

Oilmin may let RIL use more KG wells

■ Plans to seek Cabinet approval soon for 3 gas finds

New Delhi, July 16: With development of three gas finds in Reliance Industries' KG-D6 block held up due to a technical dispute, the oil ministry is seeking Cabinet nod to relax timelines to allow the firm retain and produce from the discoveries worth \$1.45 billion.

RIL had notified the Dhirubhai-29, 30 and 31 in 2007 and submitted a formal application for declaring them commercial in 2010, well within the timelines set in the Production Sharing Contract. But the ministry's technical arm DGH refused to recognise them in absence of prescribed confirmatory test.

The issue was intensely debated between RIL, DGH and the ministry since then. Mukesh Ambani-run firm finally agreed to do the Drill Stem Test (DST) but the DGH declared that the contractual time period for development of the finds is over.

The oil ministry feels that taking away the discoveries, which hold an estimated 345 billion cubic feet of reserves, and rebidding them may lead to delay in development, sources privy to the case said. Also, it feels RIL may go to arbitration which may lead to further delay in production and extra legal cost.

The three finds, which can be quickly put on production by RIL using existing infrastructure of currently producing gas fields as well as those being developed, are worth \$1.45 bil-



lion at current gas price of \$4.2 per million British thermal unit.

Sources said the ministry is moving the Cabinet Committee on Economic Affairs (CCEA) for relaxation in the Production Sharing Contract timelines to help RIL monetise the finds. Comments on a draft CCEA note are being sought from the ministries of finance and law besides the planning commission before taking it to the CCEA for approval.

Sources said RIL will have to conduct DGH prescribed DST on D29, 30 and 31 discoveries and only half of the \$93 million cost can be recovered.

Originally, the petroleum ministry under the previous UPA regime's oil minister M. Veerappa Moily had in April prepared a draft CCEA note seeking relaxation for RIL.

The ministry sought Election Commission nod to approach the CCEA on the issue since general elections had been declared, they said adding the permission never came. — PTI

Adani gets nod for 8k hect SEZ

New Delhi, July 16: Adani Ports and Special Economic Zone (APSEZ) on Wednesday said it has received environment and other nods for its 8,481 hectares special economic zone, a move that will pave way for setting up facilities like desalination and effluent treatment plants besides boosting exports.

"APSEZ, part of the Adani Group ... has received the environment and coastal regulation zone clearance from the Union ministry for Environment and Forests, for its 8,481 hectares special economic zone in Mundra," the company said. The clearance will now allow APSEZ, which operates India's only port-based SEZ, to set up a mega desalination plant, an effluent treatment plant and intake of sea water, all of which constitute primary infrastructure to be provided for companies setting up business units in the SEZ. "The grant of the environmental clearance to Mundra SEZ by MoEF will encourage investment in SEZ and the development is expected to be at fast pace as it provides seamless connectivity" said Gautam Adani, chairman, Adani Group. — PTI