

Speech by

Dr. Kurujit Nakornthap
Director-General of the Department of Mineral Fuels, Minister of Energy
*(Celebrating 30 years of Partnership, Innovation, and
Achievement in Delivering Petroleum Energy to the Kingdom)*
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Mr. Chairman of the Society of Petroleum Engineers- Thailand Section,

Chairman of the E&P Award Dinner,

Distinguished Guests,

Ladies and Gentlemen

I am very pleased and honored to be invited as the Guest Speaker at this SPE Thailand 2009 E&P Award Dinner tonight. It feels good to be among fellow Engineers, Geologists, and Economists, whose combined experiences help ensure a reliable and affordable supply of oil and gas to the Country in support of economic and social development, now and into the future. This year also marks the 30th anniversary of the establishment of SPE –Thailand Section, of which everyone should be proud.

Over the past 30 years, we have seen and contributed to the advancement and remarkable progress of Petroleum Exploration and Production in this Kingdom. From the first gas discovery and commercial development of the Erawan Field by Chevron (then known as Union Oil) in Block-12 in the Gulf of Thailand in late 1970's to its first gas production, the then world's longest undersea gas pipeline by PTT, and the first-ever combined-cycle gas-fired power plant in Thailand by EGAT in 1981, we witnessed the successive discoveries in the 80's, the 90's, and the 2000's of many other offshore gas and oil fields, such as Satun, Platong, Kapong, Funan, Jakrawan and Pailin gas fields of Chevron, the Bongkot and Arthit gas fields of PTTEP, the construction of the 2nd and 3rd

offshore gas pipeline by PTT, the completion of the Trans Thai Malaysia gas pipeline by PTT and Petronas, and production of gas from the Joint Development Area or JDA by Carigali-Hess and Carigali-PTTEPI; offshore oil was also discovered and developed from the Nangnual (นางนวล) oil field of PTTEP, the Tantawan and Benchamas, and the Surat/Plamuk/Yala Oil fields of Chevron, the Jasmin field of Pearl Oil, the BuaLuang (บัวหลวง) field of Salamander Energy, and the Songkhla and Buaban (บัวบาน) fields of Nucoastal.

Onshore, production from the Sirikit Oil field in Kamphangphet (กำแพงเพชร) province in 1983 by Shell and PTTEP was the first major oil development project in the Kingdom, and helped pave the way for many other oil discoveries in the Northern and Central plains of Thailand, such as the WichianBuri/Sri-thep and Na-Sanun oil fields by Pan Orient Energy, the Bung-Ya & Bung-Muang (บึงม่วง) oil fields by Sino-US and CNPC-HK, the Nong-Tum (หนองตุม), PraduTao (ประดู่เต่า), Uthong (อุททอง) and KamphangSaen (กำแพงแสน) oil fields by PTTEP, and recently the Arunothai oil fields by SiamMoeco. Onshore-Northeast Thailand was proven as a gas-prone area, with the successful development of the Namphong gas field by Exxon-Mobil in 1990, and of the Sin-PhuHorm gas field by Hess in 2006. Throughout all these years, I have to say that the growth of E&P industry in Thailand is astonishing, and provides a strong foundation for the electricity-generation and the petrochemical sectors in our country, and it also creates high-skilled job opportunities and high-tech services industry, like Platform engineering and fabrication yards, Seismic acquisition and processing, Wire-line and Mud loggings, Cementing, directional drilling, production testing, completion and workover, and Helicopter services, to name just a few. From oil production at the level of a mere 200 to 500 barrels per day before 1981, Thailand is proudly producing now almost 3 billion standard cubic feet per day of natural gas, and almost 250,000 barrels

per day of Oil and Condensate; or roughly we can meet 75 % of the Country's gas demand, and 25 % of the Country's liquid Hydro-Carbon demand. All these achievements would not have been possible without strong technical capabilities, innovation, determination and perseverance of all professional men and women in the E&P Industry of Thailand, past and present, to which all of you proudly belong.

Without technology and innovation, especially in advanced drilling and three-dimensional seismic survey, which are crucial for improvement of drilling success ratio in Thailand's unique geological reservoir characteristics, **we would not be able to increase our production and reserve capacity to meet the rising demand.** In fact, there are quite a number of technical papers related to E&P industry in Thailand published worldwide, dated back from in the 1970s, such as the first 3D-seismic acquisition ever in the world done in the Gulf of Thailand, modification of Kelly rig into top drive in 1983, tripod and monopod production platforms, slim-hole drilling and monobore completion in 1995, modification of Gas FPSO, gas lift tool modification, mini LCNG plant that utilize flare gas, and it is also recognized that Thailand's drilling record is now famous for being one of the fastest operation in the world; 4 days per well, which enable us to maintain and increase our production capacity by drilling around 500 wells per year.

Ladies and Gentlemen,

With success come new and more challenges. The petroleum E&P industry must recognize that our works are **important to the Energy Security of Thailand.** **However, the public also expects us to do our works in a responsible manner, upholding high standards on safety and protection of the environment.** Hence, our industry not only needs smart engineers and geologists to find more oil and gas, but we also need smart people with integrity and accountability. I urge all of us to

adopt the **safety-first attitude** in our design and operation of any projects, not for our own protection but for protection of others who will come to use our facilities, now and in the future. I also urge all of us to apply innovation and good senses **to minimize impacts of our industry to the environment**, especially produced-water and wasted disposal, water re-injection, reduction of flare gas, and mitigation of greenhouse gases' emission rate. I believe that there should be concerted efforts, not only by our E&P Industry, but by all sectors and all nations, **to move toward cleaner production and utilization of energy.**

Ladies and Gentlemen,

Despite fluctuating and rising oil prices, rapid progress on biofuels production, and energy efficiency measures in recent years, oil and natural gas will continue to be major sources of reliable and affordable energy to most people of the world in the next few decades. With all the good infrastructure, continued reinvestment, robust markets, and technology improvement, I believe that Thailand has a potential to be a natural gas hub and electricity hub of South East Asia. Thailand's great advantages are its geographical location, its human and natural resources, and its free-market values. Thai technical skills and expertise are remarkably improved; thanks to many efforts and endowments by major sponsors like Chevron and PTTEP, and also the DMF to fund and establish a petroleum engineering program, a geo-science program, and a petrochemical program at Chulalongkorn University, and also an Offshore Technology and Management program at the Asian Institute of Technology. All these are good evidence that Thailand E&P is moving in the right direction, with sound technical backup.

So today, on this special occasion, **it is most timely and appropriate that we, and the SPE, would honor individuals and companies that successfully innovate and apply technology to improve efficiency and recovery of oil and gas fields in Thailand.** I was told that there are 4 finalists for the best project in the 2009 E&P Award. I am sure all are excellent projects, conceptualized, designed and executed by the best brains of our fellow professionals. I wish you all the best, and salute you on your proud achievements.

Ladies and Gentlemen,

I would like to close by reminding all of us as to why we should be proud to be an engineer or a geologist. We are proud because **we accomplish something in our lives that bring happiness and comfort to other human-beings,** by applying science and technology into good use for the people; and, we do it responsibly, economically, efficiently, and safely.

Thank you very much for your attention.