

# Artificial lifts 'drive oil sector growth'

By ARTHUR MACDONALD

**MANAMA:** More than 60 per cent of oil wells in the Bahrain Field use artificial lift systems and these contribute about 50pc of its total oil production.

That emphasised the importance of artificial lift in the oil industry for the kingdom, Oil and Gas Affairs Minister and National Oil and Gas Authority (Noga) chairman Dr Abdulhussain Mirza told delegates at the opening session of the fifth Middle East Artificial Lift Forum (MEALF 2009) at the Gulf International Convention and Exhibition Centre yesterday.

"With the continued quest for increasing production worldwide and particularly from our region, the upstream petroleum industry has been venturing into unconventional initiatives to squeeze additional barrels from the developed reservoirs," he said.

"These initiatives include the production of heavy oil, low energy reservoirs and thin and tight complex reservoirs.

The focus is now towards tapping into difficult reservoirs and at the same time improving and modernising the existing systems to become more efficient."

"Artificial lift technologies play a key role in the production of crude oil," he said.

"Over the years, significant developments in automation, information management and control have taken place in the field of artificial lift systems making these techniques more efficient, more reliable and cost effective.

"New forms of artificial lift systems have evolved while the proven systems have been revitalised with automation and information sharing capabilities.

"Frequent operational monitoring of such systems are no longer required as new units are equipped with advanced automation and control systems."

He said that the application of artificial lift systems in the Bahrain Field had been one of the earliest such implementations in region.

"Wells have been produced on artificial lift as early as the 1960s," he said.



■ Dr Mirza with the delegates at the opening session

## Industry 'to make strides despite low crude prices'

**MANAMA:** The artificial lift industry will continue to boom, even with low oil prices.

That was the claim by oil industry consultant and electrical submersible pump expert Gordon Kappelhoff.

Speaking at the forum, he said that the need to maximise the production of oil wells meant that the oil lift industry was largely immune to price fluctuations.

"When the price of oil is high everyone wants to get as much out of the ground as possible so they are prepared to invest in technology that will get oil from reservoirs that do not flow on their own and in increasing the amount of oil they can get out of reservoirs that do flow.

"When the oil price is low, producers have to maximise their capacity to cover the production cost of the well. So in both instances they invest in lift technologies."

"Around 94 per cent of all the oil wells in the world need artificial lifts," he said.

"But of the 6pc that do not, producers still want to increase the daily flow of oil so they also invest in the latest lift technology."

He said that MEALF 2009 had been a major success because the industry had no alternative but to be there.

"What you have here in the exhibition is the latest technologies in lift products and the most cost-effective and in the speakers forum you have the experts who know where this section of the industry is going."

"Because of the availability of high pressure gas from the Kuff reservoir, gas lifting has been the natural choice and it is now the widely applied lift mode."

He said that Noga had moved to significantly increase production from the Bahrain Field and had selected Occidental

If you are trying to introduce new technologies to the industry then this event is a must, according to Weather Field Middle East & North Africa marketing communications head Carine Bouery.

"We are using this event to introduce our gas well deliquification products, our capillary technology and our cavity pumping systems and we are getting a very good response," she said.

Ms Bouery said the three products removed blockages from water in gas extraction, were used to deliver chemicals to valve systems and to improve the flow of heavy oil respectively.

"The lift business is doing very well at the moment and the industry needs and event like this. It is a requirement to keep people up to date with the latest technology. Lift technology is not only a way of

improving production from existing wells but is a cost effective way of increasing production.

"At a time when budgets are tight people are looking for cost-effective systems and that is what lift technology offers."

Scottish-based Wood Group area manager Ator Tetenta said that as one of the leading players in the electrical submersible pumps business in the region the conference and exhibition was a must for them.

"So far this has been a pretty positive conference with a very high quality of technical papers being delivered."

MEALF 2009, which has attracted more than 160 industry specialists closes this evening.

Petroleum out of eight international oil companies as the preferred bidder to carry out this work.

Emphasis in this area would be placed on the optimisation of artificial lift and enhanced oil recovery techniques to achieve the objectives of this project.

"As we move towards revitalisation of the Bahrain Field through enhanced oil recovery and the exploitation of heavy oil and difficult reserves, the door is open to all forms of new and improved artificial lift technologies," he said.

MEALF has gained momentum over the years and it has now become more important than ever, he said.

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■ Mr Kappelhoff

## Firm's profit tops \$30m

**MANAMA:** Bahrain Commercial Facilities Company net profits rose by 24 per cent to BD11.4m (\$30.2m) in its 25th anniversary year from BD9.2m in 2007.

Profit for the fourth quarter was BD2.4m from BD2.3m in 2007. The board is recommending a cash dividend of 35pc. It was 40pc in 2007. Because of the share capital increases last year, payments to shareholders will be

BD5.65m, an increase of 30pc over the previous year distribution.

All businesses have performed strongly in a very difficult business environment, the company said.

Bahrain Credit, reflecting caution in lending, further improved the quality of its portfolio. New lending of BD95m also saw the portfolio increase 15pc over the previous year to BD150m.

The wholly-owned subsidiary National Motor Company retained its number two position amongst the kingdom's automotive distributors whilst contributing 35pc to group earnings.

"It is apparent that the Gulf region is not totally immune to the prolonged economic downturn being experienced in many parts of the world," deputy chief executive officer Adel Hubail said.