

\*ttt253

STAT

U W BYLWYFZYV

FAM-CIA-ENERGY; 1ST ADD; A243; 470

FNSHN: HIS TESTIMONY.

THE PREVIOUSLY RELEASED CIA REPORT ON ENERGY MENTIONED THAT THE SOVIET UNION WOULD STOP EXPORTING OIL AND BEGIN IMPORTING IT IN THE 1980s.

IN HIS TESTIMONY TURNER ELABORATED; NOTING THAT "SOVIET OIL PRODUCTION WILL SOON PEAK; POSSIBLY AS EARLY AS NEXT YEAR; AND CERTAINLY NOT LATER THAN THE EARLY 1980s."

"THE SOVIETS HAVE A PROBLEM OF PRODUCTION IN THAT THOSE FIELDS THAT ACCOUNT FOR THE BULK OF SOVIET PRODUCTION ARE EXPERIENCING SEVERE WATER ENCROACHMENT. AS A RESULT; INCREASINGLY LARGE QUANTITIES OF WATER MUST BE LIFTED FOR EACH BARREL OF OIL PRODUCED;" THE CIA CHIEF TESTIFIED.

BY 1985; THE USSR AND EASTERN EUROPE WILL NEED NET IMPORTS OF 3.5 MILLION TO 4.5 MILLION BARRELS A DAY; TURNER SAID. THE PEOPLE'S REPUBLIC OF CHINA MAY ALSO HAVE TO BEGIN IMPORTING OIL BY 1985; TURNER SAID.

HE SAID GROWING WORLD DEMAND AND STAGNATING OIL PRODUCTION WILL RESULT IN INCREASING RELIANCE ON OIL FROM ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES (OPEC).

OPEC DOES NOT HAVE THE CAPACITY OR ABILITY TO MEET THESE DEMANDS; HE TESTIFIED. HE SAID ALTHOUGH MEXICO AND EGYPT WILL BE IN A POSITION TO EXPORT MORE OIL IN THE COMING YEARS; THE AMOUNT INVOLVED "WILL NOT SIGNIFICANTLY ALTER THE ESSENTIALLY GLOOMY WORLD ENERGY PICTURE."

TURNER SAID THAT SOVIET KNOWN RESERVES ARE PROBABLY IN THE RANGE OF 30 BILLION TO 35 BILLION BARRELS; "ROUGHLY EQUIVALENT WITH THOSE OF THE UNITED STATES;" BUT ADDED THAT DEVELOPMENT OF MANY OF THESE RESERVES IS AT LEAST A DECADE AWAY.

AND; HE SAID; "THE USSR DOES NOT HAVE THE DRILLING CAPABILITY TO PURSUE ADEQUATE DEVELOPMENT AND EXPLORATION PROGRAMS SIMULTANEOUSLY."

THE SOVIETS' MAIN OIL FIELD AT SAMOTLAR; LOCATED EAST OF THE URAL MOUNTAINS; MAY REACH PEAK PRODUCTION "IN THE NEXT YEAR OR SO AND WILL HOLD PEAK LEVELS FOR NO MORE THAN ABOUT FOUR YEARS;" TURNER SAID.

HE SAID HE DOUBTED THE SOVIET UNION COULD MEET ITS CURRENT FIVE-YEAR GOAL OF KEEPING OIL PRODUCTION CONSTANT WEST OF THE URALS WHILE DOUBLING PRODUCTION EAST OF THE URALS AND IN SIBERIA "BECAUSE OF A VARIETY OF PROBLEMS."

THE CIA STUDY HAS BEEN CRITICIZED BY SOME MEMBERS OF CONGRESS AS BEING OVERLY PESSIMISTIC. TURNER SAID THAT THE CIA WAS ABLE TO UTILIZE "HIGHLY SENSITIVE INTELLIGENCE SOURCES" IN COMPILING IT.

UNDER QUESTIONING BY REP. CLARENCE J. BROWN; R-OHIO; TURNER CONCEDED THAT THE UNITED STATES AND OTHER OIL-PRODUCING NATIONS MAY HAVE MORE OIL AND GAS IN THE GROUND THAN ENVISIONED BY THE CIA STUDY.

BROWN SAID THE CIA REPORT "IGNORES THE POTENTIAL FOR FINDING NEW RESERVES." TURNER AGREED; SAYING THE AGENCY STUDY IS "ONLY TALKING ABOUT WHETHER WE CAN GET PRODUCTION FROM THOSE RESERVES BY 1985."

ANY RESERVES - PROVEN OR OTHERWISE - THAT CAN'T BE "ON THE LINE" BY THAT DATE WERE DISCOUNTED; TURNER SAID. HE SAID THAT THE CIA STUDY DEALS WITH WHAT WILL HAPPEN BETWEEN NOW AND 1985; "NOT EXHAUSTION OF SUPPLY."

1728PED 04-25