

IV.2.- Oil.

IV.2.1.- Domestic Supply.

Chilean production of crude oil has been decreasing in the past few years because of depletion of the Magallanes wells. In 1991 the Magallanes deposits supplied 1,033,321 cubic meters compared to 1,137,900 cubic meters the previous year, which is 9.2% less.

Chilean demand for hydrocarbons, however, increased 3.5%, which created pressure on crude oil imports. Eighty-four percent of the hydrocarbons consumed in Chile came from foreign sources. Imports of crude oil in 1991 were 6,326 million with a cost of US\$ 819 million dollars.

IV.2.2.- Crude Oil Production.

In 1991 crude oil production by Empresa Nacional del Petróleo (ENAP) was 1.0 (1,033) million cubic meters, an 9.2% decrease compared to the previous year. This is the sixth consecutive year that national crude oil production has fallen because of depletion of exploited wells.

Fifty percent of ENAP's production comes from the Strait of Magellan (Offshore). The remaining 31.5% comes from the Island of Tierra del Fuego and 18.5% from the continental Chile.

IV.2.3.- Natural Gas.

In 1991 natural gas production was 4.1 (4.067) billion cubic meters. Gas production is also decreasing gradually, although less rapidly than crude oil. Most of this gas is reinjected into the wells.

With the start-up of the methanol plant at the end of 1988, gas sales rose sharply from 211 million cubic meters in 1987 to 1.2 (1.172) billion in 1989. A small reduction is estimated for 1992, but an increase is expected in subsequent years which will reach 1.4 (1.377) billion cubic meters in 1995.

Following are production estimates made by the Empresa Nacional del Petróleo for the coming years:

**TABLE XXX
FUTURE CRUDE OIL PRODUCTION AND NATURAL GAS SALES**

Years	Crude Oil (Million cubic meters)	Natural Gas Sales (Billion cubic meters)
1990	1,138	1,172
1991	1,052	1,072
1992	1,111	1,089
1993	916	1,231
1994	884	1,367
1995	818	1,377

Source: President's Message 1991

IV.2.4.- Refined Products.

Production of refined products rose in 1991 to 7.20 million cubic meters, which was similar ton the previous year. The difference between production of crude oil and refined products was compensated with imports, which increased more than 13% reaching 6.32 million cubic meters of crude oil. 432,000 cubic meters of liquid fuel (mainly liquefied gas and diesel oil) should be added to that figure.

In 1991 gasoline production was 1.99 million cubic meters, a figure similar to 1990. Diesel oil was 2.11 million cubic meters, and fuel oil production was 1.35 million cubic meters. Production of liquefied gas decreased.