

## Petrobangla itself can meet the gas shortfall

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BADRUL IMAM

THE present shortfall of gas to the tune of 250 to 300 million cubic feet per day (mmcf) is expected to increase as the demand for gas towards power generation, fertiliser production, and domestic, industry, commercial and CNG transport uses outpace the production rate. This creates a situation whereby the country often has to choose between running a fertiliser factory or a power plant, cannot provide gas for industrial growth and so forth, each of which has multiple effects in slowing down economic development.

Many opine that discovering new gas fields and bringing them to production is the way to meet the gas shortfall. This is indeed true in the medium to long term, but may not be a solution to fix the shortfall problem in a short span of time because gas discovery is a time consuming process and there is no guarantee of success of a particular exploration move. Petrobangla experts believe that there are quicker ways of fixing the present gas shortfall, and can be carried out by Petrobangla itself. All that is required is dynamism in management and a sense of self-reliance.

Bangladesh has 18 producing gas fields, 12 operated by Petrobangla and 6 by International Oil Companies (IOC). Presently, Petrobangla produces 930 mmcf and IOCs produce 1020 mmcf, thus contributing nearly 50:50 to the total national production of about 1950 mmcf against a national demand of about 2200 mmcf. Although the ratio of the number of gas fields of Petrobangla versus IOCs is 2:1, the ratio of the amount of gas produced by Petrobangla versus IOCs is almost 1:1.

The contribution to the total national

gas production by IOCs has increased from 20% in 2001 to 50% in 2009, while the contribution from Petrobangla has decreased from 80% to 50% over that period. A clear-cut distinction can be noticed between the aggressive approach of gas production by IOCs and the passive role of Petrobangla.

Yet, there is no valid reason why Petrobangla should remain so far behind IOCs in its production capabilities. According to the Petrobangla experts, a more pragmatic approach to the present gas field practice would enable Petrobangla to add sufficient gas that can meet the present gas shortfall in a short time. And this would not require a massive work program, but falls well within the reach of Petrobangla's financial and technical capabilities. The ways to achieve the above goal are discussed under the following headings:

• **Reviving the suspended wells:** There are several wells under Petrobangla fields from which gas production has been suspended for various reasons. In some wells, the gas has been exhausted from the particular layer from which it was being produced. In these cases, production may be resumed by fixing the production instruments onto a new gas layer in the well (technically referred to as "recompletion in other zone"). It may be noted that a gas field normally has multiple gas zones capable of producing gas. Kailashila gas field for example has 3 major gas zones, Rashidpur has 5, Titas 12 and so on. According to a Petrobangla source, among the suspended wells presently sitting idle for the above reason are Kailashila-5, Rashidpur-5, Meghna-1 etc.

There are other reasons as well for which wells are suspended, like extraction of excessive water with gas. These problems must be tackled (reworked) to revive gas production. According to Petrobangla sources, there are presently about 10 wells that are sitting idle for one reason or other, which can be brought to production again with little cost. And these together, may produce an estimated 150 mmcf.

• **More development wells:** The number of producing wells in the large gas fields under Petrobangla is much less than what it should ideally be. In fact, development of these fields did not follow an ideal model of field development. Let us consider, for example, the Titas gas field (initial reserve about 5 Tcf). This gas field came on stream in 1968 and, since then, the total number of production wells drilled here is only 16, of which 14 are presently producing. Comparatively, let us take another field, Bibyana (initial reserve about 2.5 Tcf) operated by Chevron oil company. This gas field came on stream in 2007 and in the last two years the number of producing wells drilled has been, 12 and this is the top producer in Bangladesh at present.

There is no logic in the suggestion that Chevron could drill and produce more gas because it is technically more competent. Gas production is not rocket science, rather it is routine science. The geologists and engineers working under Petrobangla have 20 to 30 years of experience in running gas fields. Their competence level runs parallel to those working in IOCs. But then where is the "gap"? In fact, it is a lack of foresightedness and proper planning on part of the management.

It is true that the primary aim of Chevron is to produce more to make quick profit. In doing so, it demonstrated that 12 production wells may be drilled and produce about 600 mmcf in just two years in a large gas field. Petrobangla is a national gas company and its main goal is not profit making but managing a sound gas distribution system. Therefore, one would not expect Petrobangla to run as fast as Chevron.

