



Simmons: Saudi Oil Shock Imminent

Posted by [Prof. Goose](#) on September 12, 2005 - 8:21am

Topic: [Supply/Production](#)

[This is a good and updated summary of Simmons' case.](#) (hat tip: <http://peakoil.com>; snippets below the fold)

Simmons also suggests that Saudi production is very near its peak. But the feedback he has received from technical people who have read the book, leads him now to believe that Saudi Arabia has actually exceeded sustainable peak production already.

And I think at the current rates they are producing these old fields, each of the fields risks entering into a rapid production collapse, he said.

And when that drops, you could basically see Ghawar go from 5 million down to 2 million bpd in a very short period of time.

Meanwhile, as the world's thirst for oil grows, Saudi Arabia and other oil-producing countries will be unable to keep pace. Some analysts say Saudi Arabia is capable of producing 20 million to 25 million bpd, but Simmons says that level of production is "impossible."

and then if we get through the summer we have a fabulous respite from Labor Day to Thanksgiving, until we hunker to try to figure out how the world gets through the Winter of 2005 and 2006 because oil demand globally could easily go to 86-88 million bpd during the winter, and that could easily exceed supply by 2 million to 5 million bpd.

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