The Miri Oil Field 1910: The Centenary of the First Oil Discovery in Borneo, SE Asia

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At the turn of the twentieth century. Miri in Sarawak (northwest Borneo) was a small port village surrounded by forest and open to the South China Sea. The oil discovery well, Miri No. 1, on December 22, 1910 changed the place for ever. Oil seeps, or "earth oil" as the natives called, were known in the area for centuries, but no serious effort had been made to produce and use oil, not even by Sir James Brooke, the British White Rajah of Sarawak. It was Dr. Charles Hose (1863-1929), a resident geographer, who not only mapped the oil seeps but also persuaded the British colonial ruler to give the first Sarawak Oil Mining Lease to the Anglo-Saxon Petroleum, one of the Royal Dutch/Shell Group of Companies, to explore and drill for oil in Miri. Royal Dutch/Shell dispatched a team headed by the Swiss petroleum geologist Dr. Joseph Theodor Erb to Sarawak. The team placed a drilling rig on top of the Miri Hill (a reverse fault-related asymmetric fold structure) on August 10, 1910, but before drilling began, they had to convince the local people that the well would not penetrate the underground cave which according to the legend was the home for two maneater tigers. The well hit oil at 425 feet deep in the Upper Miocene Miri Sandstone (part of the Baram deltaic basin), outcrops of which are also found in the Miri area. Initial production was 83 barrels per day, but development wells drilled into deeper sand payzones, and production increased over the years. By 1929 about 500 wells had been drilled in the field and a peak production of 15,000 bpd was reached. The story of the Miri oil field mirrors the history of Sarawak throughout the twentieth century, including the transformation of Miri to a large town, the occupation of Borneo by the Japanese army during World War II, the joining of Sarawak (and Sabah) to the federation of Malaysia 1963, and the beginning of drilling offshore Miri by Sarawak Shell in 1963. The Miri field produced more than 80 million barrels of oil until it was abandoned in 1972 (when the field produced fewer than 675 bpd and over ten times as much water from 98 wells). Today the drilling site and rig of Miri No. 1, called the Grand Old Lady, is a museum and tourist site. Sarawak Shell is still a major operator in the region although since 1974 Malaysia's national oil company, PETRONAS, has been directing the country's petroleum resources.