But the point is, why should Petrobangla be so slow in developing its large fields, for example, drilling only 16 wells in 41 years in the country's largest gas field? To say the least, drilling double that

number would still be considered a normal pace of development for that field.

More importantly, whereas there is a gas crisis in the country, which is going to get more serious in near future, why are large gas fields like Titas and Habiganj not developed at much greater pace to meet the crisis? In the above cases, drilling development wells is less costly, has no risk, and the infrastructure for processing and transporting gas already exists.

• **IOC well versus Petrobangla well:** The rate of gas production in wells run by IOCs is significantly greater than in those run by Petrobangla. For example, in the Bibyana gas field operated by Chevron, each well produces on an average about 52 mmcf, with a few of them producing 80 to 100 mmcf. On the other hand, the average production in each well in the Habiganj gas field under Petrobangla is 25 mmcf, that of Titas 29 mmcf, Rashidpur 10 mmcf etc. According to geologists, the reservoir qualities of Habiganj and Titas gas fields for example, are much better than those

of Bibyana and, therefore, they should have capability of producing gas at greater rate than the latter.

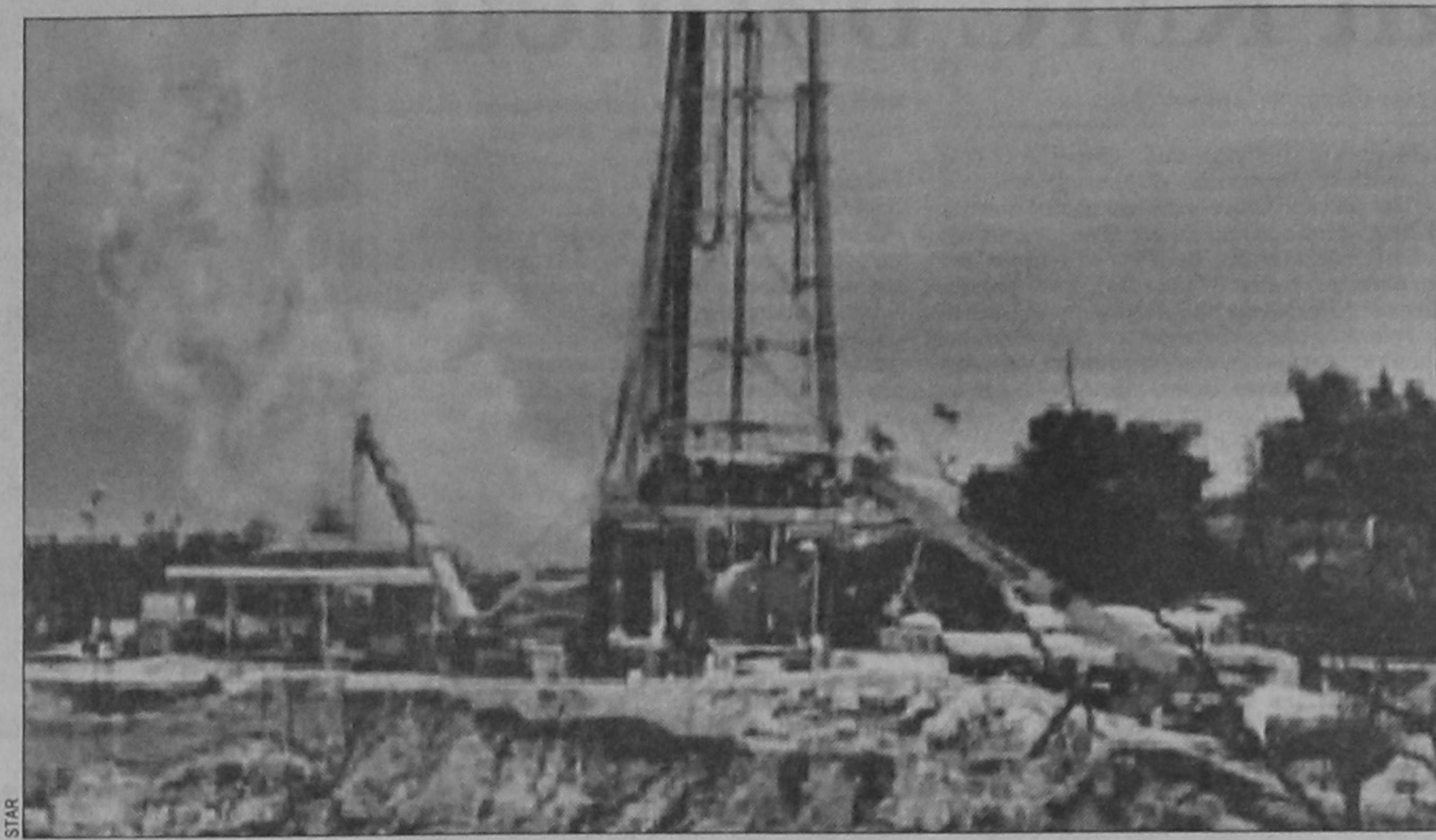
Why then are national wells producing less than those of the IOCs? This is a very important question because, if production rate of the running wells can be increased, the present gas shortage may be met most conveniently. According to Petrobangla sources, increase in production rate by 10 to 20 mmcf in each of the 13 producing wells located in the middle parts of Titas and Habiganj gas fields will increase the national gas output to the tune of 150 to 250 mmcf.

