

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

UNSTARRED QUESTION NO:1376

ANSWERED ON:07.12.2015

Policy for Auction of Oil/Gas Blocks

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

- (a) whether the Government proposes to introduce big reforms in the oil and gas exploration and formulate a new policy for auction of oil and gas blocks and Marginal fields including Production sharing contract to Revenue sharing contract and free natural gas pricing regime;
- (b) if so, the details thereof along with the salient features of the same and the manner in which the oil and gas industry is likely to be benefited therefrom;
- (c) the time by which it is likely to be implemented;
- (d) whether the Government has invited suggestions from various quarters to frame new auction policy and if so, whether the Union Government has released consultation paper and open up for public comment and if so, the details thereof alongwith the objections raised by Foreign/ Indian companies and action taken thereon; and
- (e) whether the consultation paper proposes a unified licensing policy to facilitate the bidders of a hydrocarbon block to be able to explore and extract any and all hydrocarbon blocks and if so, the details thereof?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a): The Government has notified Marginal Field Policy (MFP) with the objective to bring 69 un-monetised marginal fields of ONGC and OIL to the production at the earliest. Further, a Uniform Licensing Policy (ULP) including Open Acreage Policy, covering exploration and

exploitation of conventional and unconventional hydrocarbon resources is under consideration in the Ministry.

(b): The salient features of MFP are as under:-

i. Single license for conventional and non-conventional hydrocarbons

ii. Bids on a Revenue Sharing Contract (RSC) Model.

iii. Freedom to sell the crude oil exclusively in domestic market through a transparent bidding process on arms length basis.

iv. Freedom for pricing and allocation of gas produced from a cluster / field / discovery on arms length basis.

v. Royalty rates applicable under New Exploration Licensing Policy (NELP) regime. No oil cess.

vi. Exemption from custom duty on all machinery, plants, equipments, materials and supplies related to petroleum operations as applicable in NELP.

vii. Up to 100% participation by foreign companies, joint ventures will be allowed.

(c): The Ministry is in the process to complete formalities and launch the bidding round under the MFP soon.

(d): The Government has hosted a consultation paper on the website of the Ministry of Petroleum & Natural Gas inviting comments from stakeholders on new fiscal & contractual regime for award of hydrocarbon acreages.

(e): Yes Madam. The proposal is to bring Uniform Licensing Policy (ULP) to enable the contractor to explore conventional and unconventional oil and gas resources including CBM, shale gas/oil tight gas, gas hydrates and any other resource-under a single license.
