

# MEXICO'S OIL AND GAS RESOURCE ENDOWMENT: A STORY OF GREAT GEOLOGICAL POTENTIAL



WILSON CENTER  
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# Mexico Has Significant Onshore and Offshore Basins with Production and Potential for O&G



Source: AAPG

# North America in the Cretaceous (65 MMYBP)



A significant amount of oil and gas in North America and Mexico in particular can be tied to the Cretaceous Western Seaway



Source: <http://blogs.egu.eu/palaeoblog/2013/07/02/om-nom-nom/>

# North America in the Cretaceous



**Mexico's  
geology  
is the  
foundation  
of North  
America**

# Mexico's Oil and Gas Endowment is Large and with Significant Remaining Potential

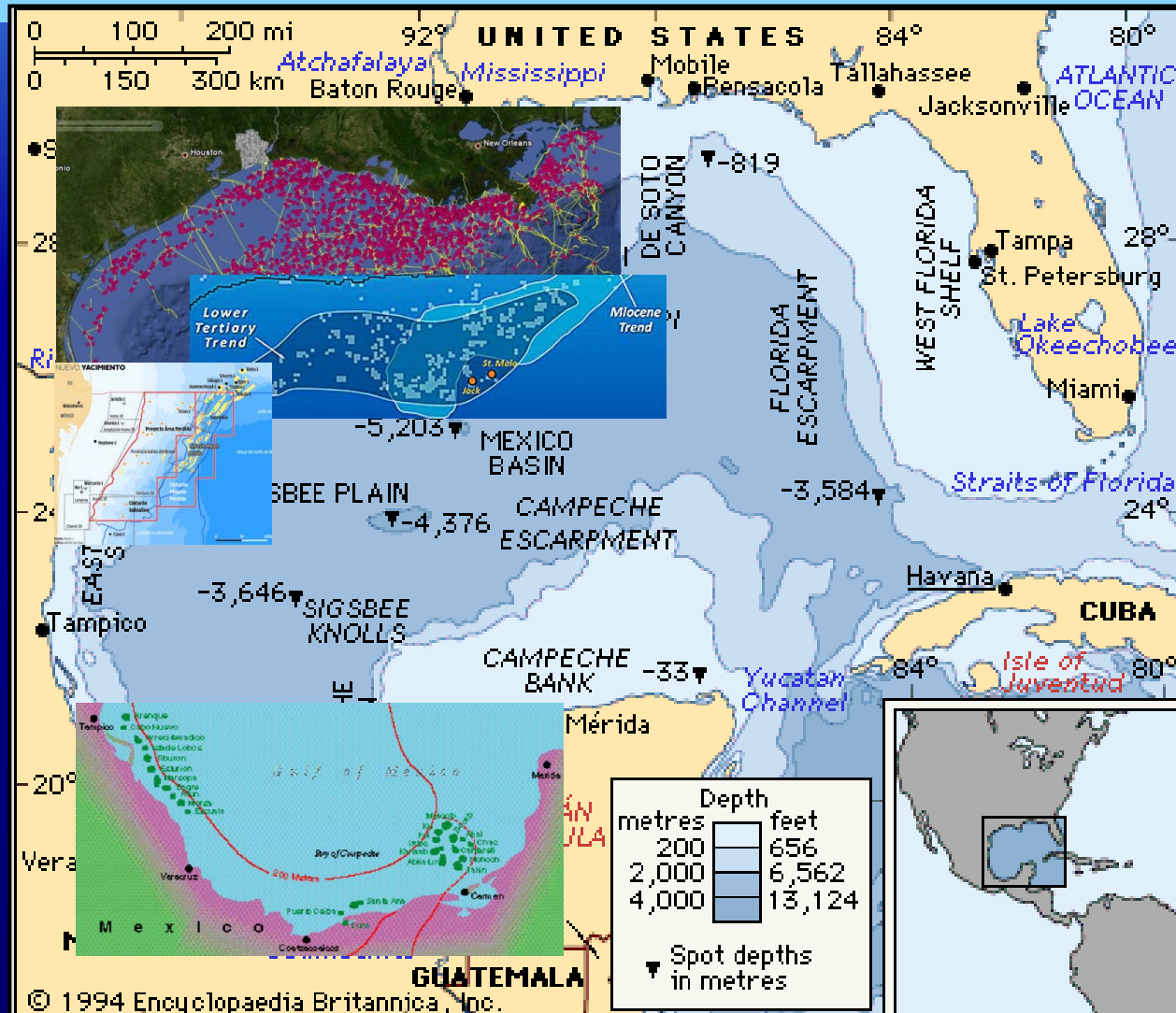
	Oil BBO	Gas TCF	BBOE
1. Produced volumes	40.6 (12%)	71.6 (15%)	55.0 (13%)
2. Reserves (3P)	30.8 (9%)	63.2 (14%)	44.5 (10%)
3. Yet to be discovered conventional	45.3 (13%)	46.5 (10%)	54.6 (13%)
4. Yet to be certified unconventional	31.9 (10%)	141.5 (30%)	60.2 (14%)
5. Remnant oil ""not economic""	191.9 (56%)	144.7 (31%)	220.7 (50%)
Source Pemex	340.5	467.5	435.0

- ▶ According to Pemex, within the last 100 years 41 BBO and 72 TCF of gas (55 BBOe) were extracted with about 160 BBOe remaining
- ▶ Areas:
  - Onshore Conventional
  - Offshore (Shallow and Deep)
  - Unconventional

# Mexican Oil and Gas Fields



# Compared to the U.S., Offshore Mexico is Lightly Explored



# Shale Plays are Prospective

- ▶ Pemex estimates that Mexico's unconventional resources at 141 TCF of gas and 32 BBO
- ▶ Potentially the world's fourth largest unconventional resource





# Setting the Stage for the Future for Mexico's O&G Sector

- ▶ Geologically the resource endowment is healthy
- ▶ The sector is opening up and the industry is paying notice
- ▶ Pemex is preparing to go head-to-head:  
“Competing with the best, you are going to be improving. That’s a fact.” Gustavo Hernandez, Pemex’s E&P division head (WSJ 13 June ‘14)
- ▶ Development of resources could triple gas production to 20 BCF/d and reverse the oil production decline

# THANK YOU

## Please let us know how we can help



- ▶ **Energy and natural resources consultancy**
  - Geologists, engineers and economists
  - Strategy, value, decision support
- ▶ **Significant technical and economic O&G experience in Mexico**
- ▶ **Resource plays, Conventional, EOR, CO<sub>2</sub> for EOR, renewables**

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