ONGC News 24.06.2022 Print

ONGC Videsh announces new oil discovery in Colombia

New Delhi: ONGC Videsh Limited (OVL), the wholly owned subsidiary and overseas arm of Oil and Natural Gas Corporation Ltd (ONGC) has made an oil discovery in Urraca-IX, in CPO-5 block, Llanos Basin, Colombia. The well was spudded on 20 April and drilled to target depth of 10,956 feet, encountering 17 feet thick oil-bearing sands. **RITURAJ BARUAH**

AP

Telegraph
ONGC find
Jun 24, 2022 | Kolkata | Pg No.: 6 | | Sq Cm:10 | AVE: 128602 | PR Value: 643010

ONGC find

NEW DELHI: ONGC Videsh Ltd has made an oil discovery in a block in Colombia, the company said on Thursday. PTI

ONGC Videsh announces new oil discovery in Llanos Basin, Colombia

NEW DELHI: ONGC Videsh Ltd, the overseas investment arm of state-owned Oil and Natural Gas Corporation (ONGC), has made an oil discovery in a block in Colombia, the company said on Thursday.

The discovery was made in the recently drilled well, Urraca-1X, in CPO-5 block, Llanos Basin, Colombia, it said in a statement.

The well Urraca-1X was spudded on April 20, 2022, and drilled to a target depth of 10,956 feet, encountering 17 feet thick oil-bearing sands.

The well flowed 600 barrels per day of oil during testing.

"Oil discovery in the Lower Mirador play in this well opens up new areas for further exploration in the northern part of the block," it said.

ONGC Videsh Ltd (OVL) had earlier discovered commercial oil in the Lower Sand pay in Mariposa and Indico fields in the block in 2017 and 2018, respectively, which are currently commercially producing at the rate of 20,000 barrels of oil per day.

Block CPO-5 was awarded to OVL in the 2008 bid round of Colombia. The firm holds 70 per cent participating interest in the block along with operatorship, while the remaining 30 per cent is held by Geopark.

OVL has a significant presence in the oil and gas sector in Colombia, with three other exploratory blocks in the country and joint ownership of the oil-producing company Mansarovar Energy Colombia Ltd (MECL).

"Oil discovery in a new play in the block with the well Urraca-1X reiterates the technical and operational prowess of ONGC Videsh and adds one more feather in its cap towards the extensive Exploration and Drilling campaign in Colombia," the statement added. MPOST

Free Press Journal
OVL makes oil discovery in Colombia
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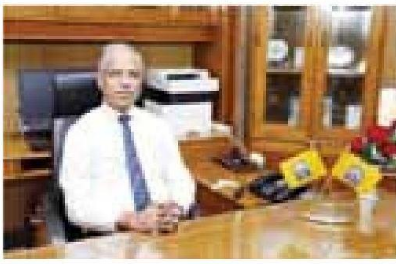
HIRA NAND TAKES OVER AS DIR (FINANCE) OF NFL



Hira Nand has taken over as Director (Finance) of National Fertilizers Limited (NFL). Prior to this, Nand was Executive Director (F&A) in company. Nand is also on the board of NFL's JV Ramagundam Fertilizers and Chemicals Ltd. (RFCL). A cost and management accountant professional with degrees of M.Com, LL.B., Nand has a rich professional experience of more than 30 years in Accounts and Financial Management. He started his career with NFL in 1986 and gained rich experience in various aspects of Financial Management in Company. He has also worked with ONGC Petro additions Ltd. (OPaL), KRIBHCO and Model Economic Township Ltd in various capacities.

HPCL PLANTS MORE THAN 15000 SAPLINGS & TREES TO CELEBRATE AZADI KA AMRIT MAHOTSAV

In a nationwide campaign towards a sustainable greener planet, Maharatna Oil & Gas CPSE, HPCL planted more than 15000 saplings & trees during the iconic week celebrations of Azadi Ka Amrit Mahotsav.

