

## Contemplating loss of a gas field: Tengratila case study

Badrul Imam

It now appears that the Chattak (also known as Tengratila) gas field has embraced a premature death. It did so at the hands of a wicked gang comprising foreign and local associates. This may form an example of a textbook case study as to how a promising resource base of an impoverished nation can be plundered for the sake of personal gain of few high-ups in government machinery.

In 2003, the previously discovered Chattak gas field was given to Niko Resources Company for development under a controversial contract. As the work began, the field suffered two blow-out accidents, one in January and the other in June 2005, thus totally stopping its development. Billions of cubic feet of gas worth crores of Taka were lost in the air, people lost their houses and properties and had to flee.

This caused much uproar immediately afterward, to the embarrassment of Niko Resources. But the uproar gradually weakened and eventually melted away. The government made a meager compensation

sation claim for only 9 billion cubic feet, which has not been paid even two years after the accident. Latest media reports suggest that Niko refused to pay the government's compensation claim. Rather, the two parties are likely to go for an arbitration process to settle the issue.

The scene on the ground looks as if a war had been waged, with all its fury, fire, blasts, and devastation. Just like when a war is over and all is quite on the front line, the Tengratila gas field has an uncomfortable silence all around it.

Neither the media nor the citizens care to talk about it anymore. Only the villagers still sit in the field and contemplate how such a thing could happen. They find it very difficult to come to terms with the reality – a reality that showed how a young, healthy looking, gas field which was supposed to bring fruit was doomed.

The gas field which was supposed to add much needed gas to the national grid has an uncertain and undefined future now. Apparently, there is no plan to bring the field to life again, no recovery of compensation for gas loss, and no

action to bring the culprit to justice.

Defined as Chattak (west) gas field, with an estimated recoverable reserve of 270 billion cubic feet of gas, this is one of the simplest geological structures for drilling and producing. There are several subsidiary companies under Petrobangla which have recently completed plans to drill wells in similar and more complicated structures to produce gas, like Titas-15, Titas-16, Kailashila-5 and -6, to mention a few.

So any discussion on the issue stumbles on the question, why was Niko contracted to drill the production well in the first place? This was one of the most discussed topics in the media at one point in time, and need not be repeated. But the unsettled issues that remain are: the amount of gas lost, how much it was worth, and what compensation was received from Niko.

The first question is, how much gas loss was incurred? Many geologists suggest that the two accidents have inflicted so much damage to the underground gas reservoirs that it will not be possible to make the gas field operational again. If we accept this view, the

loss is staggering. The total recoverable reserve of 270 billion cubic feet (Bcf) of gas in Chattak gas field is worth at least \$675 million, or Tk 4725 crore (at gas price \$2.5/1000 cubic feet). Therefore, this is what the gas loss is worth.

There is perhaps another way of looking at it. The gas reserve in the Chattak gas field is divided into four layers at four depth levels. The top gas layer is at a depth of 550 m, with an estimated reserve of 115 Bcf. This is the one which was involved in the blow-out accidents, and a large amount of gas from this layer escaped to the surface through the drill pipe.

But more importantly, since the drill-hole was not cased by the drilling company, the gas from this layer found an easy way out of the open hole into the sandy porous layer above. Thus, a huge amount of gas moved to the sandy layer in an uncontrolled way to form numerous gas pockets.

It is most likely that almost the entire gas reserve of 115 Bcf from this layer has been dissipated into the sandy layer above through the open hole. In such a case, no part of this gas can be recovered, and the

estimated gas loss would be about 115 Bcf, worth \$287 million or Tk 2000 crore.

The layers at deeper levels include the one at a depth of 1080 m with an estimated 70 Bcf of gas, at 1250 m with an estimated 65 Bcf of gas, and at 1630 m with an estimated 20 Bcf of gas. Even if we assume that these gas layers have not been disturbed, any drill hole aimed at producing from these layers must pass through a danger zone of dissipated gas pockets above, any one of which may lead to fresh blow out if hit by drill pipe.

So it is a question of judgment as to whether one would estimate a loss of the entire 270 Bcf of gas, or only the top layer with 115 Bcf of gas.

Ironically, the gas loss claim of only 9 Bcf appears too little, and does not fit into any of the above reasoning. This claim includes a surface gas loss of 1 Bcf in the first accident, 2 Bcf in the second accident, and a subsurface gas loss of about 6 Bcf.

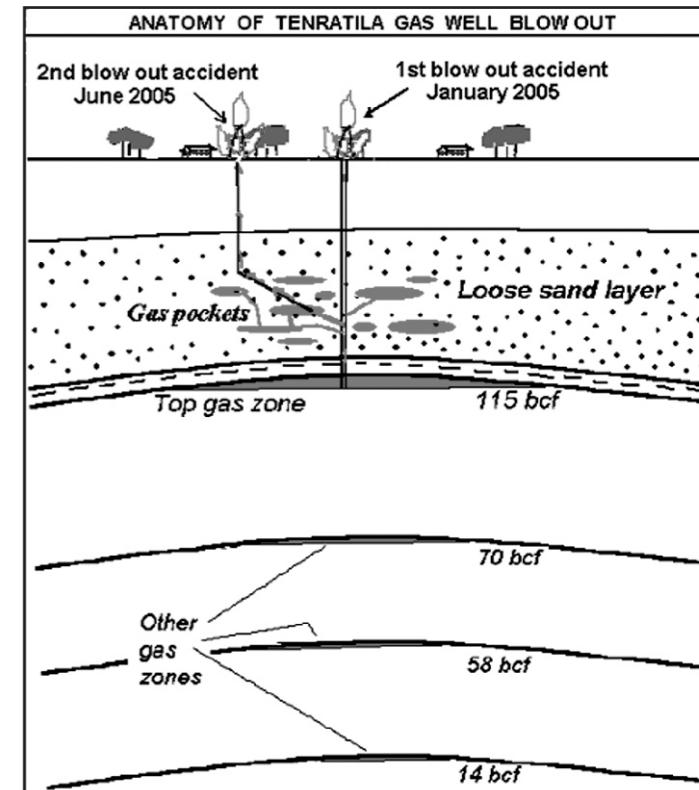
The government's claim of the gas loss is based on the report of a committee which is unduly soft with IOCs, as pointed out by many

energy observers. The government also claimed a sum of Tk 84 crore for the environmental damage.

