



To  
The Secretary,  
Petroleum & Natural Gas regulatory Board  
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Babar Road  
New Delhi.-110001

Essar Oil Limited  
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Date : 15-02-2011

**Sub: Intimation for laying the dedicated Pipeline to Graphite India Limited in Sagarbhanga , Durgapur from our LP Gas Gathering Header.**

Dear Sir,

As you are aware, Essar group is actively working on the Coal bed methane (CBM) development. Essar was awarded Raniganj (East) block and is having a participating interest of 100%. The total area of exploration is 500 sq. km. Essar's Raniganj block of CBM exploration is located in Durgapur, Burdwan district of West Bengal and is very close to Durgapur Industrial area.

CBM gas is already being produced from our 38 Nos wells and the production is likely reach the level of approx 40000 to 65000 SCMD by end March 2011. It will be further ramped up to 80000 to 100000 SCMD by third quarter of the current year.

We have also worked out our long term plan for carrying the gas to Kolkata through pipeline, for which EOI has already been submitted and further processing of the same is in progress at your end. However, this is a long term plan as the bidding process and laying of the line will take its own time and pipeline is not likely to be operational before end of 2012.

In view of this, to utilize the gas production, we have tied up with M/s Graphite India Ltd to supply them the gas (Approx. 55000 SCMD) at Sagarbhanga, Durgapur. We plan to commence supply to them in the Q4 2011 or earlier. This will help us to avoid flaring of the national resource and will also contribute in reducing carbon footprint of M/s GIL who are currently using liquid fuel.

Durgapur city falls within our exploration block and as such we need to lay several well interconnecting and Gas Gathering lines in this area.

For supplying gas to M/s GIL, we intend to lay a dedicated pipeline from our LP gas gathering header to GIL in Sagarbhanga, Durgapur as per the details given below:

- a) Length of the pipeline : ~ 3 Kms
- b) Pipeline diameter : 12"
- c) Design Pressure : 24 Kg/cm<sup>2</sup>
- d) Capacity in Use : 55,000 SCMD
- e) Maximum ( Future ) Capacity : 500000 SCMD

Indicative diagram for the proposed pipeline along with DFR is enclosed herewith for your kind reference.

This is for your information and records please.

Thanking you,

Sincerely yours



**Harshit Sinha**  
Jt GM- CBM Marketing

Encl: As above



# GRAPHITE INDIA LIMITED

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Shri. Pradeep Chhabra  
Head CBM Marketing  
Essar Oil Limited  
Mumbai.

Sub: Dedicated Pipeline for Graphite India Limited, Sagarabhangra, Durgapur from Essar CBM LP Gas Gathering station, Muchipara

Dear Sir,  
We, Graphite India Limited has a graphite manufacturing unit Sagarabhangra in Durgapur. The unit is currently using Furnace Oil. We intend to replace our existing furnace oil requirement by Coal Bed Methane (CBM) from Essar Oil Limited.

Further we are evaluating a possibility of putting up Gas based 100 MW power plant at Durgapur

A dedicated pipeline with carrying capacity of around 0.5MMSCMD of gas is required to meet the gas supply requirement of the existing plant. In view of above we request you (EOL) to lay a suitable size dedicated pipeline to cater our requirement.

We therefore request you to kindly let us know the concerned person for further discussion and finalization of the term sheet for dedicated pipeline. We will be pleased to provide any further information on the subject.

Thanking you,  
Yours faithfully

N Vilampil  
(For Graphite India Limited)

10.02.2011 -