

Justification for the Project Located in the Protected Area

The project area is situated towards north-eastern part of Upper Assam basin and north of discovered Baghjan oil field. Baghjan structure was identified way back in 1991 based on limited seismic data and later re-defined based on additional 2D seismic of 1999-2000 .The presence of commercial hydrocarbon in the area was first established in the first well (Baghjan-1) in 2003.

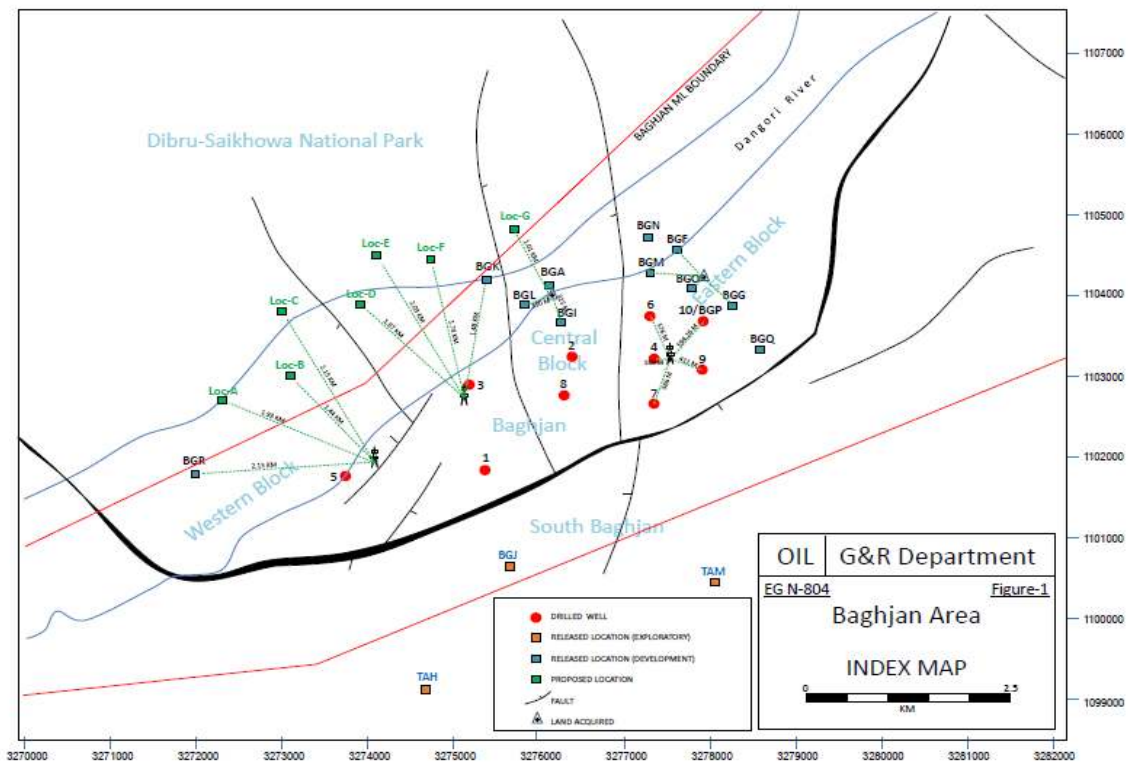


Following discovery of oil and gas in Baghjan area by OIL, around 75 Sqkm of PEL area was converted into Baghjan Mining Lease. Due to presence of ML boundary towards north of Baghjan ML as well as the Dangori river and Dibru-Saikhowa National Park (DSNP), further exploration work could not be continued beyond the ML boundary towards northern side. However, it has been observed from the geoscientific data that the oil/gas bearing sands are continuous below the river bed and further beneath DSNP park.

Oil India Limited intends to drill **seven (7) extension/appraisal locations** in this area to prove the limit of oil/gas bearing horizons beyond the ML boundary and below the DSNP park. Once hydrocarbon is established in this area, it is expected to enhance the cumulative oil production of OIL adding to the national economy.

All seven locations are planned from the existing plinth of 3 existing well plinths of Baghjan ML at a distance of maximum about 2 km with target depth of 3950 m (TVD) each.

Baghjan ERD locations are located within the proven petroliferous Assam-Arakan Basin. The Assam Shelf, Belt of Schuppen and the Assam-Arakan Fold Belt are the prime geological features of the Assam-Arakan Shelf-Slope basinal system. Towards immediate south of the proposed ERD locations, commercial oil and gas field (Baghjan) have been discovered way back in 2003 and subsequently, developed by drilling of 19 wells till date. These ERD locations are the northern extension of the same Baghjan structure which lie in Dibru-Saikhowa National Park (DSNP) with the Dangori River flowing south marking the southern boundary of the national park in Tinsukia district of Assam and the mighty Brahmaputra River marking the northern boundary of DSNP area.



The ERD Project in Baghjan area was planned in May 2010 and accordingly seven (7) locations were proposed for drilling in this area. Baghjan PML license was obtained in 2003 from MoPNG and is effective upto 2023. Major part of the oil and gas bearing horizons is extending towards North and North-western part beyond the ML boundary beneath the Dibru-Saikhowa National Park Area. Therefore drilling is required to commence as early as possible after obtaining of pre drilling EIA & EMP and NBWL clearance.

A total in-place resource of 11.5 MMSKLS has been estimated for the identified prospects. The recoverable resources are estimated at 3.45 MMSKLS. Resources pertaining to the extended area will additionally enhance the quantum of entire Greater Baghjan Oilfield.

The estimated expenditure for completing each well is ₹ 40 Crore. Based on the preliminary technical study with available geoscientific data & operational feasibility, OIL expects that the DSN Block is expected to offer a tenable cost-benefit scenario for carrying out the exploration activities.

The surface sites for drilling of the proposed wells generally avoids or causes minimal displacement of homes, human and existing workforce. Technology will be utilized to reach the subsurface targets by using available technology from alternate nearby surface position.

If commercial viability of hydrocarbon production is established, then production of oil/ gas will help in meeting energy needs of the country and will lead directly to socio-economic development of the area and its vicinity.
