

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:742

ANSWERED ON:29.07.2010

DEEP WATER DRILLING OF OIL

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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Union Government has announced a three year moratorium on deep water drilling of oil;
- (b) if so, the reasons therefor and the objectives thereof;
- (c) the number of blocks come under moratorium;
- (d) the names of the companies to whom these blocks belong; and
- (e) the total oil production likely to decrease annually in the country due to this move ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (d): Yes Madam. Government has approved a proposal for granting drilling moratorium for 3 years starting 1st January, 2008 to 31st December, 2010 to thirty (30) deepwater blocks under the Production Sharing Contract (PSC) regime signed upto New Exploration & Licensing Policy (NELP) -V, where drilling commitments (except development drilling) remained unfulfilled as on 1st January, 2009.

There was sudden spurt in exploration activity worldwide since 2007 due to the then high crude oil prices, which led to acute shortage of the deepwater rigs worldwide. The non-availability of the deepwater rigs adversely effected the completion of the minimum work commitments by various contractors of the deepwater blocks in their respective current exploration phases. The operators of these deepwater blocks requested the government to grant a drilling moratorium of 3 years to mitigate the situation caused by the deepwater rig shortage so as to enable them to complete their drilling commitments envisaged under the PSCs .

The drilling moratorium was granted to enable the operators to fulfill the exploratory and appraisal drilling commitments which could not be completed due to global shortages of deepwater drilling rigs during that time.

The company-wise number of blocks where Drilling moratorium was granted are as under.

Operator No. of blocks granted drilling moratorium

ONGC 16

RIL 13

ENI 1

(e): Since rig moratorium was not granted for development drilling, no decrease in oil production is envisaged on account of grant of drilling moratorium.