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**SUMMARY**

*Cairn has invested over \$20bn to develop a diverse onshore and offshore portfolio, and further plans to aggressively invest and grow its R&R to 1.6bn boe to enhance production over the next three years.*

**BY: SHARDUL SHARMA**

Cairn Oil & Gas, a subsidiary of Vedanta, India's leading private energy and mining company, plans to drill around 40 exploration and appraisal wells over the next two years. The focus will be on the Northeast region and coastal areas, including both shallow and deep waters, the company's Deputy CEO, Steve Moore, told NGW.

"Today, we are executing one of the largest exploration projects by any private company in India, to unlock the country's hydrocarbon potential. We have a plan to mobilise 20 rigs across sites, as part of our exploration and development plans. This will be one of Cairn's largest campaigns in the last 15 years," Moore said.

The company's investment plans align with its strategic vision to contribute 50% of India's domestic oil and gas production. To date, Cairn has invested over \$20bn in developing a diverse portfolio of onshore and offshore assets. Cairn further plans to aggressively invest in growing its resources and reserves (R&R) to 1.6bn boe over the next three years to enhance production.

In parallel, Cairn Oil & Gas is investing in Enhanced Oil Recovery (EOR) technologies to increase output from mature and ageing fields. The company's project in Mangala, Rajasthan, India's largest commercial implementation of alkaline surfactant polymer (ASP) flooding, is expected to boost production by an additional 20%.

"To achieve our strategy to grow our R&R, we are extensively hiring diverse technical experts from across the globe who will bring in advanced techniques and expertise," Moore said. "Our target is to achieve 300,000 boe/day in the mid-term and then 500,000 boe/day in the long term, in line with our vision to contribute 50% of domestic production."

"We are developing one of the most diverse portfolios in E&P and expanding for new projects. Our conventional projects include oil and gas exploration and development on onshore and offshore in shallow and deep waters as well as unconventional projects such as tight oil, tight gas, shale and coalbed methane (CBM). We are adopting more technologies such as polymer injection, ASP flooding, CO<sub>2</sub> thermal etc. to increase recovery from matured and ageing fields," he added.

Cairn Oil & Gas holds interests in 62 blocks across India, covering over 60,000 square kilometres, with gross proved plus probable (2P) and gross contingent (2C) reserves totalling 1.4bn boe. Its producing assets are located in Rajasthan, Andhra Pradesh, Gujarat, and Assam. The company operates under five production-sharing contracts (PSCs), 46 blocks under the Open Acreage Licensing Programme (OALP), 10 discovered small fields (DSF), and one CBM block.

The company's key assets include the Mangala Processing Terminal (MPT) and Raageswari Gas Terminal (RGT) in Rajasthan, with processing capacities of 1.4mn boe/day and 245mn ft<sup>3</sup>/day, respectively. Its offshore east coast facility, Ravva, has a capacity of 70,000 boe/day and 40mn ft<sup>3</sup>/day, while its Cambay asset on the west coast can process 16,000 boe/day and 150mn ft<sup>3</sup>/day. Cairn is also appraising and

monetising its first OALP block, Jaya, located in onshore Gujarat, and its first DSF block in Hazarigaon, Assam.

Cairn Oil & Gas is committed to achieving Net Zero Carbon by 2030 through renewables, emission reductions, waste-to-power initiatives, carbon capture, utilisation and storage (CCUS), and the creation of carbon sinks through nature-based solutions.

### **Aiming for a 50:50 oil and gas mix**

Currently, gas accounts for about 20% of Cairn's production, but the company plans to balance its portfolio to achieve a 50:50 oil and gas mix as it grows.

"We are aligned with the government's vision of making India a gas-based economy and we are consistently accelerating our efforts towards the country's energy security, in a sustainable manner," Moore said.

"We see tremendous potential for gas, and this is underlined by our development in the newly added two fields from where we are producing gas - Jaya, Gujarat, and Hazarigaon field in Assam. Our prolific Raageswari Gas Terminal in Rajasthan has been producing gas for more than a decade now," he added.

Cairn announced the discovery of gas and condensate at Jaya in its onshore OALP block in the Bharuch district of Gujarat in August 2021. It is already producing about 4,000 boe/day from Jaya, the first OALP block to achieve seismic production.

Further inversion studies will allow the company to drill additional wells, find new volumes, and accelerate gas production from the block. During the appraisal phase, Jaya began test gas evacuations via truck-mounted compressed natural gas (CNG) kits, providing CNG to nearby gas stations. This system is the first of its kind in India, allowing Cairn to monetise gas and minimise flaring, consistent with its decarbonisation strategy.

In Assam, Cairn began test production from its Hazarigaon field, making it the first company to start gas flow from a DSF block in Northeast India.

Moore emphasised that the Northeast remains a top priority for Cairn, with plans to drill 10 high-impact exploration wells over the next two years across the Golaghat,

Jorhat, and Tinsukia districts of Assam. Cairn holds 7,650 km<sup>2</sup> of acreage in the Assam-Arakan Basin, with 12 OALP blocks and three DSF blocks, holding a resource potential of up to 500mn boe.

### Exploring shale potential

Moore highlighted the importance of shale in Cairn's plans, particularly in the deeper grabens of Rajasthan. The company is leveraging state-of-the-art exploration and development techniques, refined over the past decade, largely in North America.

"The global success of shale oil and gas, particularly in the US, has been pivotal in enhancing energy independence. Cairn aims to replicate this success in India, contributing to the country's energy independence and a sustainable future," Moore concluded.

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