

Dulang crude to raise production significantly

By Manan Osman

THE production of Dulang crude off the coast of Terengganu is expected to increase Malaysia's oil production by 43,000 barrels per day (bpd) initially and by 71,000 bpd in 1995.

Dulang crude, which has low sulphur and nitrogen content, will be launched by Prime Minister Datuk Seri Dr Mahathir Mohamad in Kerteh tonight.

It is learnt that the country's current oil production is in the region of 600,000 bpd with more than half coming from oilfields off the coast of Terengganu.

Located about 130km offshore Terengganu, the \$1.5 billion Dulang project which began in 1989, marks Petronas Carigali's entrance as an operator of a major oilfield which it is jointly developing with Esso Production Malaysia Incorporated (EPMI).

Dulang is a major oilfield discovery with an estimated 550 million standard tank barrels (mmstb) of oil of which about 175 mmstb are recoverable reserves.

Drilling began in November last year and it is planned that by the end of this year, 40 producer wells will be drilled.

The field is divided into two areas — the western area which is entirely Carigali's area and the unit area which straddles Carigali's and EPMI's contract boundary.

Carigali and EPMI signed a unitisation agreement in Feb 1988 under which Carigali is designated the unit

operator.

This is the first such agreement in the country.

Production facilities at the Dulang field include four platforms and a single-point mooring floating storage and offloading (FSO) system and a sub-sea pipeline network.

Three of the platforms (DL-A, DL-C, DL-D) are unmanned satellite drilling platforms and the fourth (DL-B), a central integrated drilling platform which also houses the living quarters.

Crude from three of the platforms DL-A, DL-C and DL-D, will be transported via pipeline to DL-B for processing after which it is transported to the FSO comprising a storage tanker for temporary storage prior to export via shuttle tankers.

The FSO, a custom-built storage vessel capable of storing a minimum of 850,000 barrels of oil, named *Puteri Dulang* was built by Mitsubishi Heavy Industries of Japan.

Petronas took delivery of the vessel in December last year.

The rationale of having the tanker is that the Dulang oil, being a very waxy crude, could not be economically transported to shore via pipeline and therefore, the floating storage system is the cost-effective solution.

Except for the storage vessel, the fabrication of the offshore facilities including the Dulang A four-legged jacket, the Dulang B eight-legged jacket and the Dulang B topsides were awarded to local companies.