



Sand castles by the sea

Posted by [Heading Out](#) on July 28, 2005 - 5:53am

(Race conclusion Michigan won with a time of 53:59:43 for the 2494.9 miles. Minnesota placed second 11 min behind, and MIT was third, 2 hours and 23 minutes back. After filing a 55-page appeal the Michigan team had their speeding penalty reduced from 40 minutes to 4, allowing them the win. For the California crowd Stanford beat Berkeley into 9th place by 25 minutes).

As a child I gleefully walked down to the coast, and, with the aid of a small bucket, built castles mighty across the foreshore. Unfortunately, as I scurried with the bucket, the tide would come in and nibble bits of the castle walls away, so that no matter how hard I tried, at the end of the day the castle collapsed.

I am reminded of that old memory today as two different stories are in the air from Iran. The first is the [good news](#) that, with the opening of three oilfields, overall output will rise to 4.2 mbd almost immediately. (Thanks [peak oil](#)).

With the official entry of the Darkhovain field (in southwestern Iran) and the two other offshore oil fields of Soroush and Norouz, located in the Persian Gulf, the production level of Iran will reach 4.2mbpd in the next two to three days," Iran's Oil Minister Bijan Namdar Zanghaneh said.

Darkhovain's production is 50,000 barrels per day and the two fields of Soroush and Norouz will officially produce 190,000 oil barrels per day.

According to an oil official, the production of Soroush and Norouz could "reach 200,000 barrels per day." Iran's official oil production currently stands at 3.9 million barrels per day.

At the same time, the inexorable tide of depletion moves steadily shoreward. [Rigzone](#) carried the remarks from Iran's Oil Minister on Wednesday.

Iran's crude oil output is depleting by up to 400,000 barrels a day each year, Iran's Oil Minister Bijan Namdar Zangeneh said Tuesday. Zangeneh's comments are in line with many oil analysts, who estimate Iran's largest oil fields are losing between 7% and 8% of output each year.

A loss of 300,000 b/d would represent 7.5% of Iran's 4 million b/d production.

And thus, what would be an overall gain in production, turns out to only partially balance current depletion, so that Iran may end this year producing less, rather than more oil.

This is the, often still hidden, story that is often ignored in the good news. Production in many of the older fields that the historic producers have relied on is slowly dropping.

The numbers in Iran are at around 7-8%, which suggests that the techniques for extraction have remained the historic ones, rather than the more recent, and increasingly widespread, combination of primary and secondary production. In the latter, where the field is concurrently water-flooded to hold pressure from the start of production, the evidence seems to be growing that depletion will be closer to 14%.

And, while this does not show whether this increase occurred before January or after, the [OGJ](#) data does show that the year-to-date average US demand this year is 20,845,000 bd over 20,350,000 bd a year ago, which is an increase of 2.4%. Domestic production, in the same time frame, is 5,463,000 bd against 5,548,000 a drop of 1.5% . This is despite the 1,404 drilling rigs that [Baker Hughes](#) is reporting that are currently drilling away in the US (against 1,211 last year) (493 over 241 in Canada). Depletion is here also.

In regard to the number of oilwells being drilled, in [an earlier post](#) it was pointed out that the amount of oil that Saudi Arabia produces is related to the number of wells that are drilled, which is, in turn, a function of how many drilling rigs it has. It is pleasing to note that the large order that was placed is beginning to show up, and be used, and that there are currently 36 rigs at work, in contrast with the 31 last year

Venezuelan production continues to be a question, for, while the EIA still are reporting production of around 2.5 mbd, the OGJ report is that the country is producing some 2.16 mbd.

Today's clouds, it appears are all grey, and silver is seen only in the only occasional rain shower that dampens the drought-stricken land. Sea water. alas, is not an answer.

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