A Nationwide campaign was launched on 5th June 2022, World Environment Day by HPCL. On this occasion, Director Finance & Director HR (addl. Charge), Sh. Rajneesh Narang along with EDs & Senior officials planted saplings at HP Nagar East & West Colonies of Mumbai. The campaign was launched as part of the Iconic week of Department of Public Enterprises, Ministry of Finance, Govt. of India.

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Crude oil diplomacy

India should protect its longer-term interests

The drive by private sector refiners Reliance Industries Ltd (RIL) and Rosneft-owned Nayara Energy to import larger quantities of crude oil from Russia is likely to impact India's diplomatic standing with Western allies and West Asia, currently the country's top suppliers. Last month, Reliance and Nayara accounted for a combined 69 per cent of oil shipments from Russia, making it India's second-largest oil supplier last month, overtaking traditional ally Saudi Arabia, and just behind Iraq. Urals trades at significant discounts to the benchmark Brent, making it a compelling option for refiners in the public and private sectors, with global prices soaring on account of supply dislocations following the Ukraine-Russia crisis. While it is true that import decisions are taken by private sector entities, the government may need to address the question of whether this is a desirable situation for the country.

Prima facie, there is no logical argument against private refiners maximising profitability by sourcing inputs from the cheapest available source, especially when the state-owned oil companies are doing the same. But state-owned refiners' output is sold in the domestic market. The case of the private refiners is far trickier since a significant portion of their production is exported, sometimes to markets that have imposed sanctions on Russia. In the intricate world of geopolitical diplomacy, business case arguments, no matter how cogent, may not always be considered appropriate. The private refiners themselves may well argue that they do not violate any domestic political protocols since India has officially taken a strictly "neutral" position vis-à-vis Russia's invasion of Ukraine in successive votes in the United Nations, partially balanced by some shaded criticism of Russia's failure to explore diplomatic options.

Predictably, India's diplomatic position, taken in view of the Indian military's dependence on Russian matériel and spares, has provoked outspoken discomfiture in the US and the European Union—although a spirited response from the foreign minister succeeded in gaining India a grudging acceptance of its particular interest. These hard-won and nuanced diplomatic gains, however, are liable to weaken if India were to persist with a carte blanche to organisations to import Urals crude. The image of India along with China effectively throwing Vladimir Putin a lifeline as Europe seeks to cut its fossil fuel dependence on Moscow is not a good look globally. Nor does India have China's heft to pull it off.

More to the point, New Delhi could also find itself under pressure from its principal suppliers, Iraq and Saudi Arabia, if it were to persist. Already, the latter felt compelled to cut prices, fearing an erosion in its market share, but it is unlikely to appreciate such ruction in the long run. When added to discomfort in the Islamic world over some recent events, India should do everything in its power to minimise economic tensions. The practical economic imperative to do so will become more compelling when these geographies become bigger suppliers to Europe in the near future. The levers to address this problem lie in the government's control, since commercial crude oil imports require licences and it could utilise this lever to good effect to secure India's longer-term interests.

Business Standard

Crude takes fresh hit as recession angst scars commodities

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STOCKS

Crude takes fresh hit as recession angst scars commodities

ELIZABETH LOW & ALEX LONGLEY

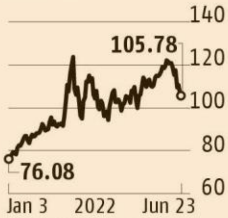
23 June

Oil fell again, along with other key commodities, as concerns over a global economic slowdown intensified, with Federal Reserve (Fed) Chair Jerome Powell warning that a US recession is possible.

West Texas Intermediate sank towards $104 a barrel after closing at a six-week low on Wednesday. The US benchmark has lost more than 15 per cent since June 8 as warnings about the world's economy grow steadily louder, drowning out signs the oil market remains tight.

WTI FUTURES

($/BBL)



Source: *Bloomberg*

Powell said while he didn't see the likelihood of a recession as particularly elevated, it was a possibility. Commodity price rises "clearly" were connected to the war in Ukraine, he said.

Crude's retreat has been accompanied by a renewed liquidity malaise exacerbating market volatility. Open interest across the main futures contracts has fallen to the lowest since 2015 in recent days.

