



The Declining Oil Supply

Posted by [Heading Out](#) on April 10, 2005 - 10:32pm

A fair bit of the projection of the coming of Hubbert's Peak for world oil production is aimed at predicting when the oilfields in the OPEC countries reach maximum production. And this can be soon as ProfG's last post shows. But there is another way of reaching the peak, and sadly that is also happening.

Because global production has to look at what is being produced outside of OPEC, and that news is not good. The [Institute of Science in Society](#) in the UK has a story on Oil Running Out. The article accumulates some of the declines that are already occurring in some countries:

According to data from the latest BP Statistical Review of World Energy, 18 major oil-producing countries are now past their peak production, and their combined annual output dropped by over a million barrels a day in 2003. This group of countries now accounts for almost 29 percent of total world production

The ODAC study did not attempt to forecast when other countries would peak and tip into decline, but experts agree that several more are likely to do so within the next few years. Mexico and China (see above), the world's fifth- and sixth-largest producers respectively, appear to be among the likely candidates.

Mexico's national oil company, Pemex, has already announced that production from Cantarell, the world's largest offshore oil field, is expected to peak in 2006 and then decline by 14 percent a year. China, too, has confirmed that its two largest producing regions are now in decline. It achieved only modest overall production growth last year of 1.5 percent.

What the article does not mention is that when declines start, they do not stabilize. So that a loss in production of 1 mbd in one year (2003) will be likely 2 mbd the next year (2004), and so on.

If the production outside of OPEC is declining and that in OPEC is reaching a maximum, then we are flipping over the top of the hill, and Hubbert's Peak is about to arrive.

Technorati tags: [peak oil](#), [Hubbert's Peak](#)



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).