



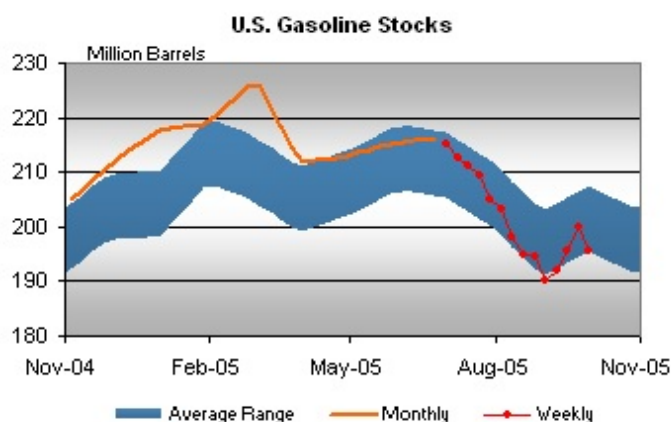
I think Katrina and Rita got some folks attention

Posted by [Heading Out](#) on October 5, 2005 - 9:51pm

Topic: [Supply/Production](#)

Tags: [alaska](#), [florida](#), [gasoline supplies](#), [manifa](#), [peak oil](#), [safaniya](#), [saudi arabia](#)
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Just over a week ago I [posted](#) the changing picture of the American gasoline stocks. Here is the latest version thereof, and the picture has changed in direction.

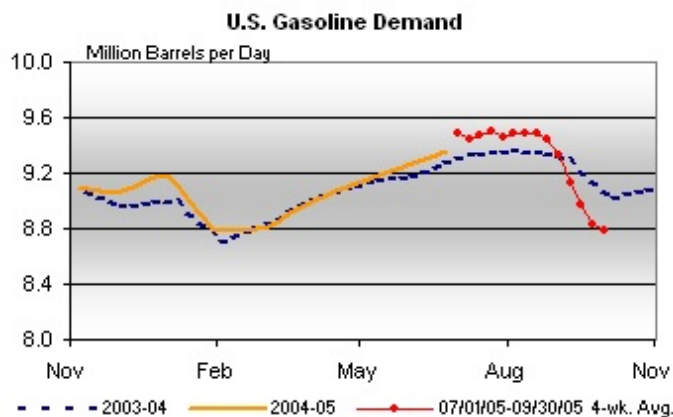


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If one further looks at the numbers that the [EIA site](#) provides. There is a slight discrepancy between the tabulated data and that plotted, and it took me a minute to realize that the curves are showing the rolling four-week averaged data, rather than the actual weekly for the imported gasoline data (and presumably also for the rest). This is of significance since such an average, in this case with the changing situation, initially masks the fact that the imports for the past three weeks have gone from 0.938 to 1.207 to 1.423 mbd. One may assume (at least I am) that about 500,000 bd of this is coming from the 20 mbd of gasoline that was put up by the IEA partners in response to our request following Katrina. If this is the level of support that can be anticipated, then it will last some 40 odd days before that source is gone.

Taken from the same site, the total US demand for gasoline has fallen by about 70,000 bd below the level it was at this time last year, whereas during the summer it was about 100,000 bd



ahead. <center> </center>

(I compared numbers from the tables for the last week, and averages from the graph for the summer, since those numbers were consistent for a period.)

Since current production has dropped about 1 mbd , it appears that there will be an inevitable drawdown in our current stocks until the refineries come back on line. At that time some of the tankers that are now acting as a partial storage facility, since they cannot immediately unload the oil they have brought to the Gulf, will be able to return to normal commerce. The [MMS report](#)

Today's shut-in oil production is 1,299,928 BOPD. This shut-in oil production is equivalent to 86.66% of the daily oil production in the GOM, which is currently approximately 1.5 million BOPD.

Today's shut-in gas production is 6.895 BCFPD. This shut-in gas production is equivalent to 68.95% of the daily gas production in the GOM, which is currently approximately 10 BCFPD.

The cumulative shut-in oil production for the period 8/26/05-10/5/05 is 47,756,987 bbls, which is equivalent to 8.723 % of the yearly production of oil in the GOM (approximately 547.5 million barrels).

The cumulative shut-in gas production 8/26/05-10/5/05 is 233.446 BCF, which is equivalent to 6.396 % of the yearly production of gas in the GOM (approximately 3.65 TCF).

And I almost missed this note from [Rigzone](#) which points out that the Saudi Arabian oil minister has commented that

The report, entitled "Saudi Arabia's Upstream and Downstream Expansion Plans for the Next Decade," says the net increase in crude oil production capacity of 1.5 million b/d to 12.5 million b/d by 2009 will be accompanied by similar increases in Saudi-owned refining capacity aimed at processing heavy crudes.

State-owned Saudi Arabian Oil Co. (SOI.YY) and its international refinery partners are planning from 2009 to have an extra 2.02 million b/d of capacity specifically tailored for processing heavy crude into high-demand products such as gasoline and diesel.

The leading member of the Organization of Petroleum Exporting Countries, currently

producing 9.6 million b/d, today has spare capacity of 1.5 million b/d in heavy crude, largely from the offshore Safaniya field, but refineries tend to shun the grade as it is harder to convert into high-demand products such as gasoline.

I think that this may be saying that they are planning to increase production from Safaniya more than they had in the past, (which will require the offshore rigs that they are borrowing - although some of those were supposed to be developing deep water gas fields). It also appears that they are going to bite the bullet and put in a refinery to refine the Manifa oil.

Aramco, the report says, may from 2009 develop the Manifa oil field, providing an extra 1 million b/d of heavy crude production, if extra refinery capacity is in place by then. Two other projects could add another 600,000 b/d of heavy crude, the report says.

That is some good news, particularly with the increases in refining capacity that they are going to put in place, even though it may take a year or three before they are in place.

And to prove that this is a more than exceptionally interesting time you might also want to note the Rigzone articles that show [Alaska getting tough](#) about getting more oil from the North Slope, while [Florida's Bush](#) changes his mind about GOMEX drilling.

It might appear, to a casual observer, as though something has caught state government's attention.



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