

Small, marginal oil and gas fields auction to begin July 15

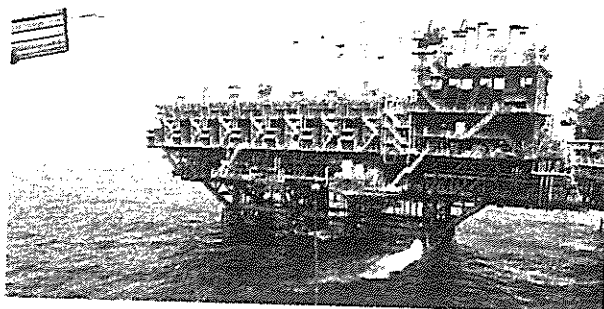
SPECIAL CORRESPONDENT

NEW DELHI: The first round of auctions of discovered small and marginal fields will start on July 15 and conclude on October 31, the government said. As many as 67 fields, clubbed into 46 contract areas, will be auctioned, said Dharmendra Pradhan, Oil Minister.

"Bids are being invited for developing and monetising these contract areas having an estimated 625 million barrels of oil and oil equivalent gas in-place volumes spread over 1,500 square kilometers in on-land, shallow water and deepwater areas," Mr. Pradhan said. Official sources peg the proven reserves in these fields at about 630 million barrels of oil and oil equivalent gas.

New era

"India is now moving towards a new era of hydrocarbon production, driven by a forward-looking Hydrocarbon Exploration and Licensing Policy (HELP) and a new fiscal model based on reve-



FIRST ROUND: India will begin auctions for small and marginal oil fields in July. — FILE PHOTO: PAUL NORONHA

nue sharing contracts," Mr. Pradhan said. The fields, with resources worth Rs.70,000 crore, were surrendered by the ONGC and Oil India after being deemed non-renumerative, he said.

In March 2016, the Cabinet approved HELP which replaced the existing New Exploration Licensing Policy and introduced significant reforms in the sector.

Policy changes

The main changes made to the previous policy include a uniform policy for the exploration and production of all hydrocarbons, both conven-

tional (oil and gas) and unconventional (shale oil, shale gas and coal bed methane).

"In NELP, there were two types of contracts: for conventional and for coal bed methane," Deepak Mahurkar, Leader, Oil and Gas Industry for PwC told *The Hindu*.

"The contracts would not allow the production of unconventional hydrocarbons because they were meant only for conventional sources. "The new policy does away with this distinction."

The second major change had to do with the time period of exploration.