
RUNNING ON EMPTY: RUSSIA HAS LESS THAN THREE DECADES OF OIL REMAINING

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Our recoverable oil reserves are about 29 billion tons. These are the ones that could theoretically be extracted from the subsoil. Crude oil production (without condensate) preliminarily amounted to about 505 million tons in 2015. Such reserves will last for 57 years, the head of the ministry Sergey Donskoy told Rg.ru.

However, the volume of proved reserves (we know exactly their whereabouts, quantity and how to extract them), according to experts, is only half of that, about 14 billion tons. The proved reserves will last for only 28 years, he added.

According to Donskoy, Russias oil production will inevitably start to decline by 2020. The share of hard to extract oil will grow, as traditional resources will start to deplete.

This will also make the extraction more expensive, he said. Thats why we wont stop the exploration work, Donskoy added.

Oil exploration is complicated by collapsing crude prices that have lost two-thirds of their value since 2014. However, Russian companies wont cut back on exploration, which will remain at last year's level, the minister said.

"Rosneft * focused on increasing the development drilling by 40 percent compared to last year. At the same time, the costs of land exploration will grow by almost 1.5 times, he said. Donskoy added that Surgutneftegaz has no plans to reduce exploration activities, either, while Bashneft largely compensated the reduced extraction with increased stockpiles.

Russia also has big plans for Arctic drilling. In August, the country filed an application to expand the boundaries of its continental shelf in the region. The volumes may reach 5 billion tons of

untapped oil and natural gas reserves worth as much as \$30 trillion.

Donskoy said the application will be considered over three to five years, given its big volume. The materials have been very well developed and give us every chance of approval of the application. Completed geological, geophysical and bathymetrical work is a serious scientific contribution to the study of the Arctic, he said.

Kaynak/Source: