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al-Fahhal

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A question of balance

PDO unveils its Programme Build for 2001

PDO has set an oil production target of 850,000 barrels per day for 2001, unchanged compared to the plan published in Programme Build (PB) 2000 last year. However, due to the continued success of ongoing business improvement initiatives, the new plan is able to achieve this rate for \$45 million less than was projected in the earlier plan.

"Increasing cost pressure, caused by the desire to grow production against the background of a maturing asset base, is a growing challenge for PDO," the new document states. "It is important that PDO strikes the right balance between achieving cost efficiency and ensuring sufficient investment to achieve production targets and long-term growth without compromising the integrity of mature assets."

The plans for the Qarn Alam and Bahja-Rima assets show planned increases in production based on the good performances of 1999 and 2000. Successes in Saih Rawl, Mussalim and Burhaan means that Qarn Alam's production capacity will increase from 90,000 bbl/d to 130,000 bbl/d. The extension of the Mukhaizna

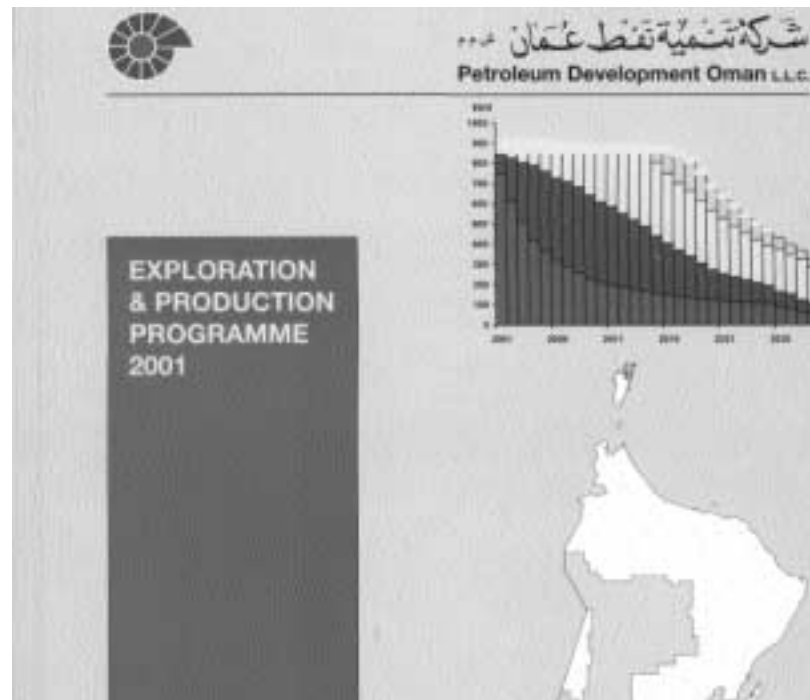
development also means increased production for Bahja-Rima.

PDO is aiming for a Unit Technical Cost of \$2.2/bbl over the programme period.

On the reserves side, current reserves and programmed scope maturation plans support a production level of 850,000 bbl/d up to the year 2014, without exceeding the 6.5% annual depletion. The exploration target for 2001 increases by 10 million barrels to 80 million against last year's plan, comprising 60 million barrels from frontier activities and 20 million from near field exploration. And dividends have been paid by the 'Volumes to Values' initiative, with substantial additional scope volumes being identified in Qarn Alam, Mukhaizna and Fahud Natih.

The plan makes clear that 2001 will be a year of consolidation, with development drilling in Yibal being suspended while the reservoir model is updated and the field development re-formulated. Further field studies in Nimr and Amin will also take place. The decision on whether it may be possible to move to an 870,000 bbl/d target in 2002 will depend on the outcomes of these

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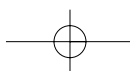


No-LTI Club is a runaway success

A safety club started in Bahja-Rima just two months ago has proved so successful that it has become the foundation stone for the safety strategy for the whole asset.

The No-LTI Club in Bahja has signed up more than 550 members in just a few months, and now meets once every two weeks in the newly created Bahja Garden. The mission of members is to cut the number of LTIs to zero.

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BAHJA-RIMA

New safety club takes Bahja-Rima by storm

Hundreds of members join No-LTI Club with a mission to put an end to Lost Time Incidents



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Asset Manager, Peter Evans, is in no doubt about the impact the forming of the club has had. "I think this is the best thing I have seen in the oil business. It is absolutely brilliant," he says. "Since its foundation we have not experienced an LTI and that remains our target."

The Club was the brainchild of Peter and Bahja Area Coordinator Moussa Al-Hajri. Fed up with the increasing numbers of LTIs and depressed over a recent fatality, they dreamed up the club in a late night telephone conversation.

"I was very angry about the LTIs," says Moussa. "I

was determined to do something, to get people together to stop them happening. That was when the idea of the club was born."

Moussa and Peter's idea was that people would have to demonstrate why they wanted to join and why they wanted LTIs to stop. To join the club, each potential member must pass an 'interview' to show their commitment to stopping LTIs. Moussa found people beating a path to his door to join and word quickly spread.

The meetings of the club are entirely in the hands of the staff and contractors who attend and this, says Peter, has been the key to its success.

"There is no

boss/PDO/contractor demarcation," he says. "The meeting is fronted by helpers who talk about why safety is important. Anybody can contribute anything they want. There is a sharing of information about issues, singing, role play. There is an incredible family atmosphere."

But the Club has quickly developed into something more than informal monthly safety meeting.

"We soon realised that the Club was having a real effect on people's behaviour," says Moussa. "The meetings have given people a sense of empowerment. People who have never been on the stage in their lives are giving vent in a positive way to their feel-

ings and this is carried over into their work. They feel they can say 'no' if a job is unsafe."

The mix of people at the meeting also means that messages are being disseminated in three languages: Arabic, English and Hindi.

"This is very important," says Peter, "because it means everybody can contribute and everybody can understand what is going on. The people themselves are coming up with explanations as to why LTIs are happening and vowing to put things right. The messages about safety and why it is important to individuals sink into people's minds and they take it away with them to their work and homes.

"We believe there have been positive benefits achieved so far in terms of impact on business, such as contractor staff motivation, a better working environment and team work - this feeds through to productivity increases.

One contractor said: "The No-LTI Club helps to remind me of the pledge I have made to my family before I left home - to work safely and return home as I went.

Mubarak Al-Harsoosi of local community contractor Galfar said: "The emphasis of the Club on safety has changed my way of thinking - safety used to be part of my work requirement, now I see it as part of my life."

Moussa says that the Club seems to have filled a gap in the battle to tackle LTIs.

"There are three areas we need to get to grips with - awareness, attitude and anxiety," he says. "PDO is good at the awareness part of things and is making progress on attitude. As regards the question of anxiety, PDO staff are probably okay, but with contractors and sub-contractors this area this area could be significantly improved. The Club gives them a forum to vent their concerns and share their knowledge.

"We have also found that because of the family atmosphere at the meetings it has fostered a sense of concern for other people. Members see their colleagues talking about how much their family means to them and how they want to remain safe in their work and this hits home. Our new garden at Bahja has also proved to be the perfect setting for the meetings and helps to create the right atmosphere."

The success and popularity of the initiative was confirmed when an inaugural meeting of a safety club called the No-Incident Club in Rima attracted more than 200 people. Organisers had only thought that 60 would turn up.

The Rima meetings have been equally successful and popular with both contractors and staff.

"One of the breakthroughs is that the barriers between worker and supervisor are removed," said Khalfan Al-Obaidani, Rima Area Coordinator. "Staff now feel much more relaxed in stopping works which is deemed to be unsafe. Communication has also improved because their meetings are conducted in Arabic, English, Urdu and Maliyalum."

Another No-LTI Club in Mukhaizna now has 250 members signed up. And word about the effectiveness of the Club has spread to the extent that the local Sheikh in Bahja has asked to join!

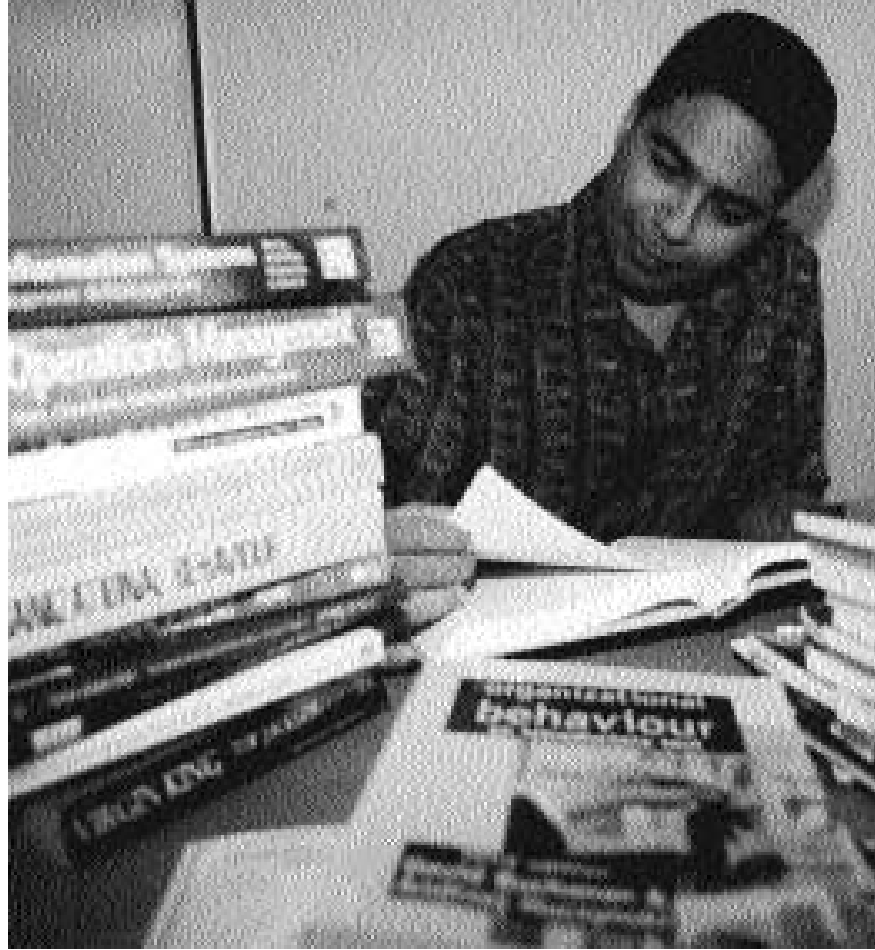
"The way the Clubs in Bahja and Rima have developed so quickly has

taken us by surprise," says Peter. "But such is its success that it has become the centrepiece of our HSE strategy for next year. We realise that initiatives such as STOP can be introduced through the Club and that it is an effective way to get messages across, largely because the people are doing it for themselves."