However, there is a point. Some experts suggest that Chevron (or other IOCs for that matter) is over producing gas, which is harmful for the reservoirs and ultimately for the gas fields. But this notion is subject to verification. It is imperative that Petrobangla reservoir experts verify the matter immediately. If it is demonstrated that Chevron's production rate is a case of overproduction, Petrobangla should immediately give directives to Chevron to

reduce it. On the other hand, if the experts verify that it is not a case of overproduction and would not harm the reservoir, then the question is why should production rate in the national wells not be raised where possible? And this matter has to be settled by the proper examination and management of the wells by Petrobangla. This is perhaps, the most cost effective, quick, and guaranteed way of meeting the present gas shortfall.

The present gas shortfall is likely to grow into a major gas crisis in near future. In the short-term, in 2012 for example, gas demand will be about 3000 mmcf. That means the country has to increase gas production by at least 1000 mmcf in three years time. The past pace of development of gas has been too slow to handle the looming crisis. The nation expects the new leadership in Petrobangla administration to gear up its management and planning to face the upcoming challenge.

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We must make optimum use of our gas.

## The seventh national pay scale: An overview

The pay hike of public servants has earned mixed reaction--the recipients mostly hailing and the experts warning of inflationary pressure on the economy and public life--while others are calling for pay rises for non-government and private sectors.

M. ABDUL LATIF MONDAL

Following the cabinet approval on November 11, Finance Minister A.M.A. Muhith announced the much-awaited seventh national pay scale and allowances the same day for the employees in the government, semi-government and autonomous organisations. According to the finance minister's announcement, only pay hike will be effective from the first of July this year and the increase in allowances will be payable from the next financial year. A gazette notification to be issued this month detailing the procedure for payment of increased pay and allowances clear will make things clear.

The seventh national pay commission (NPC) formed by the caretaker government in October, 2008 to recommend pay structure for the employees of government, semi-government and autonomous organisations submitted its report to the finance minister on April 23, 2009. Immediately after the receipt of the NPC's report, the government formed a seven-member inter-ministerial committee headed by the cabinet secretary to review the proposals of the NPC and come up with its recommendation. The cabinet reportedly accepted the recom-

mendations of this committee. Records show that no government in the past also accepted the pay structures proposed by NPC(s); rather inter-ministerial committees' recommendations on pay structures were accepted and implemented.

The table below shows the initial pay of national pay scale (NPS) 2005, initial pay recommended by the 7th NPC in its report of April 2009, and initial pay of the new national pay scale (NNPS) approved by the cabinet on November 11.

