

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

UNSTARRED QUESTION NO:1339

ANSWERED ON:01.12.2014

REFORM AGENDA FOR OILFIELDS

Chandumajra Shri Prem Singh;Pradhan Shri Nagendra Kumar;Thota Shri Narasimham

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

- (a) whether the Government has finalized any reform agenda for existing oilfields and the policy framed to maintain transparency in oilfield contracts in the country;
- (b) if so, the details and the salient features of the said reform agenda;
- (c) whether the Government has conducted any study to find out the likely investments required for exploration in such oilfields; and
- (d) if so, the details thereof along with efforts made by the Government to encourage investment in oil and gas sector in the country?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN):

(a) & (b) As a reform initiative, the Government has notified on 10.11.2014 the Policy Framework for Relaxation, Extensions and Clarifications at the development and Production Stage under the PSC Regime for Early Monetization of Hydrocarbon Discoveries.

The details of the aforesaid policy can be viewed on this Ministry's website [http:// petroleum.nic.in/ngpolicy.htm](http://petroleum.nic.in/ngpolicy.htm)

To ensure transparency in the bidding process, the contracts are awarded through an open competitive bidding process under New Exploration and Licensing Policy (NELP) and Pre-NELP regimes. The policy on Coal Bed Methane (CBM) ensures award of CBM blocks, through an open international competitive bidding in a transparent manner. Besides, the initial bidding process, the Government has brought out the reform initiatives mentioned above for taking decisions on issues arising during the contract execution. These policy initiatives provides for a framework for taking decisions in a uniform transparent manner rather than taking decisions on case by case basis. The Government has brought out a policy on Exploration in Mining Lease area which allows exploration after the completion of exploration phases to ensure uniform application of policy in all such cases. Similarly, for all NELP contracts, Government of India has brought out a policy for granting extensions in exploration period in a uniform and transparent manner.

(c) No, Madam.

(d) In view of answer to (c) above, the details thereof does not arise.

As far as the efforts made by the Government to encourage investment in oil and gas sector in the country are concerned, the Government has been offering exploration acreages through International Competitive Bidding. So far, a total of 282 exploration blocks have been awarded comprising of 28 blocks under Pre-NELP and 254 blocks under New Exploration Licensing Policy (NELP) bidding rounds in onland and offshore areas. The other efforts in this regard include:

(i) Survey of Sedimentary Basins:

A policy for Geo-Scientific Data Generation for Hydrocarbons in Indian Sedimentary Basins to carry out nonexclusive multi-client geo-scientific surveys/activities relating to Hydrocarbons is under implementation by MoPNG.

Re-assessment of hydrocarbon resources for all sedimentary basins and deep water areas of India based on geo-scientific information available with DGH is being implemented.

(ii) Efforts in Nomination Blocks of National Oil Companies:

National Oil Companies (NOCs) have taken various actions for augmenting/maintaining the crude oil and natural gas production. ONGC has focused on repair of existing wells, artificial lift and stimulation of wells, etc for enhancing crude oil and natural gas production in its fields. Further, other efforts made by NOCs for enhancing production includes augmentation of production facilities, drilling of additional in-fill wells to reduce the well spacing, rehabilitation of old wells by approaching new/ extended area to reach inter platform areas for production and drilling of additional wells through clamp-on structures on existing well platforms etc.

(iii) Shale Gas: The Government has, on 14.10.2013, notified the policy guidelines for exploration and exploitation of shale gas and oil by National Oil Companies (NOCs) in their onland PEL (Petroleum Exploration Lease) /PML (Petroleum Mining Lease) blocks awarded under the nomination regimes.

(iv) Gas Hydrates: For exploitation of gas hydrates, MoPNG has formulated the National Gas Hydrates Programme (NGHP) in 2000. NGHP Expedition-01 was launched in 2006, to gather information on the presence of Gas Hydrates in Indian offshore areas. The expedition established presence of Gas Hydrates in KG and Mahanadi basins and Andaman deep waters.

Under NGHP Expedition-02, 20 sand prone sites have been identified for logging while drilling; wire line logging; coring and drilling of 40 wells.

(v) Gas Pricing: To incentivize investment in the upstream sector, Government has brought out New Domestic Natural Gas Pricing Guidelines, 2014. This will help in monetizing some of the discoveries which could not be done earlier because of lower gas prices and would also help in getting investments in the upstream sector. Further, Government has decided to provide a premium for all discoveries subsequent to the issuance of the guidelines mentioned above, in Ultra Deep Water Areas, Deep Water Areas and High Pressure High Temperature for monetization of these discoveries.

(vi) Coal Bed Methane: In order to harness Coal Bed Methane (CBM) potential in the country, the Government of India (GoI) formulated CBM policy, 1997 wherein CBM being natural gas is explored and exploited under the provisions of Oil Fields Regulations and Development Act, 1948 (ORDA-1948) and Petroleum and Natural Gas Rules, 1959 (PNG Rules) administered by Ministry of Petroleum and Natural Gas (MoP&NG). So far, 33 CBM blocks have been awarded by GoI to various Contractors, out of which 30 blocks were awarded through 4 CBM bidding rounds, 2 blocks were awarded on nomination basis and 1 block through FIBP route.