

**I. New Prospect Discovery- Exploratory Well Vadatal-1 in Western Onshore Basin, NELP- VI Block producing 278 bbls of oil per day**

**II. Board approves investment of Rs.372.11 Crore for development of BHE and BH-35 Area in Western Offshore**

Dated: 26<sup>th</sup> August, 2010

**In its 208<sup>th</sup> Board Meeting held today on August 26, 2010, the Board noted/approved the following:**

**I. New Prospect Discovery (Noting)**

**Well Vadatal-1 in NELP Block CB-ONN-2004/2, Western Onshore Basin**

The exploratory well Vadatal-1 in NELP Block CB-ONN-2004/2, Western Onshore Basin, drilled to a depth of 1,784m was found to be oil bearing in the interval 1,148 to 1,137m in EP-IV Formation of Mid. Eocene age. On conventional testing the interval flowed oil @ 37 m<sup>3</sup>/d through 6 mm bean (278 bbls/day)

This discovery pertains to a NELP-VI Block (earlier relinquished part of GSPCL acreage CB-ON/2) in the Tarapur area of the Western Onshore Basin. The discovery has opened up a large area for exploration and is under further assessment of its extent and potential.

**II. Development of BHE and BH-35 Area (Approval)**

Board approved an investment of Rs.372.11 Crore for development of BHE and BH-35 area, east of Mumbai High South Field. BHE was first discovered in 1976 and was again taken up for delineation in 1983 but was not deemed economically viable at the then prevailing prices of oil and gas.

Based on integrated study of recently acquired Q-Marine Data, it is estimated that the cumulative production of Oil & Gas from BHE & BH-35 is 0.422 Million Metric Tonnes and 0.529 Billion Cubic Metres respectively over a period of 8 years, with peak production rates of 2500 barrels per day of oil and 2,50,000 cubic metres of gas.

After studying various options, ONGC decided on suitably locating a well platform with minimum facilities between BHE and BH-35 fields and drilling directional wells to produce Oil & Gas from the two fields and evacuate the Oil & Gas to SH Complex which is located only 10 kms from BHE. Various optimisation studies, coupled with improved price realisation for Oil as well as Gas has ensured a healthy IRR of 1.4: 5.4 for the project.