



## Saudi Aramco on 60 Minutes

Posted by [JoulesBurn](#) on December 8, 2008 - 8:57pm

Topic: [Supply/Production](#)

Tags: [khurais](#), [saudi production](#), [shaybah](#) [[list all tags](#)]

The newsmagazine 60 Minutes aired an extended segment on Saudi Arabian oil last night. The topics addressed were the amount of oil remaining in the country and their strong desire to sell it. The message from Oil Minister Ali Al-Naimi and Saudi Aramco officials was, not surprisingly, that they have decades of oil left and they are happy to sell it to a world which really doesn't have any alternative. While the presentation included the usual mix of superlatives and exaggerations to go with some great visuals, there was little real new information revealed. It is well worth viewing, however, as much to hear what wasn't said (or asked) as to hear what was.

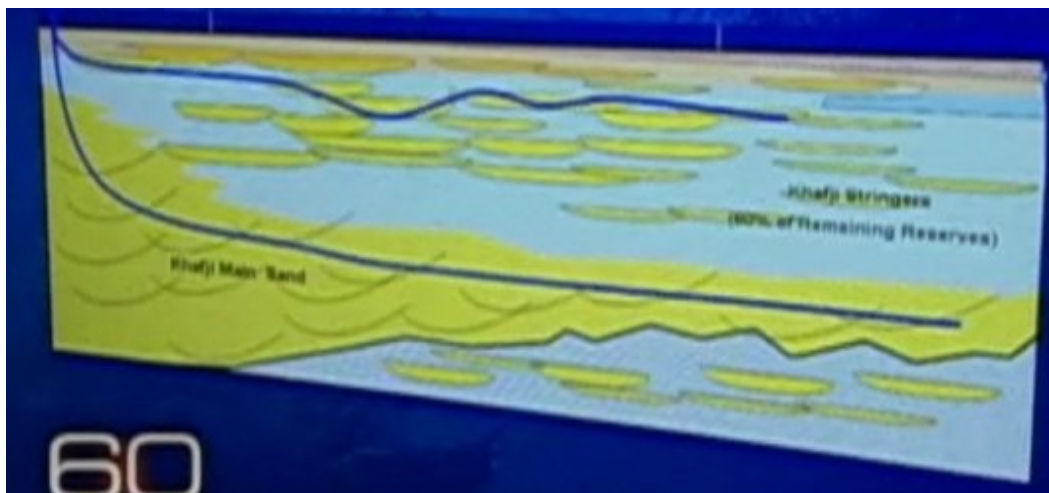
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The video can be watched below, or you can read [the transcript](#).

### Part 1

### Part 2

There are a lot of little things to pick apart, from misconceptions about what peak oil means to the oxymoron of Saudi Arabia developing a more fuel-efficient engine so that the world will consume more (or is it less?) oil. I will let readers do most of the deconstruction, but I found one short clip of the video somewhat intriguing. In the discussion about Shaybah (about 4:30 into the first half), an animation of horizontal drilling is shown.



The geology shown is not that of Shaybah, but rather of Zuluf, an offshore field with it's own set of problems. It is not easy to read, but the text indicates that either 60% or 80% of the remaining reserves reside in the Khafji sand stringers. This says more about the future of Saudi Arabian oil than all the steel in Khurais. While it is impressive that this oil can be retrieved using improved technology, this statement from Saudi Aramco CEO Abdallah Jum'ah has more stretch than one of his limos:

Jum'ah says that with this technology, they're able to recover ten times more oil than before.

Fear not.



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