

LOK SABHA
UNSTARRED QUESTION NO. 2737
TO BE ANSWERED ON 12.03.2018
Discovered Small Field Policy

2737. SHRI J.J.T. NATTERJEE:
SHRIMATI VASANTHI M.:
DR. P. VENUGOPAL:
SHRI MULLAPPALLY RAMACHANDRAN:
DR. K. GOPAL:
DR. UDIT RAJ:
SHRI OM BIRLA:

पेट्रो लयम एवं प्राकृतिक गैस मंत्री

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

- (a) whether the Government has approved addition of another 60 discovered small fields/un-monetised discoveries relinquished by ONGC and Oil India Limited to be auctioned later this year to various Indian/foreign companies under Discovered Small Fields (DSF) Policy Bid Round II in addition to the first round last year;
- (b) if so, the details thereof along with number of contracts signed so far under DSF Policy with various companies and the revenue likely to be generated from these fields, company/field/State-wise;
- (c) whether the Government has approved 69 marginal fields to be offered under the DSF Policy and if so, the details thereof along with number of such blocks auctioned and revenue generated by the Government so far, company/field/Statewise including Rajasthan;
- (d) whether ONGC Officers Association has objected to sell the company's oil and gas production fields and if so, the details thereof along with the reaction of the Government thereto;
- (e) whether the production at the western offshore Panna/Mukta fields that were privatised in the 1990s and production from other fields such as KG D6 was also falling but ONGC has done well with its ageing fields and if so, the details thereof; and
- (f) the aims, objectives and salient features of the Hydrocarbon Exploration Licensing Policy (HELP) and Open Acreage Licensing Policy?

Answer

पेट्रो लयम एवं प्राकृतिक गैस मंत्रालय में मंत्री
(श्री धर्मेंद्र प्रधान)

MINISTER IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a) to (d) Many of the discovered oil and gas fields of the ONGC and OIL could not be monetized for years due to various reasons such as isolated locations, small size, prohibitive development costs, technological constraints etc. Government brought out various policies for early monetization of discoveries made by National Oil Companies to enhance domestic production. Government had earlier allowed private participation in the Pre-NELP discovered fields round in 1992-1993. With a view to increase domestic production of oil and gas, in September, 2015 the Discovered Small Field Policy was notified for monetization of 69 discovered small fields of ONGC and OIL, which had not been put into production. Under

the Policy 30 contract areas (43 fields) were awarded for development through International Competitive Bidding (ICB). The details are at Annexure-I National oil companies, Indian private companies and foreign companies either alone or in joint venture were eligible to bid for the offered small fields. It has also been decided to extend the Discovered Small Field Policy for future round of bidding. Therefore, 60 fields have been identified for award under DSF Bid Round-II in consultation with ONGC/OIL. These fields have 194.65 Million Tonnes of Oil Equivalent in place reserve of crude oil and natural gas.

(e) The majority of crude oil and natural gas production in the country is from the ageing fields operated by ONGC, OIL and Private/Joint venture companies which are on natural decline of production. The production potential from a field is highly dependent on the reservoir characteristics of the field such as – porosity, permeability, formation pressure, size/location of field, etc. leading to variable rate of production from different oil & gas fields. During the lifecycle of oil and gas production from a reservoir, initially production increases for a certain period of time, then it reaches to plateau production for couple of years, and thereafter, natural decline of oil & gas production is observed. In other words, the production potential of fields varies depending upon the reservoir characteristics of the oil & gas fields and dynamic in nature. The natural decline of production is a common phenomenon in oil & gas production.

Till the year 2012, under various rounds of New Exploration Licensing Policy a total of 254 exploration blocks were awarded for carrying out exploration and production activities. In addition to this, 28 Pre-NELP exploration fields and 28 discovered fields were awarded under various rounds of bidding, which also includes Panna-Mukta discovered fields.

In case of Panna-Mukta field, initial crude oil and natural gas production in 1994-95 was 0.136 MMT and 0.08 BCM respectively. The peak production for Panna-Mukta was attained in 2007-08 with crude oil production of 1.910 MMT and natural gas production of 2.14 BCM. Thereafter natural decline of oil and gas production was observed.

In KG-DWN-98/3, initial crude oil and natural gas production in 2008-09 was 0.129 MMT and 0.08 BCM respectively. The peak production for KG-D6 was in 2010-11 with crude oil production of 1.08 MMT and natural gas production of 20.40 BCM. Thereafter decline of oil and gas production was observed.

ONGC has arrested natural decline of crude oil and natural gas production with application of state-of-art technologies, optimization of facilities, regrouping of structures, hub development etc.

(f) The salient features of new Hydrocarbon Exploration & Licensing Policy (HELP) and Open Acreage Licensing Policy are as follows: -

- Single License for conventional and unconventional Hydrocarbons.
- An Open Acreage Licensing Policy.
- Easy to administer Revenue Sharing Model
- Marketing & pricing freedom for the Crude oil & Natural gas produced.
- Zero royalty rates for deepwater and ultra-deepwater blocks for first seven years.
- Equal weightage to work programme and fiscal share
- No oil cess Custom duty exemption etc.

