baker-Hughes</u>, and <u>BP</u>. Last green point is from press reports.

In all these graphs, the EIA (green) and JODI (plum) production curves refer to the left hand scale, while the blue curve is the oil rig count on the right hand scale.

As has been much discussed lately (both <u>here</u>, and over at <u>Econbrowser</u>), Saudi production has begun declining, after a long period of being flat. Both JODI and the EIA agree on this point. The Saudis <u>claim</u> they've cut back deliberately due to lack of demand. However, that oil rig count just keeps skyrocketing, so I think we'll keep wondering.

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## Next up is Iran:



Average Iranian daily oil + condensate production, by month, from EIA and JODI, together with Baker-Hughes oil rig count. January 2000-April 2006, but Baker Hughes data stop in December 2005. Inset graph shows annual oil consumption and exports according to BP (including NGL). Click to enlarge. Source: <u>EIA</u> <u>International Petroleum Monthly Table 1.1a</u>, <u>Baker-Hughes</u>, and <u>BP</u>.

As you can see, production is also declining in Iran, though the EIA sees this as a more significant trend than the JODI. However, the rig count response is not nearly as pronounced as in Saudi Arabia. Rig count was increasing from 2001-2004, but seems to have been fairly flat for the last couple of years. Possibly the geopolitical instability is affecting anyone's willingness to send rigs there, or maybe the Iranian's just aren't in that much of a rush (preferring to build nuclear power plants?).



Average Kuwaiti daily oil + condensate production, by month, from EIA and JODI, together with Baker-Hughes oil rig count. January 2000-April 2006, but Baker Hughes data stop in December 2005. Inset graph shows annual oil consumption and exports according to BP (including NGL). Click to enlarge. Source: <u>EIA</u> <u>International Petroleum Monthly Table 1.1a</u>, <u>Baker-Hughes</u>, and <u>BP</u>.

Kuwait's production has also been flat lately. Rig count fell dramatically to almost nothing in 2003, but then recovered and for the last couple of years has been flat at about the level of 2000. There is no sign of a herculean effort to increase oil production.

Next comes Iraq:



Average Iraqi daily oil + condensate production, by month, from EIA and JODI, together with Baker-Hughes oil rig count. January 2000-April 2006. Click to enlarge. Source: <u>EIA International Petroleum Monthly Table</u> <u>1.1a</u>, and <u>Baker-Hughes</u>.

Unfortunately, neither JODI or Baker Hughes have any data for Iraq. The EIA show a general slide in production that extends from the Saddam era through the occupation (the straight line is a fit to all the data in the graph). However, the last few months have had a bit of a recovery. Obviously, the future path of production is all dependent on the politico-military situation - there's lots of undeveloped reserves if the country ever becomes stable enough to develop them.

We conclude with the most mysterious chart: Venezuala.



Average Venezuelan daily oil + condensate production, by month, from EIA and JODI, together with Baker-Hughes oil rig count. January 2000-April 2006, but Baker Hughes data stop in December 2005. Inset graph shows annual oil consumption and exports according to BP (including NGL). Click to enlarge. Source: <u>EIA</u> <u>International Petroleum Monthly Table 1.1a</u>, <u>Baker-Hughes</u>, and <u>BP</u>.

Several fascinating facts emerge. Production was declining for about 18 months prior to the attempted coup, and this was closely associated with a decline in rig count (which fell precipitously at the coup). What was the rig owner's thought process? Since then, rig count has been climbing and has recovered to the 2000 value. According to the EIA, this has only led to flat production. However, the JODI has a short sequence of data that paints a radically different picture - much higher, and climbing, production.

What's going on here? I nominate <u>Dave</u> to investigate.

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