

Plan for Development of Yamal Peninsula Needs Revision

The exploitation of the West Siberian oil and gas deposits is coming to an end - the first, most readily accessible reserves of the Tyumen deposits are almost exhausted. There has been a slow increase in the net cost of the gas and oil obtained but this is accelerating with each successive year. In our opinion, by the year 2000 the cost of Siberian fuel will have doubled or even tripled, due to the fact that it is becoming increasingly difficult to obtain. The wear and tear on the equipment and pipelines brought here at the outset is taking its toll and there is an increasing number of minor accidents, and lately, major disasters, of technological origin or, to put it bluntly, poorly thought out activity.

The strategy for the general development of the Yamal was worked out seven or eight years ago. In an earlier day this would have been considered a short span of time but so much has happened during the 7 or 8 years in question that projections concerning the future of the Yamal are currently being revised.

We still sell Tyumen' gas at a small profit, but gas coming from the Yamal Peninsula, according to our calculations, will be sold at a loss. It was projected that the region would be developed with a fairly sparse network of settlements with a built-in infrastructure, and that each pair of neighboring points in the network would be connected by a pipeline corridor, and by road and rail. The number would be kept to a minimum: everything was to work according to a remarkable automatic system. Does all this sound good? Well, let's take a look at what is to come of it.