Iraq Oil Production Kirkuk Oil Field

Iraq Oil Production and Consumption

The northern Kirkuk field, first discovered in 1927, forms the basis for northern Iraqi Oil production. Kirkuk, with an estimated 8.7 billion barrels of remaining reserves, normally produces 35° API, 1.97 percent sulfur crude, although the API Gravity and sulfur content both reportedly deteriorated sharply in the months just preceding the war. Kirkuk's gravity, for instance, had declined to around 32°-33° API, while sulfur content had risen above 2 percent.

Declining <u>Crude Oil</u> qualities and increased "water cut" (damaging intrustion of water into oil reservoirs) were likely the result of overpumping. Production from Kirkuk reached as high as 680,000 bbl/d, <u>Well</u> above the field's estimated optimal production rate of 250,000 bbl/d, as Iraq attempted to sell as much oil as possible in the months leading up to the March/April 2003 war.

In addition, some analysts believe that poor <u>Reservoir</u> management practices during the Saddam Hussein years --including reinjection of excess fuel oil (as much as 1.5 billion barrels by one estimate), refinery residue, and gas-stripped oil -- may have seriously, even permanently, damaged Kirkuk. Among other problems, fuel oil reinjection has increased oil viscosity at Kirkuk, making it more difficult and expensive to get the oil out of the ground.

In order to better understand the state of the Kirkuk reservoir, a contract was signed in early 2005 for Exploration Consultants Ltd. and Shell to carry out an integrated study on Kirkuk, with work scheduled to be completed by early 2006. This will mark the first such study in three decades for Kirkuk, and is significant in that it will use the latest technology. A separate study of Rumaila will also be conducted at the same time.

Besides Kirkuk, other fields in northern Iraq include Bay Hassan, Jambur, Khabbaz, Ajil (formerly "Saddam"), and Ain Zalah-Butmah-Safaia. An estimated 60 percent of Northern Oil Company's (NOC) facilities in northern and central Iraq were damaged during the Gulf War. Another major Iraqi oil field is the 11-billion Barrel East Baghdad field, which came online in April 1989. Prior to the war, this centrally-located field currently produced around 50,000 bbl/d of heavy, 23° API oil as well as 30 million cubic feet per day (Mmcf/d) of associated Natural Gas.

Source: Energy Information Administration