

# Oil Firms Abandon Viet Investments

By Thomas O'Toole  
Washington Post Staff Writer

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 10 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 10 days and moved to the safety of Singapore.

The 150 men who operated the rigs have been moved with their families from Saigon to Singapore.

One rig was called Glomar 4 and was leased from Global Marine by a combine that included Mobil, Japan's Kaiyo Sekiyu and France's Societe Nationale des Petroles Aquitaine. The second rig was leased from Ocean Drilling & 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, which is called Ocean Prospector, will be moved sometime in the next month to the waters off the coast of South Korea, where it has done exploratory drilling before.

The two rigs had drilled five test wells in the South China Sea in the last year,

two of them successful. The Mobil rig hit a well that yielded 2,500 barrels of oil a day. The Shell well yielded 1,500 barrels a day.

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

Mobil had invested almost \$16 million in its South China Sea exploration, most of it in bonus bids to South Vietnam for the leasing rights. Shell had spent \$17 million through March of 1975, including its share of the bonuses.

Other companies willing to talk about their investment in South Vietnam included Exxon Corp. and a combine made up of Marathon Oil Co., Sun Oil Corp. and Amerada-Hess. Exxon said it had spent \$2 million in bonuses. The Marathon group said it had spent \$6.1 million for its leases.

Cities Service, which is in partnership with Shell, refused to say how much it had spent.

So far, Exxon said, it had done only seismic tests, no exploratory drilling. Marathon had done only seismic tests, but said it had come very close to leasing a rig to begin drilling on its acreage, which lies about 150 miles south of Saigon.

"We are in the midst of discussing what to do about all this right now," said a Marathon official at the company's offices in Findlay, Ohio. "We still have an office in Saigon and are in touch with it, but we're certainly reconsidering the situation."

Other oil companies with major stakes in South Vietnam include Japanese, British, Australian and Canadian interests. One group of independent oil drillers is led by a combine called Sunningdale, which operates mostly in Canada.

Oil industry sources said that somewhere between 12 and 15 oil companies had paid about \$100 million to the South Vietnamese government for drilling rights since the summer of 1973,

when South Vietnam offered 88,000 square miles of the South China Sea as concessions.

The two drilling rigs already operating there were pulled out for safety's sake.