

ONGC may kick off Jharkhand coal-bed methane project soon

May 29, 2007

Kolkata May 28 After inordinate delays, ONGC has finally kicked off the Rs 948-crore coal-bed methane exploration (CBM) and development project in Jharkhand this month. According to sources, the company is expecting to spud the first development well in Central Parbatpur of Jharia block in June this year.

ONGC conceived the project in 2004-05, with a target to produce the country's first CBM by March 2007. The total production was expected to be 3.5 lakh cubic metre a day. However, delay in awarding the contract and land acquisition threw the three-year project out of gear.

According to sources, after much ado, the Jharkhand State administration recently made some progress in acquiring land for civil construction (for approach road and buildings) as well as production wells and gas collection stations (GCS) in Jharia block.

Accordingly, the project contractor — a consortium led by Mineral Exploration Corporation Ltd (MECL) — has started work for civil construction in the block and the first well is likely to be spud in June.

ONGC has already completed the phase-I exploration programme in Jharia and established the presence of commercially viable CBM reserve in Central Parbatpur area.

The company has earmarked a total investment of Rs 519 crore (out of Rs 948 crore) for 14 horizontal wells for development of the block.

ONGC holds 90 per cent interest in Jharia. Coal India Ltd holds 10 per cent participatory interest in the block awarded on a nomination basis. Apart from developing central Parbatpur area of the Jharia block, the existing project aims at an investment of Rs 392 crore for drilling and testing pilot wells in Bokaro and North Karanpura blocks.

The company has completed phase-I exploration programme in both the blocks in 2005 and 2006 respectively. CBM reserve was also established in Bokaro.

(Source: Business Line)