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## **Mexican Reserves of Crude Oil Declined by 1.6 Percent in 1996**

by LADB Staff

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According to the state-run oil company PEMEX, Mexico's proven reserves of crude oil declined slightly in 1996, dropping to 60.9 billion barrels by year-end. In its annual statistical summary, released in late September, PEMEX said crude-oil reserves fell by 324 million barrels last year, a drop of about 1.6% compared with 1995. According to PEMEX, reserves have dropped steadily each year since 1983, when supplies of crude oil peaked at 70 billion barrels. Mexico currently ranks eighth worldwide in proven supplies of crude oil.

The decline in crude-oil reserves last year was attributed in large measure to an intensive production schedule. According to PEMEX, Mexico's crude-oil production reached a record 2.858 million barrels per day during the year, an increase of 9.8% relative to the previous year. Mexico's increased production and higher global prices allowed PEMEX to earn 160 billion pesos (US\$20.67 billion) in profits during the year, an increase of 56% from 1995.

The report said PEMEX ranks as the world's third largest oil company, surpassed only by Saudi Arabia's Aramco and the Iranian company Nioc. PEMEX is followed by China's state-run oil company CNPC, Petroleos de Venezuela (PDVSA), and British- Dutch consortium Royal Dutch Shell.

### ***Natural-gas production rises, but reserves decline***

In the report, PEMEX said Mexican production of natural gas surpassed 4 billion cubic feet per day during 1996, an increase of 11% relative to the previous year. Mexico remained the eighth largest producer in the world last year. Still, Mexico did not report any major discoveries of natural-gas fields during the past year. That, combined with the increased production rates, contributed to a reduction of 4 trillion cubic feet in Mexico's proven reserves of natural gas, leaving about 64 trillion cubic feet of reserves.

The decline pushed Mexico back to 14th place in terms of natural-gas reserves worldwide, behind Malaysia and Canada. During the past year, both of those countries reported the discovery of additional reserves. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on Oct. 1, reported at 7.74 pesos per US\$1.00] (Sources: El Economista, Novedades, 09/22/97)

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