

LOK SABHA
UNSTARRED QUESTION NO. 4695
TO BE ANSWERED ON 31st MARCH, 2022
Licensing of Hydrocarbon Sector

4695. SHRI LAVU SRI KRISHNA DEVARAYALU:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government has evaluated the savings reaped by the exchequer or PSUs under the new Hydrocarbon Exploration and Licensing Policy (HELP) versus the earlier New Exploration Licensing Policy (NELP) for licensing of different hydrocarbons;
- (b) if so, the details thereof;
- (c) the details of new exploration activities undertaken for unconventional hydrocarbon resources during the last five years;
- (d) whether it is true that the bids under the seventh round of Open Acreage Licencing Programme (OALP) has seen low bids and if so, the details thereof;
- (e) the details of the latest seventh round and previous rounds of biddings; and
- (f) whether the Government has taken any steps to increase private participation in the bids invited under OALP and if so the details thereof ?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री रामेश्वर तेली)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI RAMESWAR TELI)

(a) & (b): Government notified Hydrocarbon Exploration and Licensing Policy (HELP) on 30th March 2016, wherein the contractual regime changed to Revenue Sharing Contract (RSC) from Production Sharing Contract (PSC), prevalent under New Exploration Licensing Policy (NELP). The primary objective of the HELP is ease of doing business and operational freedom to Operators, so that the existing Hydrocarbon Resources are explored more effectively, leading to a reduction in import dependence and consequently savings. As commercial production from the blocks awarded under HELP has not yet started, savings/ revenue cannot be assessed.

(c): HELP regime accords a uniform license to investors to explore and extract all hydrocarbon resources - conventional and unconventional including Coal Bed Methane (CBM), Shale Gas/Oil, Tight Gas, Gas Hydrates etc. Various exploration activities have been undertaken for unconventional hydrocarbons in the last five years which interalia includes the following:

(i) Offer of fifteen CBM Blocks under HELP through Special CBM bid round 2021;

(ii) Drilling of thirteen wells by Oil and Natural Gas Corporation (ONGC) in High Pressure (HP) - High Temperature (HT) area. Out of these, two wells drilled in KG Basin were notified as discovery wells;

(iii) Drilling of five exclusive shale gas wells by ONGC in Cambay Basin and Krishna Godavari (KG) Basin.

(d) & (e): Eight blocks were offered under OALP bid Round- VII covering an area of 15766 sq. km. A total of ten bids have been received for these blocks from four Companies. The details of the latest seventh round and previous rounds of biddings under OALP are as under:

OALP Bid Round	Number of Blocks offered	Number of Bids received	Number of Blocks awarded	Exploration Acreage offered
I	55	110	55	59282 sq. km.
II	14	33	14	29233 sq. km.
III	23	42	18	31722 sq. km.
IV	7	7	7	18511 sq km
V	11	12	11	19789 sq. km.
VI	21	24	Yet to be awarded	35346 sq. km.
VII	8	10	Bid evaluation is in progress	15766 sq. km.
Total	105 awarded (29 under award & evaluation)			156580 sq. km. awarded (51112 sq. km. area under award and evaluation process)

(f) : In addition to the HELP policy, Government has taken various steps to increase Private participation in the bids invited under OALP, which interalia include the following:

1. The potential investors have freedom to carve out the blocks as per own choice and submit the proposal as Expression of Interest (EoI). To provide more opportunities, EoI submission cycle has been increased from twice to thrice in a year.
2. Transparent bidding model conducted on e-bidding platform.
3. For blocks in Category II & III Basins, where prospectivity is low, the areas are awarded exclusively based on Work Program which bidder commits to undertake without any Revenue Share to Government. Revenue is to be

shared with Government in case of windfall gain only when revenue exceeds USD 2.5 billion.

4. Much more investor friendly regime under HELP for participation of private players in terms of Ease of Doing Business. Some of the salient features interalia include the following:
 - a. More freedom in operational matters, reducing approvals of Government/Directorate General of Hydrocarbons/Management Committee
 - b. Continuous exploration permitted throughout contract period
 - c. Extension of various timelines are now automatic on payment of fee
 - d. Simplified contract management wherein most of the data can be submitted in standardized formats on self -certification basis.
 - e. Electronic Single Window mechanism for processing approvals.
 - f. Incentives for early monetization.
 - g. Pricing and Marketing freedom for petroleum produced.
 - h. Liberalized terms for transfer/exit from the blocks
 - i. Simplified dispute resolution framework.
