

Hungary: Daily oil production at ACG block in Caspian Sea more than 8 million barrels

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In the first half of 2020, Hungarian oil and gas company MOL produced 8.2 million barrels of oil per day from Azerbaijan's Azeri-Chirag-Guneshli (ACG) block of fields in the Caspian Sea.

MOL started production of Azerbaijani oil after acquiring the shares of US company Chevron in Azeri-Chirag-Guneshli block in November 2019. The company's average daily oil production between November 2019 and June 2020 amounted to 19.6 million barrels, out of which 8.2 million barrels accounts for the first half of 2020.

The company noted that the production in May-June was affected by Azerbaijan's commitment to reduce oil production in accordance with the OPEC+ agreement. In April 2020, OPEC and non-OPEC countries entered into agreement on reduction of daily oil production by 9.7 million barrels in May-June and 164,000 barrels for Azerbaijan. Azerbaijan produced 718,000 barrels of crude oil per day in October 2018, while in May-July 2020, the country had to maintain the average daily production of crude oil at 554,000 barrels. However, the quota was later extended, so the average daily oil production in May amounted to 650,000 barrels, in June to 553,800 barrels and in July to 650,100 barrels.

Out of total volume of oil production in Azerbaijan in the first six months of the year, Azeri-Chirag-Guneshli accounted for 14 million tons of oil, while Shah Deniz accounts for 2.2 million tons of oil, including condensate. SOCAR's oil production amounted to 4.3 million tons.

The supergiant ACG field is located in the Caspian Sea and is one of the largest offshore oil fields in the world. Oil production started in 1997. Operated by BP and encompassing six offshore production platforms, ACG produced an average 584,000 barrels per day in 2018. The operator estimates total gross recoverable reserves to be approximately 3 billion barrels of oil, following the license extension in September 2017 until 2049.

The shareholders in the Azeri-Chirag-Guneshli field are BP (operator, 30.37 %), SOCAR (25 %), MOL Group (9.57 %), ExxonMobil (6.79 %), Indian ONGC (2.31 %), Japanese Inpex Corp. (9.31 %), ITOCHU Oil (3.65 %), Norwegian Statoil (7.27 %) and Turkish TPAO (5.73 %).