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Vietnamese oil field a major feat for Petronas

THE production of crude oil from the Ruby Field, an offshore Vietnamese oil field, represents a major accomplishment for the national oil corporation, Petronas Bhd, as it is the first overseas exploration and production project that Petronas has undertaken as a sole operator outside Malaysia.

Adding to the achievement of Petronas, which spread its wings abroad in 1990, is that the completion of the project is ahead of schedule despite the current economic turmoil.

The commercial production of the field, at an initial rate of 8,000 barrels per day (bpd), had already begun on October 22 1998, 10 days ahead of the original schedule.

The production of the first successful exploitation of hydrocarbon from basement by Petronas, came on board with an excellent safety record well above the industry standard.

The commercial production of crude oil from the field, located about 155km east of the coastal city of Vung Tau, was officially launched by Prime Minister Datuk Seri Dr Mahathir Mohamad on December 17 1998. The Prime Minister was in Hanoi last week for the Asean leaders summit. The initial production of 8,000 bpd comes from slim twin wells, drilled from a single conductor, an emerging drilling technology used for the first time in Vietnam by Petronas with some adaptations to suit the requirement of the Ruby Field.

The crude produced from the drilling platform Ruby A is piped and processed at the nearby floating production storage and offloading facility called Ruby Princess.

Production from the field under Phase One is expected to increase to about 20,000 bpd in 1999 and peak at 25,000 bpd by the year 2000.

The foundation for the development of the Ruby Field Project was laid on September 9 1991 when a Production Sharing Contract (PSC) was signed between Petronas' wholly-owned subsidiary, Petronas Carigali Overseas Sdn Bhd and Vietnam National Oil & Gas Corp (PetroVietnam).

Under the PSC, upon commercial discovery, Petronas assigned 15 per cent of its interest as contractor to PetroVietnam Exploration & production Company, a wholly-owned subsidiary of PetroVietnam.

During the 25-year contractual period, Petronas and PetroVietnam as joint contractors, have been given the rights to the exploration, development and production of petroleum in the Mekong Basin, Con Son High and Nam Con Son Basin in Blocks 1 and 2.

Exploration work in the blocks started on August 31 1992, and the Ruby Field was discovered in June 1994. The field was declared commercially viable on August 28 1995.

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