

Govt to call for bids for oil, gas blocks under Round 1 of open acreage policy on January 16

OUR BUREAU

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The bids for first round of the Open Acreage License Policy will open later this month on January 16, said a statement from the Directorate General of Hydrocarbons.

"India is one of the most exciting E&P destinations of the future. All the global majors, independents, minors, NOCs (National Oil Companies), IOCs (International Oil Companies), domestic companies are invited to participate, and make a difference," the statement added.

The bidding process will be through an e-bidding portal operated by Mjunction Services Ltd operating, a 50:50 venture promoted by Steel Authority of India Ltd and Tata Steel.

In June 2017, the government had liberalised the regime for oil and gas exploration by announcing the Open Acreage Licensing (OAL) process that allows companies to carve their own areas for hydrocarbon hunting.

The new policy had opened up 2.8 million sq km of sedimentary basins for exploration and eventual production. The applications and related bids for the blocks will be held twice a year — in January and July.

Speaking at the unveiling of the National Data Repository, Dharmendra Pradhan, Minister of State (Independent Charge) for Petroleum and Natural Gas, had said, "As much as 52 per cent of India's sedimentary basins are still unappraised and the last seismic data acquisition of the unappraised sedimentary basins was undertaken by the government nearly 25 years ago."

Atanu Chakraborty, Director-General of the Directorate General of Hydrocarbons, had said that the first window for submitting bids under the OAL was from July 1 to November 15.

When asked what the criteria for awarding will be if some acreage gets more than



Oil Minister Dharmendra Pradhan

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one bid, Chakraborty said, "When someone identifies the acreage, a revenue commitment is also submitted for it. The bids will be conducted based on those revenue commitments under the revenue sharing contract."

In a bid to encourage more participation, Prime Minister Narendra Modi had met oil and gas explorers October and assured them that the GST Council will consider their requests for tax rationalisation.

Modi had met top corporate honchos and officials from the sector including Rosneft, BP, Reliance, Saudi Aramco, Exxon Mobil, Royal Dutch Shell, Vedanta, ONGC, Indian Oil Corporation, GAIL, Petronet LNG, Oil India, HPCL, and Delonex Energy on Monday.

The focus of the meeting was to secure India's energy future: increase domestic production - aspiration to reduce imports by 2022; build infrastructure: Greenfield and brownfield refineries, petrochemical plants, pipelines, LNG terminals; secure overseas supply - equity, long-term contracts; and attracting FDI and technical expertise.