

# PETROLEUM IN QATAR 2004

## 1. NEW EXPECTATIONS OF OIL AND GAS PRODUCTION

In Qatar, a member of OPEC, oil amounts to more than 50% of the country's GDP and over 85% of its exports. Its proven reserves amount to 15.2 billion barrels, which means that according to the current rate of extraction, the reserves will only last for 23 years. As for proven reserves of gas, there are around 18 trillion cubic metres, representing more than 5% of the world total and is the third biggest reserve in the world.

Currently it produces more than 860,000 bpd, since in January 2002 OPEC members decided to reduce their production quota.

The Dukhan offshore field, located on the Western coast of the country is the biggest oilfield; there are six more offshore fields: Bul Hanine, Maydan Mahzam, Id al-Shargi North Dome, al-Shaheen, al-Rayyan, and al-Khalij. Crude from Qatar is of high quality, between 24o and 41o API degrees. The main consumers of oil from Qatar are in Asia.

Currently, transnational companies extract a third of crude produced in the country, and these same companies are pressuring so that the daily production rise to over 1 million bpd. For example, ChevronTexaco has a contract with the Qatar government to operate in an area of 6,740 Km<sup>2</sup>, known as Block 2 (almost all of the territory), except for the Dukhan field. This company also possesses the No.1 offshore field, along with the Hungarian company MOL.

Another offshore field recently in operation is the al-Rayyan field, in the hands of Anadarko, previously run by BP BG, Wintershall, and Gulfstream Petroleum. In turn, the al-Khalij field started to produce in 1997, after five years of exploration at a rate of 6,000 bbl/d. Al-Khalij is located in Block 6, along the length of the maritime border with Iran. The development of this field was suspended in 1991 by Elf Aquitaine Qatar, but in 2002 it reached production of 60,000 bpd and this will be increased to 80,000 bpd. The crude is of 18% API degrees with only 1% sulphur.

Other important fields are Maydan Mahzam (60,000 bpd), property of Qatar Petroleum; Bul Hanine (75,000 bbl/d) with 700 million barrels of recoverable reserves; al-Shaheen, operated by the Danish company Maersk Oil Qatar (110,000 bpd), located in Block 5; al- Shargi North Dome (ISND), initially discovered by Shell and now operated by Occidental.

Petroleum (12,000 bpd.) who hope to reach 90,000 bpd with new investment. As far as natural gas is concerned, Qatar has reserves of 509 trillion cubic feet (Tcf),

falling into third place behind Russia and Iran. The majority of gas is found in the North of the country, which is the biggest associated gas field in the world.

Additionally, the Dukhan onshore field contains an estimated 5 Tcf of associated gas and 0.5 Tcf of non-associated gas. Other reserves are in al-Shargi, Maydan Mahzam, Bul Hanine, and al-Rayyan.

As for the downstream sector, ExxonMobil reached an agreement with the Qatar government that allows the production and sending of 15.6 million tonnes of Liquefied Natural Gas (LNG) to the United States. This project represents the largest importation of LNG for US consumption.

The gas will come from the Ras Laffan LNG (RasGas) reserves in the North of Qatar, which has proven reserves of over 900 trillion cubic feet, of which over 26 trillion cubic feet are destined to this project. The project will be up and running in 2008.

RasGas, a joint venture between ExxonMobil and Qatar Petroleum, will build all the installations for the LNG in the industrial city of Ras Laffan. Meanwhile, Occidental will invest in better technology for discovering new oil deposits.

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**Sources:** OILWATCH .- RESISTANCE Number 44 .- March 2004