

Oilmen Abandon The Viet Coast

Washington

A dozen of the world's major oil companies have abandoned the offshore fields of South Vietnam, leaving an investment of as much as \$100 million paid in bonuses to South Vietnam for offshore leases in the South China Sea.

The companies include many of the world's and most of America's giants, Mobil, Shell, Exxon, Cities Service, Sun and Marathon.

"It's a shame," said Corbett Allen, vice president of Global Marine Co. in Los Angeles, which until ten days ago had operated a drilling rig for Mobil Oil Corp. in the South China Sea. "That whole part of the world looked like it was going to be the world's next oil province."

The Global Marine rig was one of two huge offshore rigs drilling for oil in the South China Sea in acreage leased by the South Vietnamese government. Both rigs have pulled up stakes in the last ten days and moved to the safety of Singapore.

One rig was leased from Global Marine by a combine that included Mobil, Japan's Kaiyo Sekiyu and France's Societe National des Petroles aquitaine. The second rig was leased from Ocean Drilling and Exploration Co. in

New Orleans by Shell Oil Corp. and Cities Service Co.

The Mobil group has no immediate plans for its rig, which costs an estimated \$50,000 a day to operate. The Shell rig will be moved sometime in the next month to the coast of South Korea.

The two rigs had drilled five tests wells in the South China Sea in the last year, two of them successful. The Mobil rig hit a well that yielded 2500 barrels of oil a day. The Shell well yielded 1500 barrels a day.

Neither well was producing, but both companies called the finds "encouraging." Oilmen fully expected that South Vietnam would become a major oil producer one estimated that there was as much as \$5 billion worth of oil in the South China Sea.

Washington Post

See SFC 3 May 75, "[The new government in] Saigon Still Wants Oil Exploration"