Interestingly, the environmental damage and the gas loss in Tengratila, estimated by the Economic Association of Bangladesh, amounts to at least Tk 3175 crore (ref: Abu Barakat, General Secretary, Economic Association of Bangladesh, July 2005).

Energy observers believe that the time is not far off when Bangladesh is going to face a serious energy crisis. This is very well reflected in the Wood McKenzie Consultant report, which predicted that serious gas crisis would begin as early as 2014. Under such circumstances, there is no option for the government other than wholehearted honest efforts to bring up new resources, and to take maximum care to utilize whatever is available.

What the Tengratila event testifies is just the opposite. Nobody seems to care much about the loss of a precious gas field. One may wonder how the government is going to handle an impending energy crisis, when it



seems least interested in addressing an issue as important as the plundering of precious gas resources by callous and careless means.

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## Are we ready for democracy?

M Rafiqul Islam

THE second half of the last century has witnessed democracy sweeping across the world. Autocratic governments, dictatorships and kingships have slowly given way to democratic rule. In the subcontinent, the British raj came to an end, leaving behind two new countries.

While India established strong democratic traditions, Pakistan faced difficulties in forming a stable government and, eventually, the military stepped in. Differences between the two wings grew, and relations got bitter. Religion was not a strong enough reason to bridge the physical distance and the cultural divide. After almost a quarter century of uneasy relationship, discrimination and disappointments, a new state emerged in 1971.

The struggle for independence was a popular one and was successful in a relatively short period of nine months, but at a very high cost in life and property. The people were euphoric and had visions of a bright future. After more than thirty-five years, we are not yet sure of how many of our expectations and goals we have realized.

Achieving stability and establishing democratic traditions proved elusive. On paper the country is democratic, but are we really so in practice? We have elections, people vote, and with high hopes, we see governments being formed. Soon thereafter, people become disappointed, movements take place, police go into action, casualties occur, and governments fall or are discredited. New elections, new governments, familiar faces, and the same old disappointments. The cycle has become all too familiar.

Successive governments have promised us the moon, but failed to deliver and live up to the expectations beyond the first few months in office. Why is it that after more than thirty-five years of freedom, we are yet to enjoy stability and progress? Why is it that political parties and individuals are all ardent supporters of democracy but, as a nation, we are unable to make it work?

It is, indeed, a paradox.



In the geographical area that makes up Bangladesh today we were always considered difficult people to rule, a tribute to our independent spirit. This land has nourished many enlightened leaders who rose up against tyranny and oppression. We have always been active for our rights and, as we progressed through the twentieth century, Bengalis were always in the forefront of political thinking.

Leaders like H S Suhrawardy, A K Fazlul Haque, Moulana Bhashani and Sheikh Mujibur Rahman became synonymous with Bengali nationalism.

In East Pakistan, the language movement in 1952 united all Bengalis in demanding recognition for Bangla as the state language. It was the same spirit that led us to protest against the domination by the minority, and disproportionate share of development. Our aspirations were modest but disappointments grew, and things came to a head in 1971.

Sheikh Mujib led the Awami League to a majority in elections, but was prevented from forming a government. Instead, the Pakistani army was let loose in a reign of terror. The genocide in 1971 was a shameful chapter for humanity, and

only inspired the Bengalis to be single-minded in their resolve to be independent.

After a tenacious resistance, untold sacrifices, and on the ruins of a devastated economy and a shattered infrastructure, a new nation emerged.

As an independent nation, our democratic spirit prevailed, but our experience with democratic practice fell far short of expectations.

Now that we had become independent, the political culture needed to shift gear and review priorities. Unfortunately, one government gave way to another, and the changes were anything but peaceful.

United in opposition, we were now divided in freedom. We had inherited a political culture which encouraged massive show-downs, fiery speeches, *hartals*, work stoppages, vehicle burning, blockades, and sit-ins to achieve political ends, irrespective of the cost to the nation. The party in power always criticised this, and the parties out of power always resorted to it.

*Hartals* may be damaging for the economy, but the parties consider it a right and a politically legitimate weapon. Any loss is considered as inconsequential for the greater



cause. This is the commonly accepted view of all political parties whenever they are out of power, but when they are in power, they want to crush it with force if need be.

Out of this mistrust, the concept of a caretaker government was born. A caretaker government is a novel idea, but for how long? How long before this is also compromised and discarded? One sometimes wonders if the system is at fault, or the peoples' choice of their leaders.

Unfortunately, we also do not subscribe to the view that the opposition has an important role to play. The opposition opposes everything, and the ruling party always tries to prove that it is always right. The opposition often opposes for the sake of opposition, and the ruling party often disregards the opposition simply because they have a majority. This attitude benefits none, and only undermines the spirit of democracy to the detriment of the nation and also of the parties.

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