

Exclusive

Multi-Tcf prospects: Asian heavyweight eyeing exploration campaign at lucrative deepwater asset

Exploration Block KG-DWHP-2017/1, which was awarded to Cairn in 2019 as a part of India's open acreage licensing policy (OALP), hosts multi-Tcf gas prospects



Hitesh Vaid, chief financial officer of Vedanta-owned Cairn Oil & Gas. (Photo: Cairn Oil & Gas)

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India's Vedanta-owned Cairn Oil & Gas is preparing to launch a multi-well exploration drilling campaign early next year in the country's gas-rich Krishna Godavari basin and has hit the market with a tender to secure a drilling unit for the planned programme.

Exploration Block KG-DWHP-2017/1, which was awarded to Cairn in 2019 as a part of India's open acreage licensing policy (OALP), has multi-trillion cubic feet gas prospects and four existing gas discoveries that the operator has yet to monetise.

Hitesh Vaid, chief financial officer of Cairn Oil & Gas, tells *Upstream* in an exclusive interview that the company is eyeing an exploration drilling campaign on the KG basin asset in the first quarter of 2026 and has already kicked off the tender process for a drilling rig and associated services.

“We are targeting that in another 12 months’ time — around February or March of next year — we should be drilling our first well in the deepwater block. We are in the market... we have already published a tender and are scouting for a rig,” he says.

While Cairn has a firm commitment to drill at least one well on Block KG-DWHP-2017/1, it is hoping to bring in a deepwater drilling unit for a multi-well exploration and appraisal campaign.

The operator requires a drilling rig, a semi-submersible or a drillship, which can operate in water depths up to 1900 metres and has a rated drilling depth capacity of at least 5000 metres.

The company has spent more than two years building up a subsurface model for the deepwater asset and has acquired a lot of data, which it subsequently reinterpreted. While there are four existing gas discoveries, Vaid says that Cairn needs to do much more work, before it could proceed with the block's development.

“That's why we want to drill three to four wells to be sure of the size of the prize which is there,” notes Vaid.



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Cairn believes that while Block KG-DWHP-2017/1 presents “multi-Tcf” gas prospects along with the existing gas discoveries, the block also has an “oil potential in the deeper zone”.

Multiple drilling prospects

The Indian private sector giant has identified 12 to 15 prospects on the block but wants to narrow down its drilling list to the top three prospects, ahead of kicking off the multi-well programme.

“We are building confidence in which are the top three wells that we have in the portfolio (in the KG basin block). This is just an additional data point for us and, while the drilling is not dependent on it, it will give us more comfort in having the ranking of the top three wells,” he notes.

Cairn has awarded a contract for an electrical resistivity study in the deepwater block, which could further assist in narrowing down its targeted exploration wells, Vaid says.

The company currently holds 100% operated equity in Block KG-DWHP-2017/1 that spans around 4616 square kilometres block in the deeper waters of the KG basin, which is home to multiple gas discoveries made by compatriots Oil & Natural Gas Corporation (ONGC) and Reliance Industries.

Potential partners

[Cairn is also scouting for potential partners](#) to join its upcoming exploration campaign and has floated many expressions of interest (EoIs), proposing multiple partnership models.

The company acknowledges that deepwater exploration requires a wide skills set and hence it aims to involve partners at the appropriate stage.

“We want to operate it (Block KG-DWHP-2017/1) very differently compared to the traditional way we have operated our shallow-water blocks or our Rajasthan block. Those were the places probably where we had a lot of skills, but deepwater is where we are building that skill set for us,” Vaid says.

He claims multiple partnership models for the Krishna Godavari basin block are being considered which could potentially include a partner purely for execution, a technical service provider or an operator interested in a farm-in opportunity for the block.

Vaid aims to carry forward this deepwater partnership model to the acreage on offer in India’s OALP-10 round, which includes multiple deepwater exploration tracts.

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