



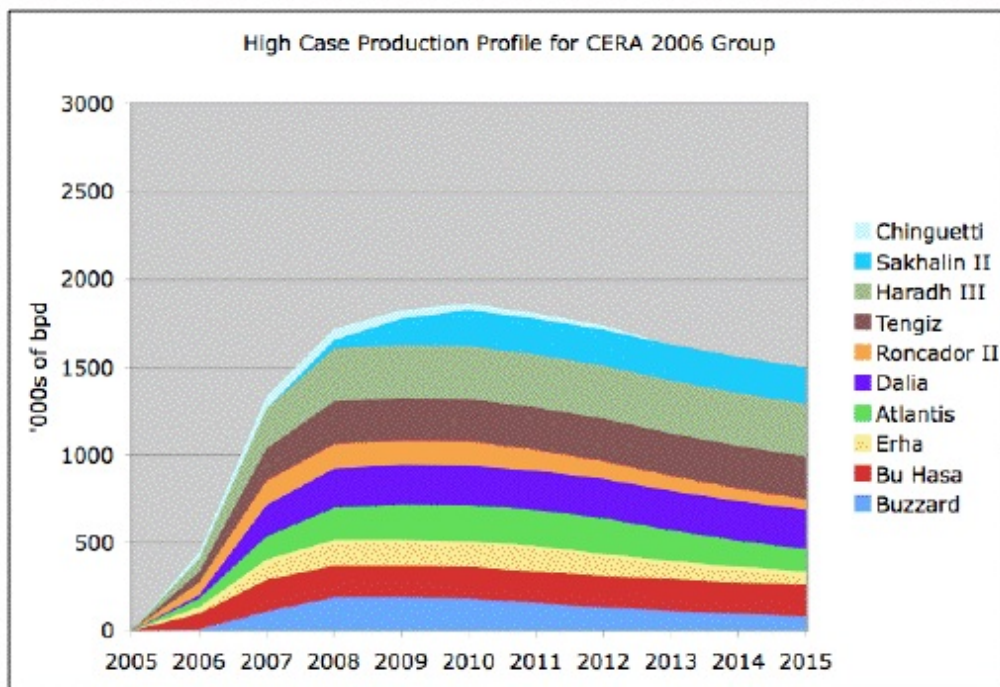
## Update on CERA 2006 Projects

Posted by [Stuart Staniford](#) on October 10, 2005 - 8:11pm

Topic: [Supply/Production](#)

Tags: [gas prices](#), [hubbert peak](#), [oil prices](#), [peak oil](#) [[list all tags](#)]

I've been continuing the process of researching production models for the [CERA 2006 group](#) of projects (after having [started with 2005 here](#)). Here's what I've been finding out.



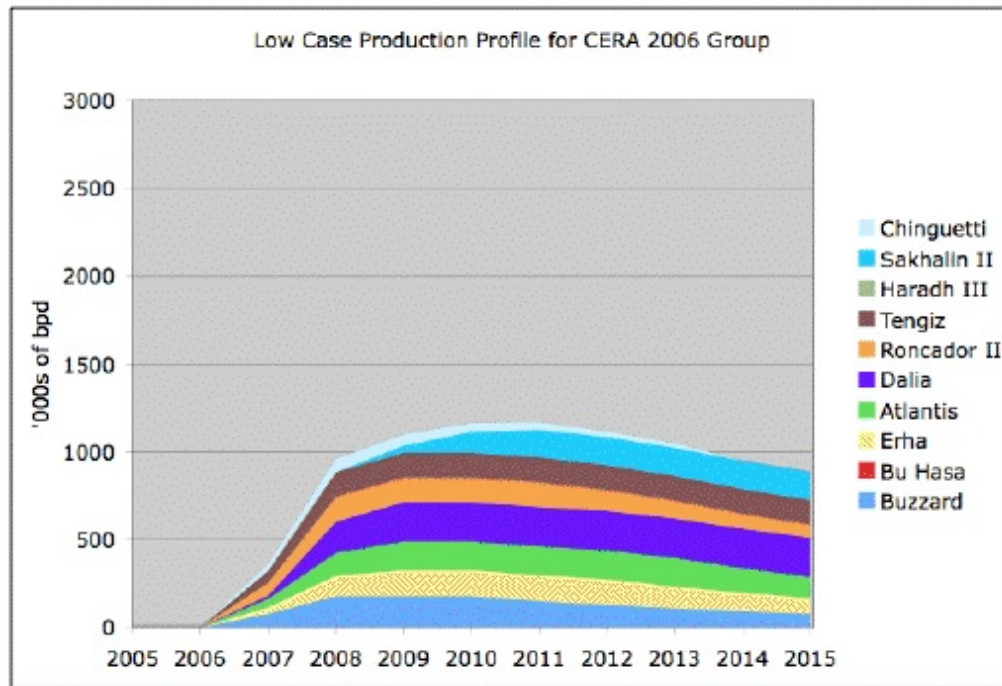
High case production scenario for CERA 2006 listed projects.

