



## As Cantarell goes . . .

Posted by [Heading Out](#) on July 24, 2006 - 12:49pm

Topic: [Supply/Production](#)

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Mark Sawusch has just pointed out the story in the [LA Times](#) today, indicating that, based on performance figures through May, it appears that Cantarell has started to go.

Production at Cantarell, the world's second-largest oil complex, in the shallow gulf waters off the shore of Mexico's southern Campeche state, averaged just over 1.8 million barrels a day in May, according to the most recent government figures. That's a 7% drop from the first of the year and the lowest monthly output since July 2005, when Hurricane Emily forced the evacuation of thousands of oil workers from the region. . . . . Pemex predicted that the field will produce an average of 1.9 million barrels a day in 2006, a modest 6% drop from 2005, followed by double-digit annual declines that would reduce average production to 1.4 million barrels daily in 2008.

Other studies aren't so optimistic. Seawater is threatening to swamp the wells of Cantarell as the field's pressure diminishes, a debilitating symptom of old age that makes it tougher to extract the remaining oil. Leaked internal reports of Pemex's own worst-case scenarios published in Mexican newspapers show production plummeting to about 520,000 barrels a day by the end of 2008 -- a 71% free-fall from May levels in less than three years.

Mexico City energy analyst David Shields said the swift drop over the first five months of 2006, and conversations with Pemex insiders have convinced him that prospects at Cantarell are worse than officials will admit publicly.

While not unexpected, since Khebab just wrote on this [last week](#) it is the confirmation of the bad news we have been anticipating. (See also [Glenn Morton's piece](#)).



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