
Essar to begin coal bed methane production in Ranigunj soon

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BL reported that Essar is set to begin CBM production at Ranigunj (East) block in West Bengal in 5 months. It has completed drilling 15 production wells and put in place the allied facilities in line with the phase-I of the minimum work program. The program estimated to cost USD 20 million ended in May 2009.

The initial production is estimated to be 0.05 million metric standard cubic meters per day to 0.1 million metric standard cubic meters per day to be ramped up to 2.5 million metric standard cubic meter per day to 3 million metric standard cubic meter per day from a total of 700 wells to be drilled in 6 years at an estimated USD 400 million to USD 450 million.

Mr Prem Sawhney COO of Essar Exploration and Production India Limited said "We plan to market CBM as a cheaper alternative to fuel oil. We will also explore the possibility of marketing CNG as auto fuel in Durgapur and its adjoining area."

Mr Sawhney said "Most of our 15 production wells have started producing gas which is currently flared. We are now setting 2 gas gathering stations and linking the same with production wells. We are hopeful that each well will produce between 10 standard cubic meters per day to 15,000 standard cubic meters per day of gas on an average after 6 month to 2 years of dewatering. However, we have set a conservative target to produce a total of 50,000 standard cubic meters per day to 100,000 standard cubic meters per day gas by December 2009."

However, Essar will add at least 45 wells this fiscal and set a steep target of drilling 100 wells beginning 2010-11.

Considering that ONGC is targeting a mere 0.35 million metric standard cubic meters per day from Parbatpur and Great Eastern Energy Corporation 1 million metric standard cubic meters per day from the adjacent Ranigunj block, Essar has set the steepest production target so far.

Mr Sawhney, however, is confident. He said "The US produces 100 million metric standard cubic meters per day of CBM. Australia and China have also turned CBM into a major source of energy. The initiative is now gathering momentum in India and soon we will find a few operators producing substantial quantity of methane gas."

(Sourced from Business Line)

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