

Chattak blow-out

(Part II)

NURUDDIN MAHMUD KAMAL,
SKM ABDULLAH, DR. NURUL
ISLAM, DR. KHALIUR RAHMAN
CHOWDHURY, ASM UBAID
ULAH

THE recorded history of the Chattak (West) gas field shows that it had a gas reserve of 1.9 trillion cubic feet (tcf) with recoverable reserves of 1.14 tcf (Ref: Hydrocarbon Habitat Study, 1986; Well Drill Report, 1991, Petrobangla, 1993, Statistical Pocket Book of Bangladesh, 1999) until 1999. But the new game plan of the MEMR/ Petrobangla led to a drastic reduction of reserve figure to 0.474 tcf (Ref: Bangladesh Marginal Field Evaluation – Chattak, Feni, and Kamta, February, 2000), thereby converting Chattak to a marginal gas field.

Briefly stated, the already discovered Chattak gas field underwent several tortures during 1985-2004, particularly in terms of its reserve estimation and re-estimation based on distorted analysis. Hypothetically speaking, even with an estimated reserve of one tcf estimated value would be around \$2.4 billion. Consequently, Chattak cannot be considered a marginal field when compared with the other eight producing and non-producing gas fields: Beani Bagan (170 billion cubic feet), Meghna (119 bcf), Narshingdi (215 bcf), Saldanadi (116 bcf), Mouvi Bazar (360 bcf), Semutang (150 bcf), Fenchuganj (283 bcf), and Begumganj (33 bcf) respectively.

But these fields are not identified as marginal gas fields. Is that identifiable? Even the gas zone (between 572 to 643m) i.e. the blow-out point showed 115 bcf (Ref: Bangladesh Marginal Field Evaluation, February 2000). Would the Hon'ble State Minister for

Energy Mr. AKM Musharraf Hossain and the Petrobangla Chairman advise us as to how a pocket reserve (Ref: Petrobangla press release, February 10, 2005) can hold 115 bcf.

Nevertheless, the spectre of the blow-out (an inferno) has already caught the attention of the common citizens because they believe it to have caused colossal damage to property and environment, irrespective of what the State Minister and Petrobangla Chairman or even the Inquiry Committee write in their secret committee report (usually such reports are never made public).

their expressions so that the apparently culpable company Niko does not go unchallenged.

We would humbly submit that the Prime Minister's Office attach the contentious JV Agreement along with the inquiry report so that the entire package can be thoroughly examined in its proper perspective. The curious silence of Bapex management (as JV Agreement partner) needs to be brought to public attention because it has already raised suspicion. Bapex's overdoing at some point and underdoing now deserves thorough scrutiny.

explosive news for Petrobangla. It reads, "The gas is from one of the newly targeted gas reservoirs in the Chattak structure." We simply shudder to think how a parastatal body of the government dares to bluff the people and also became a willing partner to wrong-doing by stating that the place where blow-out occurred is a "gas pocket." Niko through their wave page information has now hit Petrobangla and the Ministry of Energy below the belt. What would they say now?

Nevertheless, the earlier attempt of Petrobangla manifests a clear conspiracy to subvert the existing policy

After the abortive Chattak-2 well blow-out, question has been raised as to whether it was an accident or an outcome of Niko's inexperience in drilling in Bangladesh. We understand that the government and Petrobangla were under severe nervous debility due to the explosion. What we do not understand is why the State Minister and the Petrobangla Chairman went out of the way to make incoherent and inconsistent statements.

It remains a puzzle as to how Mr. SR Osmani, the Petrobangla Chairman, of which Bapex is subsidiary, who is also a board member of Bapex, was made a member of the Inquiry Committee. The act would have been a noble effort if, instead of a handbag committee of the State Minister, the inquiry committee was an independent and neutral body.

Even from the initial press expose it appears that human error has caused the disaster and not an accident by any measure as reported in the Petrobangla press release. Our apprehension is that the gas structure (Chattak-2) might have already encountered severe internal damage due to the blow-out. The Committee has already submitted the report and we hope they have been careful in their appreciation of the incident as well as in

and legal obligation of the government and to avoid the PSC provisions and competitive bidding for the work allegedly handed over to Niko/ Bapex (particularly Chattak East) which is simply an exploratory job. We feel that the contract was signed not only secretly but also on a highly disproportional sharing basis (60 per cent for Niko and 40 per cent for Bapex!).

