The third CERA increment

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Topic: Supply/Production

Well, as Hurricane Rita promises to fill the concerns of us all for the next three days, I thought I would finish the CERA listing that I have, before we get into that evolving crisis.

As you may remember I have discussed the CERA predicted oil sources for 2006 and 2005 in those earlier posts. By comparing these with Chris Skrebowski's list from ODAC we can then start to follow any changes that occur in both predictive lists. We will get into the comparison with Rembrandt a little later, once the lists are compiled. (And as an aside I note that Chris will be speaking at the ASPO meeting in Denver in November - it will be good to hear his latest thoughts).

So here are the projects that CERA anticipate will come on line in 2007, with some sources to give a level of background.

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1. Plutonio - Deepwater offshore Angola - 220,000 to 240,000 bd peak production is on track for mid 2007, provided the upgrade to the drilling rig Sedco Express that will allow it to drill faster. BP is a partner, and guess who else?

   > BP's partner in Block 18 is a relatively recent joint venture between state-owned oil firm Sonangol and Chinese state oil company Sinopec, which took over the stake from Anglo-Dutch oil company Royal Dutch Shell.

   . The overall production and plans for Angola can be found here, and Rigzone has a map and rendition showing the area of interest. CS has it down for 220,000 bd in 2007.

2. Rosa/Lirio - also Deepwater Angola - a relational map and statistics from the EIA These are in Block 17, while Plutonio is in Block 18. An earlier article in the Washington Post suggested that they would be on stream by 2005. It is interesting to read a comment in Research & Markets which suggests

   > The Girassol field where recoverable reserves are estimated at up to 1bn barrels of 32° API oil, commenced production of 180,000 b/d in February 2002. Additional block 17 production from the Jasmin, Lirio and Rosa fields is planned to maintain a steady production rate from the Girassol field cluster for 10 years. This is a reflection of TotalFinaElf's strategy to build production up to a stable plateau and then to maintain it over as long a period as possible, which is in line with Sonangol's preference for extended production.

   . This would suggest that there will be no additional overall production from these fields but that it will maintain the Girassol volume. This might explain why CS does not have it, and it would seem fair to count this as a zero net gain. Right ?

3. Lobito/Tomboco - well I suppose that we need to hope that Angola will remain stable for a while, since this production will come from Block 14 of those mapped above. Chevron Texaco have this one

> The second phase of the BBLT Development involving the Lobito and Tomboco fields is expected to produce via sub-sea wells tied into the central production hub. First production from Lobito and Tomboco is expected no later than early 2007.

Combined BBLT annual production is expected to peak at 200,000 barrels of oil per day by 2009.. Production from earlier development in the field is anticipated to start this year.

4. Marlim Sul is Deepwater Brazil - at one time the deepest offshore well was here- Rigzone has the main field details. The additional production is apparently tied to the arrival of a new Floating, Production, Storage and Offloading (FPSO) system the P-51 that is anticipated to arrive on site around 2008. This will compliment an existing FPSO the P-40 that is producing 100,000 bd, and the new system - the P-51 is expected to bring in an additional 180,000 bd, but is not now anticipated until 2008. Offshore Technology has more early background on the field. CS has a Stage 3 development set for 2006 at 100,000 bd and a stage 4 set at 120,000 which he anticipates will likely come on stream in 2008. For the sake of inserting a number into the table, I will use the Rigzone 180 kbd for now.

5. Marlim Leste - also Deepwater Brazil - CS has this down for 100,000 bd starting in 2005. It is in 3,900 ft of water. However as Oil on line reports

> Bidding for contracts relating to P-53, the FPSO that will produce 180,000b/d on the Marlim Leste field, were finally submitted to Petrobras in late May after months of delay within the state-owned operator. A call for bids on the EPC contract was originally opened in late November and was expected back in February, which was again postponed until 31 May due to problems with the government over the oil export line for the project.

   So the field is now anticipated to produce 80 kbd more than CS anticipated, though it's delivery date is slipping.

6. Roncador 3 - again Deepwater off Brazil - CS had this down for 145,000 bd coming on stream in 2005. Petrobras is increasing investment with the intent of accelerating production above that originally anticipated for 2010, to a new level of 3.4 mbd. This is a significant increase. The phase 3 project will use the semi-submersible P-55 for this production. There is another review that lists this as one of the projects anticipated for a total foreseeable increase of 2.668 mbd, with this bringing in 145,000 bd. It is relatively pessimistic.

7. Khursaniyah is as the Energy Bulletin reminds us one of the listed improvements planned for Saudi production, with a target of 500,000 bd in 2007. It is part of the summed target increase to 12 mbd (itself a drop from the 12.5 mbd cited at the time of the article. The Haradh part of that increase - some 300,000 bd due next year is reported to be on track).

Surprisingly it does not appear to be on CS list.

8. Azadegan is onshore Iran, and CS has it down for 100,000 bd. The development has required a loan from japan to allow it to go forward. But progress is slow delayed in part apparently by the threat of landmines being present, and while final production may get up to 150,000 bd with a phase two now scheduled to get up to 260,000 bd for a total production of 410,000 bd. (A cynic might note that this just about matches Iran's reported depletion rate, tsk!).

9. Kikeh is Deepwater Malaysia. It is not on CS list. It is targeted for 120,000 bd. It has been the source of some trouble between Malaysia and Brunei over ownership, and there is some talk of gunboats, but it is still on schedule for 2007.

10. Vankorskoye is in the Enisey River basin in Siberia, and CS has it down but without a value for production. The area is of considerable interest to India which has been losing out to China on a lot of bids, it seems, recently. So far production does not seem to be definite, though there is some talk that it might reach as high as 300,000 bd, though with no clear date set for that. From the tone of some of these articles one suspects we might be lucky to see this at 200,000 bd by 2010, and for a starting number I will use that figure.

When I add these numbers up, and include Rosa/Lirio I get some 2,075,000 bd which is close to the 2.1 mbd that CERA cites. So I guess this is the list for now.

Comments are welcome, if you made it this far.
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