

India's new oil, gas policy to come into play in June

Kolkata. India's reformed oil and gas exploration policy will come into force when the next round of bidding for blocks kicks off in June/July, the sector regulator has announced.

"Parameters of the new policy reforms shall apply from Open Acreage Licensing Policy (OALP) IV onwards," a notification from the Directorate General of Hydrocarbons (DGH) states.

In a significant relaxation of the exploration and production (E&P) policy framework, the Indian government in February this year junked the revenue sharing contract model that had been in play for the last two years, in favour of a new contract model based on various exploration commitments made by successful bidders. This is aimed at wooing foreign E&P majors, which have shied away from bidding for blocks in auctions held so far.

E&P investors will also enjoy complete marketing and production freedom from oil and natural gas blocks secured by them under the reformed policy, announced in February.

Currently, bidding for oil and gas blocks under combined OALP II and III are under way, which include 23 oil blocks and coal blocks for production of coalbed methane. The last date of submission of bids was initially set for April 10, but this has been deferred to May 15. (*mining-weekly.com*)

TREND: REFINING

Last year, bidding for Open Acreage Licensing Policy II had been deferred and clubbed together with the third round. The Directorate General of Hydrocarbons never cited any specific reasons for deferment of the second round, nor for the extension of the last date for submission of bids announced earlier this month.