

Focus

Cairn Oil & Gas readies ambitious exploration and development campaign to boost domestic output

India's leading E&P company tells Upstream it plans to spend up to \$4 billion in the next few years, as it targets increasing in oil and gas production to 300,000 barrels of oil equivalent per day



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

Nishant Ugal

Middle East and South Asia Editor | New Delhi



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India's Cairn Oil & Gas plans to embark on an ambitious expansion to its homegrown drilling programme, positioning itself as a dominant domestic producer amid an expected surge in the country's oil and gas demand.

Vedanta-owned Cairn, the largest private sector exploration and production company in India, plans to spend up to \$4 billion in the next few years, targeting a 150% increase in oil and gas production to 300,000 barrels of oil equivalent per day in the "near term", the company confirmed to Upstream.

Led by aggressive exploration and development efforts across a portfolio comprising more than 60 oil and gas tracts, the company is eventually aiming to produce up to 50% of India's oil and gas output, with a production target of 500,000 boepd.

India's [primary energy demand could double to more than 38 million barrels of oil equivalent](#) per day in the next 20 years, boosted by a growing population, increased urbanisation rate and rapid economic growth. Oil, and particularly gas, are expected to assume a significant share of the nation's future energy basket, with energy security concerns placing particular emphasis on homegrown production.

Cairn, which currently produces up to 120,000 boepd of oil and gas, primarily from its Rajasthan onshore asset, has not defined clear timelines for executing its ambitious ramp-up but continues to push ahead aggressively with its extensive exploration and development plans.

The company says it has a goal to drill almost 40 exploration, appraisal and development wells over the next two years, through offshore campaigns and onshore in India's northeast.

Chief financial officer, Hitesh Vaid, tells Upstream that the company is proceeding with a multi-well drilling campaign on the west coast, which includes several exploration, development and appraisal prospects, which could boost its oil and gas production in the next year or two.

"Our intent is to do up to 10 wells [on the west coast], but in a continuous programme," says Vaid.

Cairn's west coast offshore drilling programme is focused on its producing block in the Cambay basin — CS/OS-2 — as well as the nearby Ambe discovery and the promising Kutch basin region.

Vaid says that the Cambay block is currently producing between 7000 to 8000 barrels per day of oil, and the west drilling campaign is aiming to almost double crude production from the offshore asset. Greatship-owned jack-up rig, Greatdrill Chetna, has already been contracted by the operator for the west coast drilling programme.

Meanwhile, on the east coast, Cairn has plans to drill exploratory wells across multiple shallow-water and deepwater blocks that it operates there.

“We have the Ravva producing asset in the east coast region, and right there we are looking at around three to four exploration prospects... we are looking at drilling those during March, April,” says Vaid.

He adds that close to the Ravva asset on the east coast, the company also has been awarded another asset as a part of India’s open acreage and licensing plan (OALP), which it calls the Greater Ravva block.

Cairn is currently working on the exploration prospect of the Greater Ravva asset and is targeting a total of seven to eight offshore wells in the east coast region in 2025.

The company is also laying the groundwork for a key deepwater exploration drilling campaign in the gas-rich Krishna Godavari (KG) basin off the country’s east coast, where it currently holds a promising exploration asset.

The KG basin region is home to some of the country’s largest offshore gas fields operated by Reliance Industries and state-owned ONGC.

Cairn said the company is “[currently looking to onboard farm-in partners with international deepwater drilling experience](#)” for the KG basin block to proceed with its deepwater drilling plans.

In the northeast of the country, Cairn has lined up an extensive exploration programme in the Assam region, an area the company believes holds a resource potential of up to 600 million boe.

“For onshore, our goal is to drill 10 high-impact exploration wells in Assam over the next two years,” Cairn said.

“We hold over 7600 square kilometres of acreage in the Assam Arakan basin with 12 OALP blocks and three discovered small fields (DSF) blocks. We have started mobilising rigs in the Northeast region to deliver on our mission to unlock the hydrocarbon potential,” the company tells Upstream.

Cairn — whose exploration portfolio amounts to more than 5 billion boe of prospective resources — continues to aggressively bid in the nation's OALP rounds as it seeks to further expand its Indian oil and gas exploration portfolio.

The company adds that it has also invested more than \$20 billion to enhance its reserves and resources (R&R) over the past several years, and is currently planning to boost its R&R from 1.4 billion boe to 1.6 billion boe.

With production from its flagship Rajasthan block in decline, the company says that it plans to increase production from matured fields in Rajasthan using enhanced oil recovery (EOR) techniques while also focusing on new exploration.

“We have implemented India's largest Alkaline Surfactant Polymer (ASP) flooding project in the Mangala field, which is expected to increase recovery rates from 40% to 60%. We aim to replicate this in other Rajasthan fields like Bhagyam and Aishwariya,” Cairn notes.

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