

Third round of discovered small field auctions begins



The third round of auctions under the Discovered Small Fields (DSF) regime for [oil and gas](#) blocks was launched on Thursday. Under this bid round, 32 Contract Areas comprising 75 discoveries are on offer. These exploratory fields are spread over 9 sedimentary basins covering an acreage of about 13,685 square kilometres and have a potential of approximately 232 million tonnes.

These [oil and gas](#) discoveries were once made by public sector undertaking oil companies, Oil and Natural Gas Corporation ([ONGC](#)) and Oil India (OIL). But they were eventually relinquished citing unviability. This was either due to their small size or because of the restrictive fiscal regimes under which they were awarded to these company.

There are 19 onshore, 54 shallow water and 2 Deepwater discoveries on offer in this third round. This is the largest number of discoveries on offer in any of the DSF rounds till now.

In the first DSF round, the Centre had offered 46 contract areas spread across 67 fields. There were 25 contract areas covering 59 fields in the second round.

After the first round, 30 contract areas were awarded while 24 were awarded after the second round.

According to Petroleum Minister Dharmendra Pradhan, production from a block awarded in the first round of Discovered Small Field (DSF) auctions is going to start within a week. He said this while speaking at an event to mark the launch of the third round of DSF auction.

According to officials in the know, Pradhan was talking about a CB/ONDSF/ELAO/2016 field in Gujarat. This onshore gas field in the Cambay basin was bagged by Kolkata-based PFH Resources. The company also won two blocks in the Krishna Godavari (KG) basin in Andhra Pradesh during that round.

“The Petroleum Ministry and Directorate General of Hydrocarbons (DGH) should devise innovative ways for early resource monetisation, including expediting production timelines under DSF I & II. We have to work at exponential speed and on a mission-mode to monetise our natural resources,” Pradhan said.

“The focus of DGH and Petroleum Ministry should also expand to monetise idling [oil and gas](#) assets that are with government-controlled companies and the private sector. A policy direction for the same should be readied by the end of this year. There must be concerted efforts to increase domestic [oil and gas](#) output,” he added.

Amongst all blocks awarded in DSF rounds, the DGH has received 29 field development plans till now while 9 are in process of submission.

Another block which in advance stages of production is B80 offshore block awarded during DSF – 1 to a 50:50 joint venture of Hindustan Oil Exploration Company (HOEC) and Adbhoot Estates. It is expected that this block will begin production post monsoon.

Timeline Pointers:

Launch of Bid round – June 10

Online Pre-bid conference – June 30

Bid closing date – August 31

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Discovered Small Field Round	Number of Contract Areas	In place hydrocarbon reserves
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First	46	45 million tonnes
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Second	25	190 million tonnes
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Third	32	232 million tonnes
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(Source: Ministry of Petroleum and Natural Gas)

[Oil and Gas](#)