

DRILLWATCH

Volume 3, Issue 11

15 Oct 2017

Oil India is gearing up to drill 'wildcat' **exploration well Sadiya-1** at 'frontier' exploration block AA-ONN-2010/3 in upper Assam on the border with remote Arunachal Pradesh. Sadiya-1 will be the deepest well ever drilled in the northeast to 6000 metres TD but it could even be more than 6500 metres. Oil India is confident a new 9.15-km bridge from Dhola to Sadiya across the Lohit River will hugely facilitate E&P at this block where journey time to the company's HQ in Duliajan has been cut to one hour. Oil India is confident Sadiya-1 will be among 15 exploration wells the company has targeted to complete by the end of this fiscal on March 31 next year (2018). For this well Oil India will use a 2000-hp rig. Sadiya-1 will be drilled to explore Barail and possibly deeper Lakadong or Therria/Langpar prospects.

ONGC is determined to launch an **11 shale oil and gas well** exploration campaign in the Cambay basin beginning April 2018. Drilling locations have been finalised for the Rs366cr (\$55m) campaign in Mehsana, Gandhinagar and Ahmedabad districts, the Kheda district and Bharuch districts. ONGC admits it will face the problem of water scarcity at the planned 11 wells. But initially it plans to 'frack' only a single zone which will require 400-600 cubic metres of water. Five wells will be drilled at Gandhar Ext-III (Vagra), V, VII, IX and Pakhajan Ext-II (Vagra); two at the Paliyad-Kalol-Limbodra block; one more at the Kalol West Ext-I additional areas block and two at the Jotana-Warosana and Nandasan-Langhnaj blocks. One will be drilled at Nandej East (Daskroi) and one at Nawagam blocks.

ONGC is preparing to receive **three rigs** at its flagship deepwater block KG-DWN-98/2. Vantage Drilling deepwater drillship Platinum Explorer is expected off eastern India around October 20 for her three-year ONGC contract. Olinda Star owned by Brazil's QGOG left Rio de Janeiro on September 13 and is expected off Sri Lanka mid-October before heading to 98/2 a week later. Olinda Star was contracted to mobilise by August 15 so QGOG will be charged a penalty of 0.5% of the annual contract value for every week of delay with a 5% ceiling. Also expected to mobilise by October 22, is Universal Energy semi-submersible SSV Louisiana, currently off Brazil. ONGC issued LoAs to Platinum and Louisiana on June 22, hiring each at \$108,599/day. Star was hired on April 12 at \$129,573.83/day.

Reliance has postponed plans to drill **six development wells** at the R-Series discoveries within KG-DWN-98/3 until 2019. Reliance has informed all its vendors that it will need supplies of drilling consumables only in 2019. Reliance adds that to develop R-Series a subsea pipeline will be laid from producing wells linking them to an established control riser platform at the producing D1 and D3 fields. In November 2016 Reliance accepted bids from five contractors in a tender to hire a deepwater drillship and other services for R-Series: Vantage Drilling, Seadrill, Noble Drilling, Odfjell Drilling and Transocean. In June (2017) Reliance chairman Mukesh Ambani and BP chief executive Bob Dudley announced a \$6bn investment plan to develop R-series to produce 12m cm/d gas from 2020.

ONGC wants to pre-select **consultants** to work at its onland E&P projects. On September 19, ONGC published a tender for companies to act as the Project Management Consultant and Engineering Project Management Consultant for assignments worth over Rs100cr (\$16m). Instead of laboriously going through a selection process for individual projects ONGC will in future only invite price-bids from pre-approved consultants who can review project data and engineering plans, develop a conceptual design, prepare project schedules, evaluate bids, inspect equipment, and supervise the project from beginning to end. Among companies expected to participate are Technip, Nauvata Engineering, Triune Engineering, Engineers India, Tata Consulting Engineers, and Fluor Corporation. ONGC wants bids by November 20.

Oil India is planning a **Rs370cr (\$58m) development drilling** campaign at its Jaisalmer PML on the Pakistan border. Under review are 37 development wells across the Tanot, Dandewala and Bagitibba gasfields that make up this sparsely populated 250-sq km Rajasthan block. In thorny scrubland and under heavy military surveillance, Oil India is under no illusion it must spend money on road infrastructure to the proposed drill sites. Village roads are available but may require reinforcement prior to preparation of the plinth areas, we learn. Construction activity will be required to access identified drilling locations and make them suitable for mobilisation of rigs and services. Oil India discovered the Tanot gasfield in 1988, followed by Dandewala in 1989 and Bagitibba in 1994.

ONGC is preparing a **10-well exploration programme** across five PMLs in Sivasagar district Assam beginning April 2018. Several tenders for drill site civil works and the construction and strengthening of approach roads are out already. But it's not clear if ONGC will hire an outside rig or use one of 17 company-owned rigs already on location at the Assam asset. Under the Rs456.20cr (\$68m) programme, ONGC will drill three wells at the 70.5-sq km Rudrasagar PML; three in the 172.49-sq km Lakwa PML area; one in the 27.94-sq km Geleki PML area; one in the 35.55-sq km Namti PML area and two in the 77-sq km Mekeypore-Santak-Nazira PML area. Each well will cost Rs40cr-Rs60cr (\$6m-\$9m) and drilled to 2850 to 5010 metres, targeting multiple Tipam, Barail and Kopili sandstone reservoirs.