



# Kuwait Fact Sheet

## Highlights of Operations

Chevron maintains an important business relationship with Kuwait.

Our current operations are in the onshore Partitioned Zone, an area between Kuwait and the Kingdom of Saudi Arabia. Joint Operations—staffed and funded equally by Saudi Arabian Chevron Inc. and the Kuwait Gulf Oil Co.—explore for and produce oil and gas. The production from these operations is shared by the governments of Kuwait and Saudi Arabia.

In addition, Chevron Kuwait Limited maintains a business development and relationship liaison office in Kuwait City as we continue to seek new ways to share our energy expertise in Kuwait.

Globally, Chevron and Kuwait remain important strategic trading and investment partners. For example, Kuwait Foreign Petroleum Exploration Company is a partner in the Chevron-led [Wheatstone](#) development project currently under way in [Australia](#).

## Business Portfolio

### Exploration and Production

Chevron has a long record of developing oil and gas in the Middle East, dating back to our earliest discovery in Bahrain in 1932. Kuwait's Burgan Field, the world's second-largest onshore oil field, was discovered in 1938 by Gulf Oil, which later merged with Chevron. Following nationalization of this field by the government of Kuwait, Chevron subsidiaries continued to provide assistance to Kuwait Oil Company through technical-service agreements through the end of 2008.

The Chevron-led consortium competing to develop Kuwait's northern fields ended in May 2010. However, Chevron has an extensive history in the region and continues to be active in Kuwait, and we are a major partner in the onshore Partitioned Zone (PZ) between Kuwait and Saudi Arabia.

### Maximizing Resources in the Partitioned Zone

Companies that later became part of Chevron have been producing oil on behalf of Saudi Arabia in the PZ since 1949. Chevron has a concession with Saudi Arabia to operate the kingdom's 50 percent interest in the hydrocarbon resources of the onshore area of the PZ between Saudi Arabia and Kuwait. The concession expires in 2039.

During 2010, 67 wells were drilled in the PZ, and 1,062 were producing at the end of the year. Development drilling, well maintenance and numerous facility-enhancement programs scheduled for 2011 and 2012 are expected to partially offset declines in overall field production.

In 2009, [first steam injection began](#) at the Large-Scale Pilot Steamflood Project for the First Eocene reservoir at the Wafra Field in the onshore PZ. Steamflooding involves injecting steam into heavy oil reservoirs to heat the crude oil underground, reducing its viscosity and allowing its extraction through wells. This project was preceded by steam stimulation of some wells, followed several years later by a small-scale test. The entire development project is designed to determine the technical and economic viability of thermal-recovery projects in the Wafra Field.

The Large-Scale Pilot phase of the project required drilling 16 injection wells, 25 producing wells and 16 observation wells and installing water-treatment and steam-generation and distribution facilities.

The \$340 million pilot, which is the third test phase for the steamflood project, is expected to lead to full-field steamflooding of the First Eocene reservoir. This would mark the first commercial application of conventional steamflooding in a carbonate reservoir anywhere in the world.

A carbonate reservoir is an oil or gas trap formed in reefs, dolomite and certain types of limestone. Typically, carbonate reservoirs are highly fractured and not conducive to steamflooding on a large scale. However, the carbonate Eocene reservoirs at Wafra have unusually favorable properties and offer a highly promising opportunity for steamflooding.

The company is evaluating data gathered from the First Eocene pilot project. In 2010, the pilot project was injecting steam, and production had increased 600 percent over the production rate before steamflooding. In September 2010, a small-scale steam injection test was initiated in the Second Eocene reservoir. Test results provide support for undertaking the Second Eocene Large-Scale Pilot Steamflood Project.

During 2010, alternatives also were studied for the Central Gas Utilization Project, and the preferred alternative for development was selected in early 2011. The project is intended to improve natural gas utilization and eliminate continuous natural gas flaring at the Wafra Field. A final investment decision is expected in 2012.

## **Refining**

Under an agreement signed in 2003 with the Kuwait National Petroleum Co. (KNPC), Chevron's technical, operational and managerial employees shared their knowledge with employees of KNPC's three refineries. That agreement ended in 2010.

Chevron licenses refining technology and supplies catalysts to KNPC refineries through our subsidiaries, Advanced Refining Technologies LLC and Chevron Lummus Global LLC.

## **Shipping**

Saudi Arabian Chevron (SAC) operates a storage and marine export facility at Mina Saud in the PZ.

In 2010, we marked our eighth consecutive year with no reductions or delays in scheduled tanker loading, no lost-time incidents, and no spillage attributable to SAC operations. A total of 71 tankers were loaded at the company's crude oil shipping terminals, handling a volume of more than 43.2 million barrels of Ratawi and Eocene crude.

## **In the Community**

Chevron supports programs that benefit education, the community, the environment and training organizations.

Saudi Arabian Chevron with the Kuwait Gulf Oil Co. co-sponsored one of Kuwait's first surveys of plants and wildlife. Conducted by the Kuwait Institute for Scientific Research, the survey yielded valuable data and insights into the plants and wildlife in the vicinity of Joint Operations at Wafra. The program is in keeping with Chevron's environmental stewardship expectations, which include maintaining local biological diversity.

We also pride ourselves on protecting the health and safety of our employees, their families and the community. The company's hospital and field clinic for operations in the Partitioned Zone recorded nearly 20,000 visits by employees, their families and other community members in 2010.

## **Record of Achievement**

Chevron played a major role in developing the resources of Kuwait and its region. Gulf Oil Corp., which became part of Chevron in 1984, discovered Kuwait's super-giant Burgan Field in 1938. The discovery helped transform Kuwait into a top oil producer. As a 50 percent owner of the Kuwait Oil Co. (KOC), the company was involved in the production and management of Kuwait's oil fields.

Under a 1994 agreement with the KOC, Chevron subsidiaries provided technical expertise for the continued development of the Burgan Field. The KOC agreement expired in 2008.

From 2003 to 2010, Chevron had a contract with the Kuwait National Petroleum Co. (KNPC) to share technical, operational and managerial knowledge with employees of KNPC's three refineries.

Chevron, the Kuwait Gulf Oil Co. and predecessor companies have operated four oil fields in the onshore Partitioned Zone (PZ) under an agreement through which Kuwait and Saudi Arabia share petroleum revenues jointly. In 2009, the 60-year operating agreement between the Kingdom of Saudi Arabia and Chevron predecessor Getty Oil Co. was amended and extended for another 30 years.

Getty Oil Co. became part of Texaco in 1984, and Texaco merged with Chevron in 2001. The Kuwait Gulf Oil Co. operates Kuwait's 50 percent interest.

In 2004, we celebrated a milestone when the PZ's operations surpassed 3 billion barrels of production. More recently, we entered the third phase of the long-term, staged testing process for determining the technical and economic feasibility of using steamflooding to greatly increase production from the PZ's heavy oil Eocene reservoirs.

In 1968, we began licensing refinery technology and supplying catalysts to KNPC refineries.

Chevron is committed to a safe work environment and has achieved impressive results in the PZ. At the end of 2010, employees of Saudi Arabian Chevron at Mina Saud and Wafra had logged more than 14.6 million work-hours over more than 10 years without a lost-time incident.

With regard to environmental safety, Joint Operations made significant progress in its Zero Discharge program to eliminate surface disposal of water from production and remediate former water collection areas to international standards. By the end of 2010, 90 percent of former pit areas were reclaimed, and there was zero discharge of produced waters under normal operating conditions.

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For SAC employment inquiries visit [Saudi Arabian Chevron](#)

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**CAUTIONARY STATEMENT RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

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