

## History and Background Information

Until 1979 Bolivia was a net exporter of crude oil. After a quarter of a century, Bolivia is now scarcely producing enough to meet its own consumption.

Proven oil reserves at the end of 1989 totalled 180 million barrels.

Crude oil and condensate production is running at some 25,000 barrels per day, down from a peak of 45,000 bpd in 1975.

Most of the country's reserves are situated in the departments of Tarija and Santa Cruz, in the southeast, where Bolivia's first oilfield, Camiri, was discovered. The established fields are: Rio Grande, Monteagudo, La Peña, Caranda, Colpa, Camiri, Palmar, Caigua, Cambetti, Tatarenda, Espino, Rio Seco, Naranjillo, Vuelta Grande, Tita, El Porvenir, Madre de Dios, Cascabel, Humberto Suarez, Yapacaní, Sirari, Víbora, Taiguati, Chorritos, Escondido and Los Suris.

Bolivia's installed refining capacity is currently 55,000 barrels/day, without any cracking capacity. The refineries are: Valle Hermoso-Cochabamba (37,000 Bls/d), Palmasola-Santa Cruz (15,000 Bls/d) and Sucre (3,000 Bls/d). All liquids produced (crude oil plus condensates) are fed to the refineries for internal consumption, leaving no excess for exports.

Due to this production of liquid hydrocarbons that, at the present consumption rate, is barely enough for 12 years, it is now governmental policy to increase oil reserves, to avoid the risk of being forced to import in the near future.

In addition, they are substituting, as much as possible, their refinery-derived liquids by L.P.G. (Liquid Petroleum Gas).

## The Natural Gas Market

Aside from the near-critical situation regarding liquid hydrocarbons, Bolivia is rich in natural gas, with probable reserves of 5 trillion cubic feet and production of 511.5 million cubic feet per day (MMCFD). Since the domestic consumption of natural gas is only 30 MMCFD, there is an important exportable surplus.

Yacimientos Petrolíferos Fiscales Bolivianos (YPFB) -the state petroleum corporation- has a contract with Argentina to supply natural gas. The original contract was to expire in 1992 but was extended in late 1989 to run until year 2002.