

Exclusive

Asian operator poised to kick off huge exploration campaign targeting multibillion-barrel prospects

The operator aims to drill at least 25 onshore and offshore exploration wells as a part of a fresh drilling campaign across multiple acreages



Exploration plabns: Steve Moore, the deputy chief executive of Vedanta-owned Cairn Oil & Gas. (Photo: Cairn Oil & Gas)

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Published 4 minutes ago

Vedanta-owned Indian operator, Cairn Oil & Gas is poised to kick 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.

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

“We are ready to start drilling for exploration and are targeting 25 (exploration) wells this year, and it will be a mix of both offshore and onshore....we have tenders out in the market,” Hitesh Vaid, the chief financial officer of Cairn told Upstream in an exclusive interview.

Vaid noted that the company currently has an exploration portfolio of about 62 oil and gas assets, with 75% of is acreages lying in the onshore region, while

another 25% of the blocks are in offshore areas.

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 its upcoming exploration drive, along with several multi-well appraisal and development campaigns could boost production to over 300,000 boepd in the coming years.

Cairn is targeting several promising onshore and offshore prospects in the country's Northeast, Rajasthan, Kutch, Krishna Godavari, Cambay and the Mumbai High basins, with exploration work likely to start as early as next month, Vaid stated.

While a large number of exploration prospects have been earmarked by the operator in multiple blocks across India, the operator hopes to drill around 25 wells during the course of next 12 to 14 months, taking into consideration the logistics and availability of rigs, Upstream understands.

Northeast campaign

The company's deputy chief executive Steve Moore told Upstream that the highlight of its upcoming multi-well campaign is its exploration drive in the North-eastern part of India, where it is targeting some huge oil prospects.

"We have very exciting multibillion-barrel prospects in the Northeast...where we start (drilling) next month," Moore said.

He stated that up to 10 exploration prospects are being targeted in the Northeast region, across four of its key blocks.

"In Northeast we've got a number of blocks, but we prioritise four blocks, which are on the border between Assam and Nagaland, and Assam and Arunachal Pradesh," he said.

The Cairn deputy chief said that the Northeast blocks "haven't been fully explored, and are on "trend with some of the big discoveries," in the region.

He said that the Northeast exploration prospects are "nearly all oil", but some of them might have gas in them.

"The biggest target we have in the Northeast, which has like 3 billion barrels of prospect," Moore added.

Cairn believes that its exploration targets in the Northeast region could be "geologically analogous" to the nearby Digboi fields, which gives the operator high confidence to proceed on its multi-well exploration plan.

Moore said that if the company ends up making discoveries in the Northeast region, it could monetise them fairly quickly, capitalising on nearby existing oil & gas facilities of state-owned players ONGC and Oil India.

"The Northeast is blessed with a whole bunch of facilities that have been built over the years by others that we can use to tie our production back in.. we will tariff through an ONGC facility or an Oil India facility or a pipeline....we won't build our own facilities, again,"

Key onshore prospects

In addition to the Northeast campaign, Cairn has lined up exploration targets in the Rajasthan area, in and around its prolific RJ-ON-90/1 asset, the largest producing onshore oilfield in the country.

"So in terms of pure exploration wells, we have five really good targets we're going to drill (in Rajasthan) including deep gas, centre gas play, which could be a huge play opener," Moore noted.



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The company will later drill few more exploration targets in Gujarat where it has at least four more onshore prospects, onshore in Jaya and two to three additional wells in nearby assets in the state of Gujarat.

Moore added that while a total of 30 drilling prospects (exploration and appraisal) have been selected by Cairn in its multiple onshore assets, not all will be drilled as a part of its upcoming campaign.

Offshore exploration on radar

The Vedanta-owned oil and gas player has also lined up ambitious offshore exploration and development plans, targeting multiple promising prospects across the nation's east and west coasts.

In terms of pure oil and gas exploration, it plans to drill two wells on the west coast in the Dwarka region, offshore Kutch basin.

In the Cambay region, the company has up to four additional offshore exploration targets, while two additional wells have been selected in the offshore Bombay High area, also offshore the country's western coast.

On the east coast, the company added it has around four Ravva wells to explore, in the current producing fields, and then two more wells to be drilled in the Greater Ravva tract, which was awarded to Cairn as a part of India's open acreage and licensing policy.

In addition to the promising exploration targets, the operator also has plans to drill at least six new development wells across acreages.



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As a part of its fresh drilling campaign Cairn also plans to revisit a key east coast asset which is close to an earlier restrictive region of the Indian military, but can now be drilled.

Moore said the block is home to two oil and gas discoveries and the company now plans to drill at least one appraisal well in the region.

“It (the block) has the potential to be very large...if we get confidence from the government, we can go ahead and develop it,” he said.

Availability of rigs

However, Moore said that while Cairn plans to charter offshore rigs on at least two year terms, it is getting increasingly challenging to get jack-up rigs, as a number of such rigs have already been taken up in the Middle East region.

“We're mobilising an offshore rig to go to the East Coast and West Coast, it's been quite hard to find rigs, Saudi Arabia, and Abu Dhabi took nearly every jack up rig available in the world into the Middle East,” he said.

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Published 14 February 2024, 10:15 Updated 14 February 2024, 10:15

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