

D-G Hydrocarbons seeks land from SAIL on Essar Oil's behalf

Abhishek Law

New Delhi

The Directorate General of Hydrocarbons (DGH) has written to the Steel Ministry seeking land from SAIL's Durgapur Steel Plant (DSP) in West Bengal "on a short-term basis" so that Essar Oil and Gas can carry out exploration activities for coal-bed methane gas. DGH is under the Union Ministry of Petroleum & Natural Gas.

A land parcel of 50 metres by 50 metres has been sought and three possible options have been identified in and around Raghunathpur village in Raniganj in West Bengal.

SHORT-TERM LEASE

As per the letter by the Directorate, Essar has sought the land for drilling a core well, which belongs to SAIL. The land will be taken on short-term lease for a six-month period on "payment of applicable charges".

A copy of the letter, accessed by *businessline*, from Additional Director General of Directorate of Hydrocarbons states that Essar Oil has dug 370-odd wells for exploration of CBM in one of their allotted blocks, RG (East) - CBM 200/1, "and has planned few exploratory core wells based on referentially positive geological studies for initial assessment."

"Based on the studies, Essar

has identified one such well location that falls within SAIL (DSP) land acreage. Drilling of core holes will enable Essar to determine the available reserves and techno-commercial viability," the Directorate mentioned in its letter.

The letter has also sought intervention of the Ministry to ensure availability and expedite the land handover. Reportedly, Essar Oil too has written to the local office of SAIL seeking possession of the land. The matter is under discussion since December 2022, Ministry officials aware of it said.

In a separate letter, Essar Oil pointed out it has been granted a petroleum mining lease by the West Bengal government, and it executed a long-term gas sales and purchase agreement with GAIL. It is also connected with the national gas grid through the Urjya Ganga Pipeline.

Detailed research and analysis is required to prove presence of CBM and its commercial viability. Accordingly, as a part of the business expansion plan and to make India a gas-based economy, the company has planned a few exploratory core wells within the western part of the block. Post initial survey and inspection, a few core well locations have been identified for deeper CBM exploration. One of such location falls within DSP land," Essar mentioned in its letter.



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