1. [Buzzard](#) is on track to start production at the end of 2006, reaching plateau of 190,000 bpd by "late 2007". Proved + probable reserves have been upgraded to 550mbl following more seismic surveys by new operator Nexen. The field will not stay at peak long with 190,000 bpd from a not-that-big field.
2. I haven't found any further update on Bu Hasa (which is adding additional gas and water injection to increase production at an old field (discovered in 1962, initial full development [completed in 1989](#), more gas injection in 1996, and this new project supposed to complete late 2006). It's somewhat hard to know how to account for these projects - will they really be new production increases, or essentially offset declines? I assume the former in the high case, and the latter in the low case. (It's worth noting that UAE production has been essentially in a bumpy plateau since 1991).
3. The FPSO for Erha is now [supposed to reach the field](#) around the end of 2005 (so the project has slipped from the original goal of first oil in 4Q 2005.) First oil is now scheduled

for H1 06 (presumably late in the half).

4. Atlantis plans have [been upgraded to 200kbpd](#), and are on track for first oil in Q3 2006. Since some of the expansion is for the more recently discovered northern part of the field, I'm estimating a longer than usual 18 months to get to peak production of 200k. Reserves are now at about [770mbl of oil](#). Atlantis appears to be [unscathed by Katrina and Rita](#).
5. Looks like [Dalia is definitely for 240kbpd](#). Here's a [nice article](#) on the project. HO had mentioned Dalia as maybe going to 500,000 in the future, but I think that's a misreading of [this reference](#), which I think is really saying that with this and other fields, Total is planning to get to 500,000 in Angola. Total's other main development in Angola is the Rosa field. According to [BP](#), "Additional tie-back options including the Zinia, Orquidea and Perpetua discoveries are expected to maintain the Dalia plateau well into the next decade."
6. I've been able to find out almost nothing new about the Roncador Phase II project. The Brazilian projects seem to be particularly difficult for an English speaker to research. Are any of our Brazilian readers able to enlighten us?
7. The best information on the Tengiz field upgrade I've found is [here](#). Looks like it is bringing in between 7 and 12 million tons per year, which is between 140kbpd and 240kbpd, and is expected to start coming on stream mid 2006.
8. The most precise information about the Haradh III development seems to come from the [Saudi technical folks](#) who say it will come on stream in July 2006 and will plateau for 50 years at 300kbd. My high case scenario assumes this is true, while my low case assumes Haradh III merely offsets other Ghawar declines and makes zero net addition to supply.
9. According to [this now deleted press release](#), or the [Shell version here](#), there are significant cost overruns and delays in the Sakhalin II phase 2 project (phase I involves a small amount of production seasonally, whereas phase II will produce an estimated 205kbd year round (including condensate). There's interesting background on Sakhalin II in [this 2004 annual report](#). While the tone is suitably upbeat for a corporate communication, reading between the lines you can see the range of issues the consortium is struggling with. There are no schedule promises whatsoever in the 2004 report. However, [Shell seems to think](#) that we're now looking at mid 2008.
10. The small (75kbpd, 120mbl 2p reserves) Chinguetti project is [on schedule](#) for Feb 2006. More [information here](#).

Any feedback or corrections on any of these projects is very welcome.



Low case production scenario for CERA 2006 listed projects. The big drop relative to the high case comes mainly from assuming the Middle East field rework projects only offset declines instead of being really new production.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/).