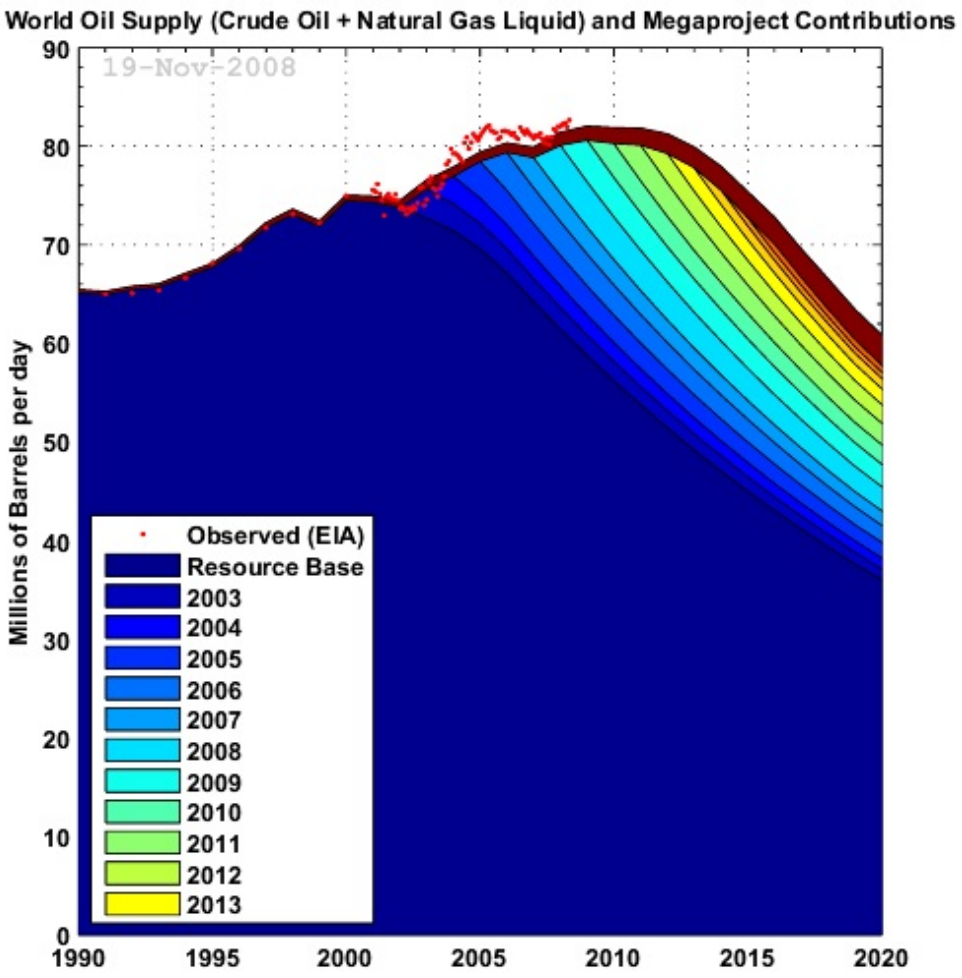
The Oil Drum: Canada
DISCUSSIONS ABOUT ENERGY AND OUR FUTURE

Oil Megaproject Update (July 2008)

Posted by Sam Foucher on July 5, 2008 - 9:23pm in The Oil Drum: Canada
Topic: Supply/Production
Tags: megaprojects, original, supply, wikipedia [list all tags]

This is an update on the Wikipedia Oil Megaproject Database maintained by the Oil Megaprojects task force (Ace, Stuart Staniford, myself and many others). The database contains now more than 425 separate entries and is growing everyday. Despite the database growth, the outcome seems to become more pessimistic with time. The derived net new capacity (i.e. once depletion from existing production is included) is around 1 mbpd until 2010 with a jump at 2 mbpd in 2008 after which depletion may dominate.



Possible future supply capacity scenario for crude oil and NGL based on the Wikipedia Oil

Megaproject database. The resource base post-2002 decline rate is a linearly increasing rate from 0% to 4.5% between 2003 and 2008 then constant at 4.5% afterward. The decline rate for each annual addition is 4.5% after first year.