Incidentally, Niko was disqualified earlier in the Second Bidding Round in the 1990s for exploration under PSC and for development of Chattak (West) gas field in 2000. How could a total reversal of decisions take place later? Will the MEMR/ Petrobangla management dare to clarify these anomalies and the violations they carried out earlier to the people of Bangladesh?

Essentially our main discussion revolved around three basic information sources: the Bapex/Niko evaluation report discussed already, television interviews and the Petrobangla press release. The joint evaluation report was reportedly signed in Calgary, Canada between Dr. Emanuel Egboag, Vice President of Niko and Mr. Syed Ahmed Hakkani, GM of Bapex in February 2000, where they degraded the significant gas field's reserve data (1.9 tcf) to a small field data of 474 bcf. Yet, one cannot assign this field as a marginal gas field because there are eight other smaller gas fields in Bangladesh and those have not been categorized as marginal gas fields.

One would wonder how Bapex could agree with Niko on this underestimation? Did Petrobangla/Ministry of EMR pressurize Bapex or did it deliberately join the bandwagon. Someone someday will have to answer these questions. We feel that the clever inclusion of the geologic structure Chattak East in the JV agreement is a violation of the PSC Policy/Petroleum Act. One may comment that for these misrepresentations of facts Petrobangla/MEMR may even be charged for misuse of power.

After the abortive Chattak-2 well blow-out, question has been raised as to whether it was an accident or an outcome of Niko's inexperience in drilling in Bangladesh. We understand that the government and Petrobangla were under severe nervous debility due to the explosion. What we do not understand is why the State Minister and the Petrobangla Chairman went out of the way to make incoherent and inconsistent statements. Petrobangla press release was another misfire. Among other things, it stated that:

- λ Niko has discovered 15 tcf of gas in the off-shore of India. India's gas reserves in 2002 were 26.5 tcf. Niko being a minor share holder of the Reliance discovery of Godavari Basin does not account for 15 tcf. Will Petrobangla please substantiate their statement by disclosing where and in which fields are those 15 tcf of Niko?
- λ Commercial gas lies much below 807m in Chattak-2. So the incident has not affected the stated recoverable reserve. We have scrutinized the matter (discussed above) and found the statement untrue.
- λ The depth at which fire has hit is merely a gas pocket. This statement is also untrue (as discussed and substantiated above).

Before we conclude, we must admit that we have enjoyed the television show of the Niko man who was acting like a comedian. He smiled and said, "Thank God, we now know there is a gas zone even at such a shallow depth." He was perhaps referring to the gas pocket as mentioned earlier. We must reiterate that the joint evaluation of Bapex/Niko had not only shown the existence of a gas zone but also an estimated reserve of 115 bcf. We would therefore urge upon the Petrobangla Chairman and Hon'ble State Minister to kindly offer their expert opinion (as they expressed earlier) as to whether a pocket reserve can contain 115 billion cubic feet of gas?

In our judgment, the disastrous situation could have been avoided if it had been handled honestly, efficiently, and professionally, keeping in mind the law of the land and the standard gas field practice. For example, with known geological structure at Chattak (West), data and interpretation and also correlation of logs etc. of neighbouring drilled wells (including Chattak-1) certainly would have helped to chalk out a proper line of defense to fully secure the development well drilling at Chattak-2, located on the same geologic structure.

We apprehend that Niko/Bapex with indulgence of Petrobangla/Ministry of Energy wanted to play poker for high stakes. They played and lost. They will now claim compensation from the insurance (if not already). Niko now must pay compensation for the loss and the penalty for their misdeeds.

The authors are researchers in energy related activities. Mr. Nuruddin Mahmud Kamal is a retired Additional Secretary to the Government; Mr. SKM Abdullah is former Chairman of Petrobangla; Dr. Nurul Islam is Professor, Department of Chemical Engineering, BUET; Dr. Khalilur Rahman Chowdhury is Professor, Department of Geological Sciences, Jahangirnagar University; and Dr. ASM Ubaid Ullah is Professor, Department of Geology, Dhaka University.

5X3

4X3

15X4

6X3

3X2

3X2