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Essar to increase CBM production

KALPANA PATHAK
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Essar Oil plans to increase coal bed methane (CBM) production from its flagship Raniganj block in West Bengal five-fold in the next year.

Currently, the company has 137 wells producing 220,000 standard cubic metres of gas a day (scmd), expected to rise to 1.2 million scmd by mid-calendar year 2015.

"We are producing well from the block. This is a very efficient fuel and there is good demand. We have lined up customers for the increase in production," said an official from Essar Oil, on condition of anonymity.

The company is selling gas from the block at an average price of \$10 million British thermal units (mBtu). "Currently, we are selling our production to local customers (in and around Durgapur)

through cascades and pipelines."

Essar holds five CBM blocks, with an area of 2,700 sq km and prospective resources of about 10 trillion cubic feet. Raniganj is the first of five CBM blocks Essar holds, which it has put on stream. Its other four blocks are

Rajmahal in Jharkhand, Talcher and Ib valley in Odisha and Sohagpur (NE) in Madhya Pradesh.

The official said Essar was targeting production from the other four CBM blocks in the next three years. However, a spokesperson said, "The timing of production from other blocks will depend upon their respective development plans being approved by the directorate general of hydrocarbons."

The company has so far invested Rs2,500 crore in its CBM, blocks of which 80 per cent has been invested in Raniganj.

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