Below is the evolution of the new supply additions since the beginning of the project compiled by year of first oil:

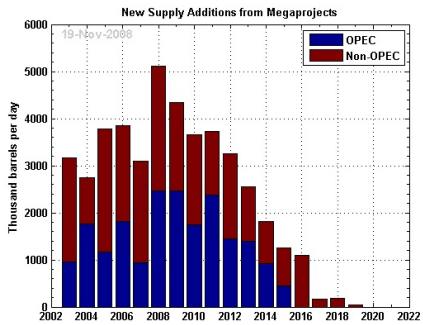
December 2007

January 2008

February 2008

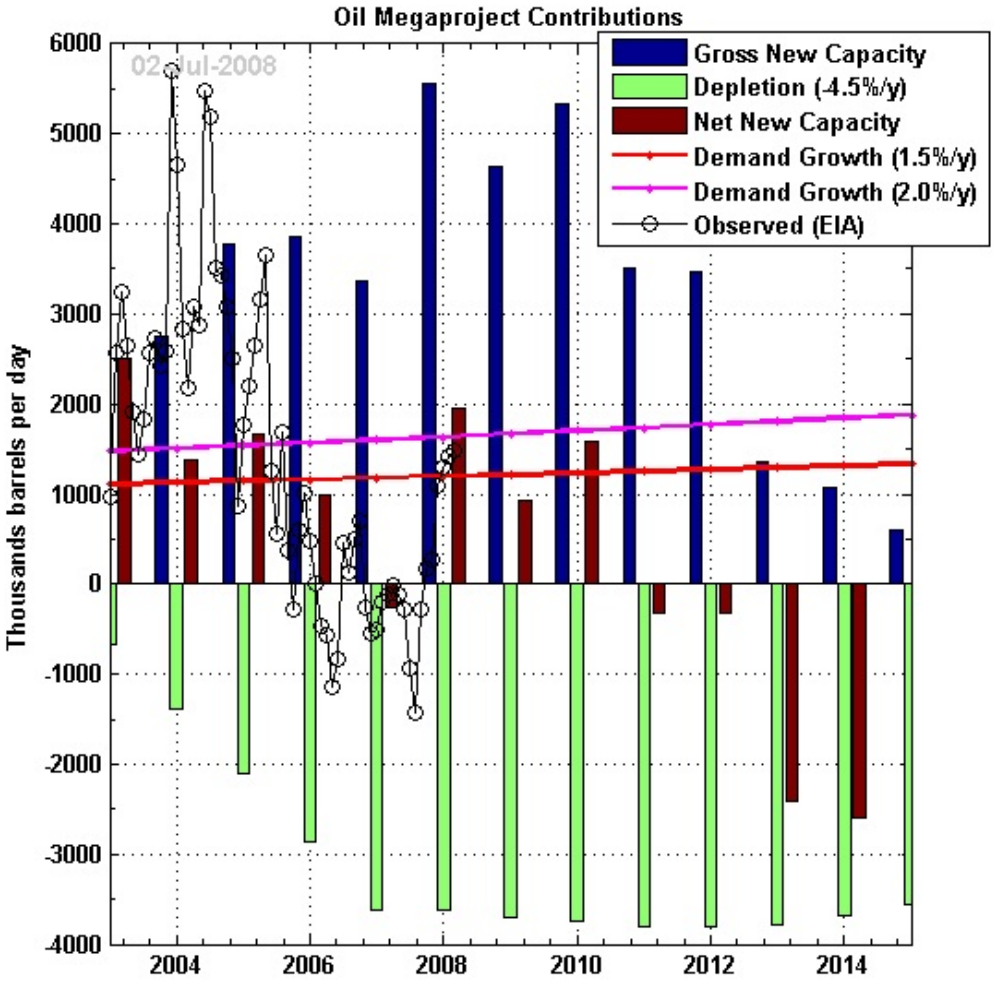
March 2008

May 2008



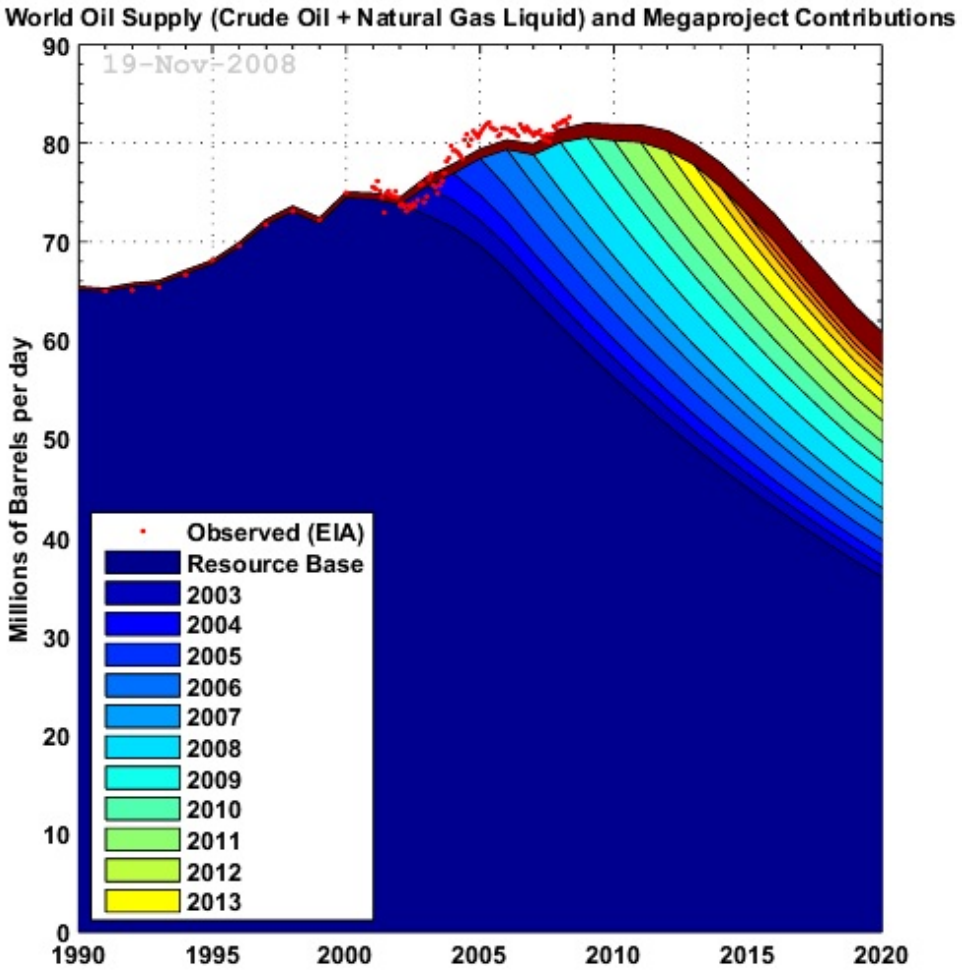
June 2008

We can clearly see the initial 2008 and 2009 peaks wearing out with time due mainly to delays. Now the situation does not look so good:



Possible new gross and net new supply additions compiled by year of first oil. Crude oil + NGL monthly production from the EIA. The resource base post-2002 decline is a linearly increasing rate from 0% to 4.5% between 2003 and 2008 then constant at 4,5% afterward. The decline rate for each annual addition is 4.5% after first year.

Below is a possible scenario for future supply assuming a 4.5% decline rate.



Possible future supply scenario for crude oil and NGL based on the Wikipedia Oil Megaproject database. The resource base post-2002 decline is a linearly increasing decline rate from 0% to 4.5% between 2003 and 2008 then constant at 4.5% afterward. The decline rate for each annual addition is 4.5% after first year.

This scenario seems to agree with this recent statement from Ray Leonard:

"By 2010, the production of the fuel that has driven the world's economy will start to rapidly decline. This will conflict with the steadily increasing demand for oil. The collision of these two trends will lead to shortages and increased prices, providing a strong incentive to shift to alternative fuel resources...Due to unequal distribution through the world of oil and gas supply and consumption, [the upcoming] transition will result in significant shifts in global power and wealth."

Many thanks to Ace who has diligently updated the data and put more than 500 separate contributions.

> Finally, maintaining this database is a lot of work and it is crucial to track delays, project final approval, etc., so I'd like to repeat our appeal: the more folks in the TOD community head over to the Wikipage and help, the faster we'll know what's really going on here.

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