

India's oldest coalbed methane explorer GEECL plans to drill another 144 wells on the Raniganj (South) block, in the eastern Indian state of West Bengal, in the next few years. This will almost double its total number of wells to 300, CEO Prashant Modi CEO told *NGW* in an interview.

The original gas-in place (OGIP) of the Raniganj (South) block has been reconfirmed at 2.62 trillion ft<sup>3</sup>. In 2005, the OGIP was 1.385 trillion ft<sup>3</sup>. The company's second asset is the Mannargudi licence in the state of Tamil Nadu, which covers 667 km<sup>2</sup> and has OGIP of 0.98 trillion ft<sup>3</sup>. It is under arbitration with the government and production is yet to start.

GEECL reported a 15% jump in production for the fiscal year that ended on March 31, 2016. Output stood at 14.79mn ft<sup>3</sup>/d (417,000 m<sup>3</sup>/d) while average sales for the year were 8.60mn ft<sup>3</sup>/d compared with 10.23mn ft<sup>3</sup>/d during the last fiscal.

Commenting on the drop in sales Modi said, "The sales were lower last financial year because of some operational issues at one of our largest customer's plant.

Now this has been streamlined to a large extent." Since the breakdown was for a temporary period, it could not have been offered to any other customer. The gas had therefore to be flared during that time, Modi added.

GEECL and Essar are the two companies producing CBM commercially in India. Reliance Industries is expected to start producing CBM commercially soon.

## **New hydrocarbon policy is a welcome step**

Modi welcomed the new Hydrocarbon Exploration Licensing Policy (HELP) that was introduced in March this year.

The cabinet also announced a policy for the future which provides for a uniform licensing system to cover all hydrocarbons such as oil, gas, CBM, shale gas, shale oil.



*GEECL CEO Prashant Modi (Source: GEECL)*

The government believes the new policy regime will mark a generational shift and modernisation of the oil and gas exploration policy. It is expected to stimulate new exploration activity for oil, gas and other hydrocarbons and eventually reduce import dependence. "This should help mobilise the required investments into the E&P sector," Modi said.

However, in August, a parliamentary panel report said that India needs a new separate CBM exploration policy. The report also urged the government to award new blocks and re-award the five blocks relinquished due to delay in getting statutory clearances so that work can be started early. The last time a new block was awarded was in 2008.

It also recommended that the government formulate a separate pricing and marketing mechanism for CBM keeping in mind the variables in operations such as availability of small volume of gas, number of wells required due to low productivity, remote location, dewatering etc. and also to incentivise the CBM producers.

In September, India's oil ministry also proposed a revised policy for CBM blocks which is in similar lines to the policy rolled out for the ongoing auction of 67 discovered small and medium oil and gas fields. According to media reports, the ministry has sent a draft cabinet note for consultation. India's production of CBM is only 1.07mn m<sup>3</sup>/d in 2015-16.

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