Drilling Middle East shows role of drilling in region

IADC DRILLING MIDDLE EAST 2001 highlighted the best practices, emerging technologies, HSE and contractual issues in one of the world's most important petroleum centers—the Middle East.

The conference, held 21-23 Oct in Muscat, Oman, was sponsored by **MB Petroleum Group**, endorsed by **Petroleum Development Oman** and supported by the IADC Northern Arabian Gulf Chapter and the IADC Southern Arabian Peninsula Chapter.

"Drilling is an extremely important part of our business," said **Dr Mohammed bin Hamed al Rumhy**, Minister of Oil and Gas for the Sultanate of Oman, in his opening remarks for the event. "In the GCC [**Gulf Cooperation Council**], we are spending more than US$1 billion per day on drilling. In Oman, PDO is spending 30% of its budget on drilling. So drilling is important.

"We are excited to see the excellent papers being presented at this conference," Dr Rumhy said.

The Gulf Cooperation Council, founded in 1981, is a commercial and scientific alliance of 6 nations located in the Arabian Gulf—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.

The conference brought together drilling specialists from throughout the GCC, as well as colleagues from Africa, Asia, Europe and the Americas.

Dr Rumhy noted that improved technology, such as underbalanced and horizontal drilling, has transformed the industry. "We used to think that drilling was a 'macho' business," he said. "It wasn't seen as a sophisticated technical area. That has changed."

M Yusof Rafie, Senior Vice President—Gas Operations, **Aramco**, echoed these sentiments in his welcoming remarks. "Only through drilling efficiency can we decrease our drilling costs—the highest in any E&P activity," Mr Rafie observed.

"I'd like to stress the importance of the role IADC plays in bringing operators, contractors and service companies together," he said.

The focus on technology and efficiency is all the more important as activity increases. Mr Rafie said that the number of rigs drilling for Saudi Aramco would soon grow from 30 to 52.

Attending the IADC Drilling Middle East Conference are (foreground, left to right) His Excellency Dr Mohammed bin Hamed Al Rumhy, Minister of Oil and Gas, Sultanate of Oman; Mohammed Al Barwani, IADC Regional Vice President-International and President and CEO, MB Group; His Excellency Salim Bin Nasser Al Maskri, Secretary General, Council for Higher Education, Sultanate of Oman; and His Excellency Salim Shaban, Under Secretary, Ministry of Oil and Gas, Sultanate of Oman. IADC President Dr Lee Hunt is at center rear.

"We need to invest heavily in technology," he said, citing extended reach and casing drilling, as well as expandable casing and tubulars. "I am concerned that drilling technology is not moving as quickly as in other industries."

Steve Ollerearnshaw, Managing Director of PDO, noted that Oman production stands at 850,000 bbl/day of oil, with another 50,000 bbl/day of condensate. He said PDO can maintain that plateau for the next 15 years. By expanding old fields and finding and developing new ones, PDO should be able to boost production to some 1 MM bbl/day, Mr Ollerearnshaw said. For 2000, PDO had planned to drill 307 wells for production development, 17 for exploration, for total spending of $1.165 billion.

He explained that the drilling industry in Oman is steadily improving in drilling efficiency, in terms of meterage per dollar.

Expandable-tubular technology ranks high among PDO's cutting-edge work to improve efficiency.

PDO's **Roger van Noort** outlined the company's experience to date and its plans for the years ahead in his paper "Expandable Tubular Technology in Oman.

PDO installed its first solid expandable tubular in the Qarat Al Milh field in August 2000. This was also the first installation of this technology in the Middle East, Mr van Noort said. He explained that wells constructed with the expandable tubing technology require smaller casing shoes and cheaper liner hangers than conventional wells.

Such wells also cut costs for workovers, due to fewer logistical demands. That translates to smaller rigs. Such technology can also add value by enhancing reservoir accessibility. Mr van Noort said PDO could make the giant leap to drilling mono-diameter wells by 2005.

Session chairman **Dr Paul Francis** of PDO, past Chairman of the IADC Underbalanced Operations Committee, said, "I think we all know we have to make a step change in drilling costs and this is the technology to get us there."