

Management of Indian Hydrocarbon Resources- Beyond New Extension Licensing Policy (NELP)

Dr. Vikas Sharma¹ and Sh. A. K. Biswas²

¹*DGM(Geol), EXCOM Group, ONGC, New Delhi, ongcvikas59@gmail.com*

²*GGM-Head, EXCOM Group, New Delhi*

Indian economy is poised for substantial growth in years to come and energy serves as driving force for any country's economic growth. Oil and gas are critical components of our energy basket and will continue to play an important role in meeting the energy requirements of our country in the foreseeable future until some renewable form of energy becomes viable. Hence, there is an emphasized need for wider and more intensive exploration and production activities including investor's friendly Policy framework.

India has 26 sedimentary basins with an area of 3.14 million square km, out of which 1.35 million sq. Km area is in deep waters and 1.79 million sq. Km area is in onland and shallow offshore. Till late eighties, about 11% of sedimentary area was moderate to well explored and only two National Oil Companies, namely ONGC and OIL were involved in E&P business. India was self sufficient to the extent of 70% of its oil requirement. The demand for HC in the country was growing at the rate of 6.5 to 7 % per annum whereas oil/gas production remained more or less stagnant. This jolted the NOC's strategy to achieve the self- sufficiency.

In order to bridge the yawning gap between overall demand and domestic oil& gas production, as well as, to supplement the efforts of NOCs, GOI opened up the upstream sector for Indian and Foreign private company's participation in 1991-92. A total of 35 blocks were awarded to Pvt. /JV companies. Out of these PSCs were signed for 28 blocks. In these contracts, the participating NOC has been designated as Licensee of the block and the Companies have been exempted to pay statutory levies on crude oil/gas. Further, these contracts have up to 30% walk-in provision for the participating NOC in case of commercial discovery made in the block. HC discoveries have been made in 8 blocks out of which one discovery namely, Mangala is termed as one of the biggest onland discovery after Gandher field in 1983. At present, there are 16 active blocks which are in different stages of exploration/Development-production.