Pay scales of 1977, 1985, 1991, 1997 and 2005 show that the ratios between the initial pay for the lowest grade and the fixed pay for the highest grade were 1:13.33, 1:12, 1:11.11, 1:10, and 1:9.58 respectively. Those pay scales attempted to gradually reduce the disparity of pay between the public servants at the topmost and the lowest levels. In the new pay scale, the ratio between the initial pay for the lowest grade and the fixed pay for the highest grade has stood at 1:9.75. This is a reversal to the earlier trend and has thus invited criticisms. This could have been avoided by fixing the pay of the highest grade a Tk. 39, 500 and raising the initial pay of the lowest grade to Tk.4,150. In that case, the ratio would have stood at 1: 9.51 and the government could have avoided

criticisms.

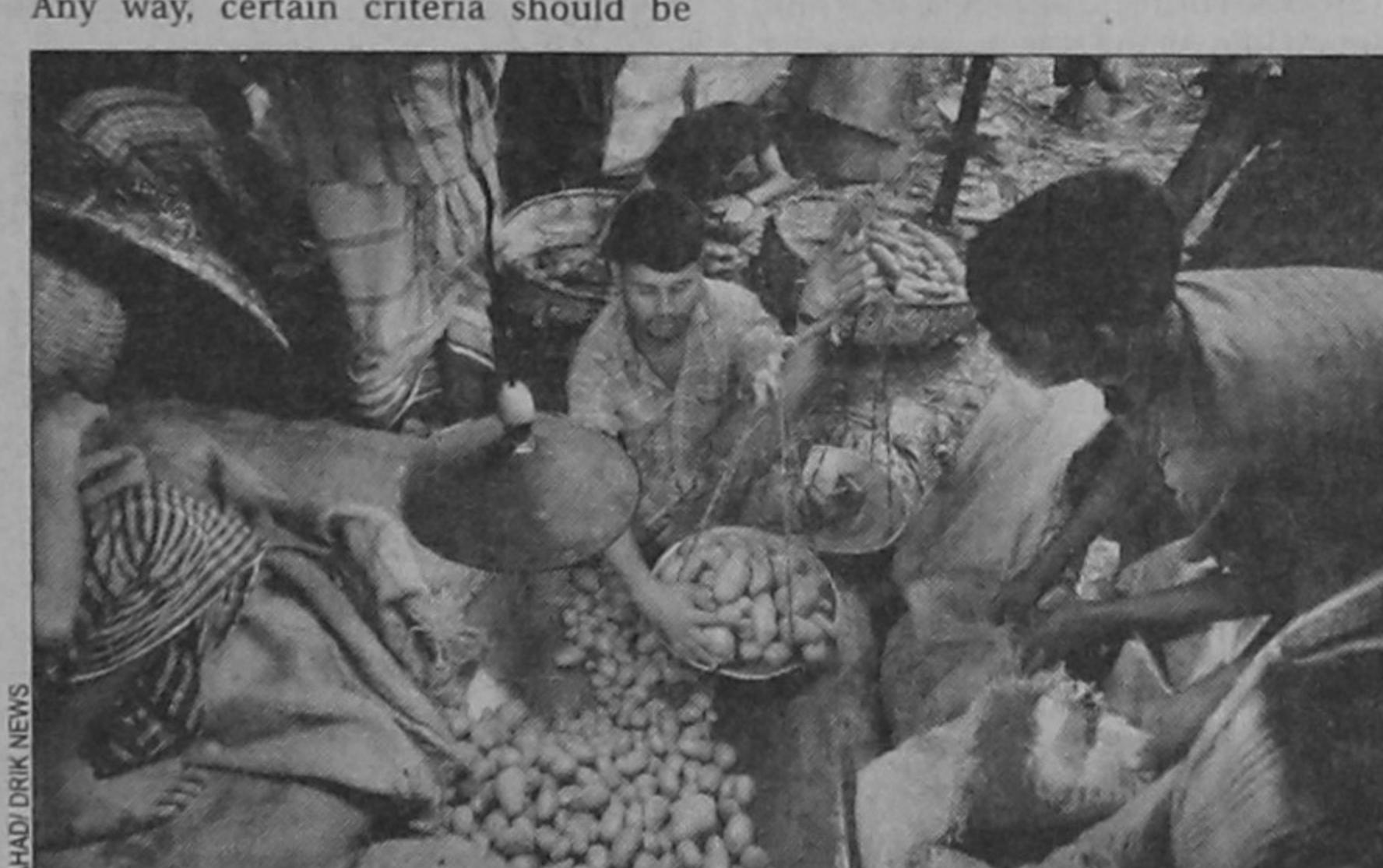
The new features of the NNPS announced by the finance minister include: (i) a separate pay scale for the judicial service for the first time in view of the separation of judiciary (subordinate courts) from the executive during the period of the last caretaker government; (ii) commitment for a separate pay scale for the education sector next time; (iii) different scales of pay for nurses having diploma and degree background; and (iv) education allowance between Tk.200 and Tk.300 per month for children of public servants.

