

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:5081

ANSWERED ON:28.04.2005

NEW EXPLORATION LICENSING POLICY

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

- (a) whether the Government is contemplating to modify the new exploration licensing policy;
- (b) if so, the details thereof;
- (c) whether the Government proposes to start single window facility keeping the investors` convenience in view ;
- (d) whether the Government has received any representation from the investors in this regard;
- (e) if so, the details thereof, and
- (f) the steps taken by the Government in this regard?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b):- The Government of India approved the New Exploration Licensing Policy (NELP) in 1997 and it became effective in 1999, since when licenses for exploration are being awarded through an international competitive bidding system. National Oil Companies are required to compete with Indian and foreign companies to secure Petroleum Exploration Licenses. Four rounds of bidding have so far been completed under NELP. The fifth is underway with bids closing on 31 May 2005. While the overall fiscal and contractual terms under NELP have remained more or less the same, consultations are held with all stakeholders at the end of each round to suggest and incorporate improvements for succeeding rounds. The same process was followed for the fifth round of NELP, announced on 4 January 2005. The fifth round also incorporates some new features which constitute an improvement over earlier rounds. A summary of the improvements made in the Fifth Round may be seen at the Annex.

(c) to (f):- A single window facility is being established in the Ministry of Petroleum & Natural Gas to facilitate investor interaction with the other authorities concerned after the PSC is signed. In order to address problems being faced by the various operating companies from time to time, this Ministry has constituted two Inter-Ministerial Committees (IMC); one under the Chairmanship of Minister (P&NG) and another under the Chairmanship of Secretary (P&NG). The Committee constituted under the Chairmanship of Secretary (P&NG) is, inter-alia, to discuss and facilitate the resolution of issues related to co-ordination between different Government agencies in the matters of clearances for security, environment, defence etc. The IMC set up under the Chairmanship of the Minister is to review matters relating to the expeditious exploration and production of crude oil and natural gas in the country. These Committees are designed to facilitate the resolution of any problem that might be encountered by the investors, expedite various clearances, and monitor the exploration and production activities of operating companies.