

India's largest private sector operator seeks farm-in partners for 'promising' deepwater asset

Block on offer is KG-DWHP-2017/1, which was awarded to Cairn in 2019 as a part of India's open acreage licensing policy



An offshore platform at Cairn's Ravva asset. (Photo: Cairn Oil & Gas)

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Vedanta-owned Cairn Oil & Gas is seeking farm-in partners for its deepwater block in India's gas-rich Krishna Godavari basin as it embarks on an ambitious exploration campaign.

Cairn confirmed the farm-in development at the KG-DWHP-2017/1 block, which it was awarded in 2019 as a part of India's open acreage licensing policy (OALP).

“We are looking to partner with international companies with experience in deepwater drilling for carrying out the exploration campaign and delivering production from the block,” the company told Upstream.

It added that the asset “is a hugely promising block with proven petroleum system with four discoveries and available 3D seismic data highlighting the potential of this hydrocarbon rich basin in the Indian waters”.

India’s largest private sector player, Cairn has drawn up an ambitious plan to spend up to \$4 billion over the next three years, led by an aggressive exploration plan targeting multiple promising prospects in the country.

The company recently issued expressions of interest (EOIs) for the farm-in process, inviting domestic and international firms to collaborate in the joint exploration and development of the KG basin deepwater block, two people familiar with the development told Upstream.

“EOIs have been issued and Cairn aims to involve international partners with proven deepwater expertise,” one person noted.

A second person also confirmed the development and stated that Cairn hopes to rope in partners before the end of the year.

The operator currently holds a 100% stake in the deepwater asset, and is looking to divest a sizeable stake in the block, people familiar with the process said. The precise stake to be farmed out by the operator could not be confirmed, however.

Exploration plans

Cairn earlier this year kicked off a multi-well onshore and offshore exploration campaign, aimed at doubling its oil and gas production to more than 300,000 barrels of oil equivalent per day.

The company told Upstream that India presents a huge exploration opportunity with 70% of hydrocarbon reserves still untapped. The operator said it is “committed to unlocking the country’s hydrocarbon potential with a vision to contribute 50% of domestic crude production”.

“In line with this, we are executing one of the largest exploration projects by any private company in India and have laid out a comprehensive drilling campaign for the next 18-24 months,” it stated.



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The Vedanta-owned player currently has an exploration portfolio of about 62 oil and gas assets, with 75% of its acreage onshore, and the remaining 25% offshore.

The company is currently producing about 140,000 boepd, mostly led by oil production from its core Rajasthan onshore asset and it remains hopeful that the upcoming exploration drive, along with several multi-well appraisal and development campaigns, could boost production to more than 300,000 boepd in the coming years.

“We will be mobilising 20 rigs nationwide to open new frontiers and ramp up production capacity significantly to 300,000 barrels of oil equivalent per day in the near term, and 500,000 boepd in the long term,” Cairn added.

Multiple prospects

Cairn is targeting several promising onshore and offshore prospects in the country’s Northeast, Rajasthan, Kutch, Krishna Godavari, Cambay and Mumbai High basins.

It hopes to drill around 25 wells in the next year or two, depending on logistics and rig availability, it previously told Upstream.

The company said that it has a “strategic focus on conventional projects onshore and offshore in shallow and deep waters, as well as unconventional projects such as tight oil, tight gas, shale and coal bed methane”.

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India

Krishna Godavari basin

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