Moussa says that the popularity of the club has meant new challenges have arisen. "We have to keep things fresh and interesting so that we maintain the momentum. We aim to keep the club shifting along at a fast pace, evolving and changing it and making it live and vibrant."

"The name 'Bahja' means happy, and the Club has made Bahja a happy place to work in. We want to keep it that way."

Anyone who wants to know more about the No-LTI Club can contact Moussa on 388702; Peter on 675786 or Khalfan on 382231. People are welcome to attend a club meeting in Bahja or Rima to see how it works.



Going the distance

Ali Al-Namani is studying for an International MBA by distance learning under PDO's current distance learning sponsorship scheme. al-Fahal talked to him about his experiences.

Gone are the days when you had to quit your job to pursue your further studies. To help you get that coveted qualification while you carry on with your existing job, today all you need is the will, determination and a little bit of cash to get you off the ground.

At 12 midnight when most people are either asleep or are out partying, Ali Al-Namani is either in his home library or his office trying to meet a deadline for an assignment or revising for an upcoming exam.

Ali is among those that have chosen not to take a traditional route of taking a break in their career to do a full time on campus education. He is currently pursuing a company sponsored distance learning International MBA from Strathclyde University in Scotland which is considered to be one of the top business institutions in the world.

As far as education is con-

cerned the sky is the limit. Ali is not new to studying, as he has already spent 10 years in various institutions in the UK as a full time student. He already has a combined degree in economics & political science from Essex University as well as a Masters degree in International Relations from Keele University.

Ali currently works for the Supply Department as a section head looking after all materials requirement for Qarn Alam and Bahja. He has been with PDO for almost six years and is regarded as a "high flier". In 1997 the Managing Director's Committee approved Distance Learning Programmes for Omani staff in institutions recognised by PDO. Ali was one of the many who seized the opportunity and took up the challenge.

"Although it is an excellent opportunity, it is a real struggle in the sense that your social life comes to a halt as the only time available to do your studies is after work," he says. "The program can be very interesting or it

can be very frustrating and all this depends how prepared you are."

MBA's are considered to be the most prestigious of qualifications and can take from a minimum of two years to a maximum of six years to complete, depending on the pace of study. Students holding regular jobs generally tend to take 2-3 years to complete. Distance MBA programs don't come cheap and could cost even more than on-campus programs mainly due to its interactive nature. The fee normally varies between \$15,000 to \$25,000.

"My advice to all those interested in pursuing such a program is to be selective about which institution to go for. You should avoid the ex-polytechnic type of institutions and go for reputable institutions such as Harvard Business School, London Business School, Warwick or Strathclyde Business Schools," says Ali.

"You should also check if it is accredited by the International Association for Management Information, and invest time in finding out things like the kind of course material the University provides, the faculty, flexibility of the program so that you can

work it around your regular job.

"If you are satisfied on all counts, assess your own suitability to such a long-term commitment. Due to the heavy pressure such a program puts on busy executives, the dropout rate is pretty high."

But Ali says the work involved should not put people off.

"You need to be honest with yourself and ask whether you have the discipline to set aside a certain number of hours every day towards study," he says. "You need to be interested enough in the subject and if you can apply what you study in your job it is a bonus. An overlap in study assignments and job objectives is a great way to kill two birds with one stone. If you are the kind of a person who can do without the human touch and would be quite happy to study in isolation with the tapes and the books required for the program, then you should be able to get through. If you are the sort that needs face to face interaction with others, then I would advise a residency program."

"Finally ask yourself why you would like to get an MBA. If it is to further your existing career, the distance learning

option would be just fine."

Ali has no doubts that a qualification, such as an MBA, helps him to do a better job.

"It is always best and easier to pursue such a program with at least five years work experience under your belt," he says. "I have learnt so much already and most of what I learn is ploughed back to my work. It is not a question of simply pursuing an MBA for its prestige but because you want to learn."

"As competition for jobs becomes more fierce, more and more companies around the world prefer to recruit MBA graduates from highly reputable institutions," he says. "Furthermore most organisations nowadays tend to opt for prospective job candidates who have done a distance learning program while doing their regular job, because candidates who handle both at the same time demonstrate that they have got to have a high level of perseverance and the willingness to work hard."

"There is no limit as to how far one can go with education, after my MBA, it is my intention to go after a PHD, hopefully in the field of Supply Chain Management."

If you are interested in finding out more, log on to the HLD web page for guidelines and procedures for company sponsored distance learning programs.