It may be mentioned that granting education allowance to employees for the education of their children had been under consideration for a long period. Any way, certain criteria should be

developed for implementation of the decision. One criterion may be that only those employees who have not more than two children would be eligible for this allowance. Records show that the increase in pension, medical allowance and some other allowances were common with every new national pay scale.

The pay hike of public servants has earned mixed reaction--the recipients mostly hailing and the experts warning of inflationary pressure on the economy and public life--while others are calling for pay rises for non-government and private sectors.

The implementation of the NNPS will cost the national exchequer an additional amount of about Tk.6,222 crore in revenue expenditure. The prime minis-



Will pay hike bring about price hike?

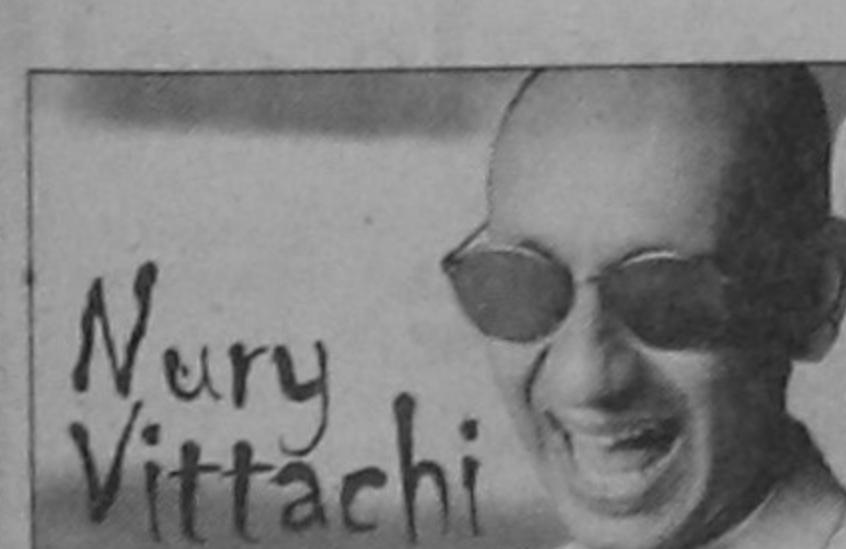
Grade(s)	Initial pay 2005	Initial pay recommended by 7th NPC	Initial pay approved by government
I	Tk.23,000 (fixed)	Tk. 45,000(fixed)	Tk. 40,000(fixed)
II	Tk. 19,300	Tk. 37,750	Tk. 33,500
III	Tk. 16,800	Tk. 32,600	Tk. 29,000
IV	Tk. 15,000	Tk. 28,850	Tk. 25,750
V	Tk. 13,750	Tk. 26,230	Tk. 22,250
VI	Tk.11,000	Tk. 20,800	Tk. 18,500
VII	Tk.9,000	Tk. 16,900	Tk. 15,000
VIII	Tk.7,400	Tk.13,750	Tk.12,000
IX	Tk.6,800	Tk.12,900	Tk.11,000
X	Tk.5,100	Tk.9,300	Tk.8,000
XI	Tk.4,100	Tk.7,000	Tk.6,400
XII	Tk.3,700	Tk.6,400	Tk.5,900
XIII	Tk. 3,500	Tk.6,000	Tk.5,500
IX	Tk.3,300	Tk.5,600	Tk.5,200
XV	Tk.3,100	Tk.5,300	Tk.4,900
XVI	Tk. 3,000	Tk.5,000	Tk.4,700
XVII	Tk. 2,850	Tk.4,700	Tk.4,500
XVIII	Tk. 2,600	Tk.4,400	Tk.4,400
XIX	Tk. 2,500	Tk.4,200	Tk.4,250
XX	Tk. 2,400	Tk.4,000	Tk.4,100