Annexure-I

To referred in reply of Lok Sabha Unstarred Question No. 2737

Details of awarded 43 fields (30 Contract Areas) through international competitive bidding under Discovered Small Filed Bid Round-2016

S.no	Location	Contract Area Name (New)	Company Name	Status	Field Name	Expected Revenue net of Royalty (INR Crore)
1	Assam	AA/ONDSF/HILARA/2016	Prize Petroleum Company Limited	Awarded	HILARA	24.2
2		AA/ONDSF/LAXMIJAN/2016	Megha engineering and infrastructures limited	Awarded	LAXMIJAN, BIHUBAR	2320.1
3		AA/ONDSF/PATHARIA/2016	Vijayasri bhaskar industries private limited	Awarded	PATHARIA	224.2
4		AA/ONDSF/BARSILLA/2016	Ramayna Ispat Private Limited	Awarded	BARSILLA	1976.8
			BDN Enterprises Pvt Ltd	Awarded		
			Duggar Fiber Pvt Ltd	Awarded		
			Mahendra Infratech Pvt Ltd	Awarded		
5		AA/ONDSF/CHARAIDEO/2016	OILMAX ENERGY PRIVATE LIMITED	Awarded	CHARAIDEO	1937.7
6		AA/ONDSF/DIPLING/2016	Ramayna Ispat Private Limited	Awarded	DIPLING, SAPEKHATI, SAROJINI	6481
			BDN Enterprises Pvt Ltd	Awarded		
			Duggar Fiber Pvt Ltd	Awarded		
			Mahendra Infratech Pvt Ltd	Awarded		
7	AA/ONDSF/DUARMARA/2016	OILMAX ENERGY PRIVATE LIMITED	Awarded	DUARMARA	65.6	
8	AA/ONDSF/JERAIPATHAR/2016	Indian Oil Corporation Ltd	Awarded	JERAIPATHAR	63.1	
9	Arunachal Pradesh	AA/ONDSF/KHEREM/2016	HINDUSTAN OIL EXPLORATION COMPANY LIMITED	Awarded	KHEREM	633
			Oil India Limited	Awarded		
			Prize Petroleum Company Limited	Awarded		
10	Gujarat	CB/ONDSF/ELAO/2016	PFH OIL AND GAS PRIVATE LIMITED	Awarded	ELAO	28.4
11		CB/ONDSF/SOUTH PATAN/2016	South Asia Consultancy FZE	Awarded	SOUTH PATAN	257.6
12		CB/ONDSF/KHAMBEL/2016	Megha engineering and infrastructures	Awarded	KHAMBEL	41

			limited			
13		CB/ONDSF/KAMBOI/2016	NIPPON POWER LTD	Awarded	KAMBOI	76.1
14		CB/ONDSF/WEST BECHRAJI/2016	NIPPON POWER LTD	Awarded	WEST BECHRAJI	433.2
15	Tamil Nadu	CY/ONDSF/NEDUVASAL/2016	GEM LABORATORIES PRIVATE LIMITED	Awarded	NEDUVASAL	251.3
16		CY/ONDSF/KARAIKAL/2016	Bharat PetroResources Limited	Awarded	KARAIKAL	17.6
17	Andhra Pradesh	KG/ONDSF/ACHANTA/2016	PFH OIL AND GAS PRIVATE LIMITED	Awarded	ACHANTA	24.6
18		KG/ONDSF/BHIMANAPALLI/2016	PFH OIL AND GAS PRIVATE LIMITED	Awarded	BHIMANAPALLI	17.9
19		KG/ONDSF/KORAVAKA/2016	KEI-RSOS Petroleum & Energy Pvt Ltd	Awarded	KORAVAKA	121.3
20		KG/ONDSF/SANARUDRAVA RAM/2016	Prize Petroleum Company Limited	Awarded	SANARUDRAVA RAM	14.7
21	Rajasthan	RJ/ONDSF/BAKHRI TIBBA/2016	Bharat PetroResources Limited	Awarded	BAKHRI TIBBA	45.3
22		RJ/ONDSF/SADEWALA/2016	Bharat PetroResources Limited	Awarded	SADEWALA	32.8
23	Madhya Pradesh	VN/ONDSF/NOHTA/2016	Indian Oil Corporation Ltd	Awarded	NOHTA	417.7
24	Mumbai Offshore	MB/OSDSF/B37/2016	Sun Petrochemicals Pvt. Ltd.	Awarded	B37,B-174,B-183,B-51	4288.2
25		MB/OSDSF/B9/2016	Adani Welspun Exploration Ltd.	Awarded	B-9,B-7,BRC	5295.7
26		MB/OSDSF/B15/2016	Bharat PetroResources Limited	Awarded	B-15,B-15A	331.6
27		MB/OSDSF/B127E/2016	Bharat PetroResources Limited	Awarded	B-127E,B-153	1335.9
28		MB/OSDSF/B80/2016	HINDUSTAN OIL EXPLORATION COMPANY LIMITED	Awarded	B-80	1334.4
		Adbhoot Estates Private Limited	Awarded			
29	Kutch Offshore	GK/OSDSF/KD/2016	Indian Oil Corporation Ltd	Awarded	KD	1616.7
30	KG-Offshore	KG/OSDSF/GSKV1/2016	KEI-RSOS Petroleum & Energy Pvt Ltd	Awarded	GS-59, GS-KV-1	789.1