ABSTRACT
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WEST NATUNA SEA & GULF OF MARTABAN - FROM STRANDED TO DEVELOPED GAS.

In the last three years two major gas developments in Southeast Asia have come on-stream. Both bring previously stranded gas resources from remote offshore areas to the major industrial centres. What is remarkable is that it was a relatively small UK-listed independent oil company – Premier Oil plc – that brought about these two large and complex developments. This paper relates the true story of how technical and commercial challenges were overcome to bring about the development of the Yetagun Gas Field in Myanmar to supply gas to Thailand and the Anoa Gas Field in Indonesia bringing gas to Singapore.

In the late 1980’s Premier Oil was drilling for oil in the Western Gulf of Thailand. The regional explorers within the company recognised some similar oil plays in the Gulf of Martaban and so negotiated and signed several large PSCs. Early seismic acquisition identified a large seismic DHI that helped Premier to farm-out the block to Texaco. The DHI was later drilled and it proved to be the multi-TCF Yetagun Field in 1992. Yetagun was then appraised by three wells and by a 3D seismic survey that provided a substantial data set quantifying the gas resources. Lengthy commercial work led to the signing of agreements for Thailand to buy gas through a pipeline system running from Yetagun Field to the Thai border. Premier then took back the operatorship from Texaco when it sold its stake in the project and Premier completed all the construction work for the gas production and export system including two platforms as well as offshore and onshore pipelines. Gas sales from Yetagun into Thailand began in May 2000 and are currently running at approximately 280 MMscf/d with an additional 8,000 bbls/d of associated condensate production. Premier has now agreed to trade its stake in the project in a complex deal that sees Petronas and Amerada Hess returning their stakes in Premier Oil plc to Premier.

In 1996 Premier Oil in Asia was based in Singapore. The gas market potential in Singapore was recognised and led directly to Premier placing a winning bid for Chevron’s sale of their two-thirds working interest in the Natuna Sea Block A PSC in Indonesia. At that time Natuna Sea Block A contained one oil field, Anoa,
which was in a late stage of declining oil production, and a lot of gas potential believed to be worthless at that time. Premier won the bid for the asset in late 1996 by putting some value on the gas potential. Premier then brought the West Natuna Group together to jointly market their gas to Singapore. Despite difficult times politically in Indonesia, a GSA was agreed in late 1998 and signed in January 1999. Through successful exploration and appraisal drilling, Premier and its Partner Kufpec discovered several new gas fields with new gas reserves exceeding 1 TCF being certified. Gas discoveries continue in the Natuna Sea and the pipeline infrastructure put in place by the West Natuna Group is one of the first cornerstones of the ultimate Asean Gas Grid. Premier is now exporting ever-increasing volumes of gas to Singapore and the oil is still flowing from the Anoa field.