ter (PM) reportedly expressed her concern in the cabinet meeting that the NNPS might cause an inflationary spiral, leading to price-hike of essential commodities. Although the finance minister has tried to downplay the PM's concern about any immediate impact of the NNPS on prices of essentials, the critics don't agree with the finance minister's view. In their opinion, the pay-hike of the public servants emerges as the latest worry for inflation. The rate of inflation went below 3 percent in June. It started increasing in July and rose to 4.60 percent in September. A four-member IMF mission that visited the country in last October 'warned Bangladesh that excess liquidity and resurgent international commodity and food prices might push

inflation to double-digit by the year end.' While welcoming the government's initiative to give better scales of pay to the public servants, the government is advised to revamp its revenue collection so that it doesn't have to increase borrowing from the bank for paying the increased salaries, manage the budget in a better way which may require, inter alia, putting a brake on all kinds of wasteful expenditures. In short, the government must make all out efforts to ensure that pay-hike of public officials don't lead to price-hike of essentials to cause sufferings to the common people as well as the public officials drawing pay in the lower scales.

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## SMS texts get legal status



FOR centuries, bosses who were accused of breaking the law responded just the way you would expect from great leaders: they blamed staff. "I knew nothing," the leader nobly says. "It was them." This has become a sort of tradition.

Most companies now employ full-time staff for this job, with titles such as "Executive Fall Guy," or "Vice President, Taking the Blame." It's not a bad job (the pay's good, but the prospects stink).

The curious thing is that many people who have this job do not realise that they have it. I've had it several times. People who have this job often find themselves being sacked and saying: "Oops."

No more. From this year onwards, everything changes. Leaders can no longer plead ignorance. Technicians can tell when bosses have read e-mails. They can detect when they scrolled down on their Blackberries. They can

probably even use brain-scanners to remotely detect a boss' particular obnoxiousness level (although some of mine would have been off the scale).

In New Zealand recently, lawyers could not start a court case because the defendant refused to accept delivery of the writ. So they uploaded it to his Facebook page. Job done.

In India, Malaysia, Saudi Arabia and Tajikistan, husbands have successfully divorced their wives by sending the words "I divorce you" three times via SMS, e-mail or voicemail. (Lawyers advise husbands to type out the words fully, instead of using typical Internet shorthand, such as "OMG! I dvrc u!," and omit the "happy face" emoticon:-)

Responding to a column on wrongly dialed numbers which led to gunfights or death, a lawyer said: "Now that communications messages have gained legal status, mistakes could lead to a fate worse than death: such as marriage."

Reader Vince Alcalde took this one step further, sending me scenarios of events that are eventually likely to happen.

1. A man will accidentally send four "I divorce you" messages in a single text. The court will rule he did not fulfill the requirement to send three messages, and hence remains married. He cannot send three more messages because that will make a total of seven. "He will there-

fore be married forever," Vince warned.

2. A man will send three "I divorce you" messages to the wrong number. The court will rule the man and the woman he has never met are now officially divorced. She will be able to collect alimony from him for the rest of her life.

3. A man will send three divorce messages to his wife, assume he is now single and go on to marry someone else. The court will rule his messages invalid because he spelled them wrong: "I devours you." He will be stuck with two wives.

I think the worst thing would be if a guy was getting married to his second wife, and the first one turns up at the

wedding, saying: "Hang on, what do you think you're doing?"

The man says: "I'm getting remarried. I divorced you. Didn't you get those messages I sent you? The ones that said 'I divorce you' three times, and called you a silly fat bitch?"

The wife says: "No. You must have sent them to someone else. You're always dialing wrong numbers, you silly man."

Just then, the man's mother-in-law walks in with a large gun.

So just remember. If you want to stay alive, dial carefully.

For more discoveries of legal repertoires visit our columnist at [www.vittachi.com](http://www.vittachi.com)