

Offshore India is nearly the perfect rig market

THE OFFSHORE INDIA rig market is one of the more active of the international arenas, with virtually 100% utilization, high dayrates and the potential for additional jackup and floater contracts during the coming year. Acreage availability is fairly good, with an offshore round completed last February that included shallow and deepwater blocks. The country's **Oil & Natural Gas Commission (ONGC)** has mapped out a further 130 deepwater plays.

ONGC says seismic activity has been strong the past few years with as many as nine seismic vessels busy. The company collected six times more 2D data and 15 times more 3D data in the past year than in previous years.

STRONG JACKUP ACTIVITY

A total of 25 jackups were working offshore India earlier this year, most in the Bombay High area, including eight ONGC-owned rigs. All of the drilling contractor owned jackups were contracted well beyond the end of 2003, and most have charters that take them to at least the middle of 2004.

ONGC is seeking additional jackups for ongoing development work in Bombay High. Tenders were out for five additional 300 ft jackups that the company is scheduling for start up during the fourth quarter 2003. The contracts would be for three years each.

The state oil company also released a tender for six more 300 ft jackups that likely will commence contracts during the first quarter of 2004. The contract terms are also thought to be for three years each.

"That is a huge increase in activity," said **Mike Derbyshire**, Marketing & Business Development Manager for **Pride International** in Dubai.

"There are a billion people in the country and the economy is on the move," Mr Derbyshire continued, "so the fundamentals for increased activity are there."

The programs anticipated for the jackups is primarily development, aiming at maintaining or trying to improve production from fields in Bombay High.

Jackup dayrates are also relatively strong. The latest contract was for **Transocean's** 300 ft jackup Trident II, which recently received a new three-year contract that expires in April 2006. The dayrate was more than \$58,000. Another recent three-year fixture for the **Noble Ed Holt**, also a 300 ft jackup, was also reported at more than \$58,000.

DEEPWATER ACTIVITY

Five drillships and one offshore barge were working offshore India earlier this year, all of them on the east coast. There is also rig tendering activity for this area, including from ONGC, which is seeking two dynamically positioned rigs, although it is not known if they



The Pride West Virginia is working for ONGC off the West Coast of India under a contract not due to expire until November 2004. ONGC is also tendering for as many as 11 large jackups.

require a semisubmersible or a drillship.

Reliance Energy, which was chartering **Transocean's** Discoverer 534 drillship, is in the process of preparing bids for another deepwater dynamically positioned drillship for development drilling program plus exploratory wells on a deepwater field they recently discovered.

Reliance anticipates drilling as many as 25 wells in water depths ranging from 400-2,500 meters.

While most of the deepwater areas offshore India are in water that would not

require a dynamically positioned vessel, there are a number that would. These are held by various international operators although ONGC is the lease holder of a majority of them. Several of ONGC's licenses are in water depth of approximately 10,500 ft, hence its tender for two dynamically positioned rigs.

Operators with deepwater licenses other than ONGC include **BP**, in water depths ranging from about 5,000 to 7,000 ft, and **Cairn Energy**, with one block in about 10,000 ft of water.

Other operators with licenses in floater territory include **Hardy Oil & Gas**; **IPC**; **Albion Resources**, and **Mosbacher India**.

ACREAGE AVAILABILITY

A recent third licensing round under the New Exploration Licensing Policy (NELP) was completed earlier this year, resulting in 23 new licenses signed by operators. They included nine deepwater blocks, six shallow water licenses and eight onshore blocks.

ONGC signed production sharing contracts on 13 of the licenses, including nine as sole operator and four in consortia with either **Oil India Limited (OIL)** or **Indian Oil Corporation Limited (IOC)**.

Private sector companies receiving licenses from NELP-III include **Reliance Energy**, **Hardy Exploration & Production**, **Geo Global Resources** and **Jubilant Enpro**.

There could be new deepwater areas offered in future license rounds. The Directorate General of Hydrocarbons (DGH) has mapped more than 130 deepwater plays around the southern tip and east coast of India.

"Many of the plays have striking similarity to proven play types of Campos Basin, Gulf of Mexico and the west coast of Africa," said **Dr Avinash Chandra**, DGH Director General.

The DGH has mapped out 80 deepwater plays and has found the Cauvery-Pallar region to have mature shells, a feature that is similar to gas discoveries made by **Reliance** and **Cairn Energy** in the Krishna-Godvari basin. ■