Oil block auctions under Hydrocarbon Exploration Licensing Policy by early next year

By *Sanjeev Choudhary*, ET Bureau | Sep 06, 2016, 03.06 AM IST

Post a Comment

READ MORE ON » Oil and Natural Gas | New Exploration Licensing Policy | Natural gas | Hydrocarbon Exploration Licensing Policy | Crude oil

NEW DELHI: India will likely begin auctioning its major oil and gas blocks early next year under its fresh Hydrocarbon Exploration Licensing Policy (HELP) that heralds a major shift from the previous policy by bringing in revenuesharing between companies and the government, offering companies the option to carve out blocks, and the freedom to market gas.

Once the procedure is ready, companies can submit an initial expression of interest indicating the area which they wish to take up for exploration.

"We are currently working on the procedures and the methodologies to help operationalise the new policy. This should be ready by early next year, which is when we will allow companies to bid under this," said an oil ministry official, who didn't want to be named.

RELATED COMPANIES EXPAND

Oil and Nat… 3.45 (1.35%)

In March, the government notified the new hydrocarbon policy, replacing the NELP, or New Exploration Licensing Policy that guided Indian hydrocarbon space for more than a decade.

Some of the key changes the new policy introduced include just one license for extraction of all forms of hydrocarbons, freedom to market gas, and a revenue-sharing system that puts an end to micromanagement by bureaucrats and the accompanying acrimony between the government and the contractor.

The officials at the oil ministry and its technical arm, the Directorate General of Hydrocarbons, are now figuring out every operational detail for a smooth launch of HELP.

The oil ministry is currently managing the auction of 67 small discovered oil and gas fields for which roadshows are being organized in the country and abroad. The bid submission window is between July 15 and October 31.

The policy for these small fields also offer freedom to market gas and a revenuesharing model and this bid round will test the key policy measures' attractiveness for investors.

The experience gathered in holding the discovered small field bid round will come handy in preparing the most optimal procedure for operationalising HELP, the oil ministry official said.

Once the procedure is ready, companies can submit an initial expression of interest indicating the area which they wish to take up for exploration.

SPOTLIGHT

Economy: Marching Ahead

CEA Subramanian banks on GM pulses to boost production

Subramanian has recommended use of genetically modified pulses to boost production in a report and GM pulses could be all set to be the next big thing.

- Arun Jaitley warns against too many exemptions in GST
- Taxi aggregators, ecommerce companies must register for GST

Most Read | Most Shared | Most Commented

31 Indian institutes in Times World University Rankings, IISc Bangalore highest ranked

Gautam Adani unveils world's largest solar power plant in Tamil Nadu

Basic is passé, fancier rides are in as cos woo new gen bike enthusiasts

Need to destroy 550 tonnes of outdated Maggi stocks: Nestle to SC

Nestle to launch global premium chocolate brands range in India

More »

Following this, the government will put this area up for auction and the highest bidder will be granted the right to explore. Just because someone has first identified the area for exploration will not grant him any special right to obtain exploration license.

His offer in terms of the share in project revenue to the government must exceed other participants' to win the bid. India needs to rapidly ramp up local production to slow its growing dependence on import that meets about 80 per cent of its requirement.

Last year Prime Minister Narendra Modi set a target of cutting the crude oil import dependence to 67 per cent by 2022.

Fuel consumption in the country rose about 7.8 per cent in the first quarter of this fiscal year on higher purchase of cars, increased transportation and cooking gas consumption in an expanding economy.

Indian state firms, led by Oil and Natural Gas BSE 1.35 % Corp, have been purchasing oil and gas assets overseas in search of national energy security but the country still needs to shore up domestic production base to maintain the reliability of supplies.

Help us understand your experience with economictimes.com. Share your feedback here.

DON'T MISS any stories, follow us on Twitter
Follow @ETIndustryNews Follow

READ MORE ON » Oil and Natural Gas | New Exploration Licensing Policy | Natural gas | Hydrocarbon Exploration Licensing Policy | Crude oil

Follow this section for latest news on Oil & Gas

Add your comment here

Get a Quote
Type Company Name Get Quote

Browse Companies
A B C D E F G H I J K L M N O P Q R S T U V W X Y Z | 1 2 3 4 5 6 7 8 9

Browse Mutual Funds
A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Live Market | News | Portfolio | Mobile | Live TV | Newsletter | Commodities | Speed | QnA | Blogs | Alerts | RSS

Other Times Group news sites
Times of India | इकनॉमिक टाइम्स | ಔದ್ಯೋಗಿಕ ಟಯ್ಮ್ಸ | Mumbai Mirror | Times Now | Indiatimes | नवभारत टाइम्स | महाराष्ट्र टाइम्स | ವಿಜಯ ಕರ್ನಾಟಕ | Lifehacker | Gizmodo | Eisamay | IGN India | NavGujarat Samay

Living and entertainment
Timescity | iDiva | Bollywood Zoom | Luxpresso | Online Songs | Travel Guides | Hotel Reviews | Cricbuzz.com | Prepaid Mobile Recharge

Networking
itimes | MensXP.com

Hot on the Web
Gold Rate | US FED RATE HIKE: LIVE UPDATES | SENSEX, NIFTY LIVE | Cauvery Water Dispute | Google launches Allo

Services
Book print ads | Online shopping | Free Business Listings | Matrimonial | Astrology | Jobs | Property | Buy car | Bikes in India | Used Cars | Online Deals | Restaurants in Delhi | Movie Show Timings in Mumbai | Remit to India | Buy Mobiles | Listen Songs | Voice Greetings | Technology News | Augmented Reality | Mobile Recharge | Compare Mobile Phones

About us / Advertise with us / Terms of Use & Grievance Redressal / Privacy Policy / Feedback / Sitemap / Code of Ethics / / Disclaimer Copyright © 2016 Bennett, Coleman & Co. Ltd. All rights reserved.