Oil is rapidly giving up its gains in what's been a volatile quarter as investors attempt to gauge the trajectory of the global economy and its impact on raw materials. **BLOOMBERG**

EU LEADERS SET TO GRANT UKRAINE CANDIDATE STATUS

Germany on 'gas alarm', sees long-term supply shortages

ROUBLE HITS 7-YR HIGH | UK PUTS NEW CURBS ON RUSSIA

AGENCIES
23 June

Europe's biggest buyer of Russian gas is bracing for a further drop in supply next month when a key pipeline shuts for maintenance – and fears the link may never return to full capacity.

The Nord Stream pipe, already operating at just 40 per cent of normal levels, will be offline for works on July 11-21, tightening a market that's seen prices soar in recent weeks. That means less gas will be available to pump into storage, jeopardising German efforts to replenish essential stockpiles ahead of winter.

"The interruption of Nord Stream 1 will test the market's ability to continue storing gas" amid much lower Russian flows, said Sebastian Bleschke, head of INES, the association of German storage operators.

While the country's gas inventories are about 58 per cent full – close to the seasonal average – Economy Minister Robert Habeck said the drop in flows through Nord Stream makes it difficult to meet a November target of 90 per cent.

Path to EU candidacy close for Ukraine

Ukraine is set to be accepted as a candidate to join the European Union on Thursday, a move that boosts the country's morale as Russian assaults wear down the defenders of two cities in the eastern Donbas region.

GERMANY'S 3-STAGE EMERGENCY GAS PLAN

Early Warning Phase:

- This stage is triggered when there are 'concrete, serious and reliable indications that an event may occur which is likely to lead to a significant deterioration of the gas supply situation and probably to the alarm or emergency level.' Gas companies continue to ensure supplies, there are no supply disruptions yet
- Gas suppliers advise the government and are part of the crisis team
- The government immediately informs the European Commission about potential further measures

"THE SITUATION IS SERIOUS AND WINTER WILL COME. WE MUST NOT FOOL OURSELVES"

Robert Habeck
German Economy Minister

Alarm Phase:

- This stage is triggered when there 'is a disruption in the gas supply or an exceptionally high demand for gas which leads to a significant deterioration of the gas supply situation, but the market is still able to cope with this disruption or demand without the need to take non-market based measures'
- There are no changes compared with the first phase, but all market players are under more pressure to balance out disruptions

Emergency Phase:

- This stage is triggered when there "is an exceptionally high demand for gas, a significant disruption in gas supplies or another significant supply situation and all relevant market-based measures have been implemented, but gas supply is insufficient to meet the remaining demand so that non-market based measures need to be taken
- State intervention kicks in
- Supply to industry is curtailed first, while households and critical institutions continue to receive gas

Nike walks out of Russia

Nike is making a full exit from Russia three months after suspending its operations there, the US sportswear maker told *Reuters* on Thursday, as the pace of Western companies leaving the country accelerates.

On Thursday, it joined other major Western brands, like McDonald's and Renault, in confirming it will leave the country completely.

Rouble's recovery

The Russian rouble weakened against the dollar on Thursday but hovered not far from seven-year highs, supported by capital controls and the prospect of a favourable upcoming tax payment period as the spectre of a possible default loomed large.

UK slaps more trade sanctions against Russia

Britain introduced a new tranche of trade sanctions against Russia on Thursday, a notice published on the government website said.

The new measures including prohibitions on the export to Russia of a range of goods and technology, the export of jet fuel.

'Govt can meet fiscal deficit target if rising oil prices don't force more excise cuts on fuels'

AGENCIES
New Delhi

The Centre can meet the fiscal deficit target of 6.4 per cent for 2022-23 if there are no excise duty cuts to lower high oil prices and additional spending on subsidies, a German brokerage said on Thursday.

Meeting the budgeted target will be possible if there is no further cut on excise duties, Deutsche Bank's chief economist Kaushik Das said.

The note said that the recent cuts in excise duties, coupled with the higher spending on fertiliser, food and fuel subsidies have led to "upside risks" on the fiscal deficit target.

"...our analysis of the fiscal arithmetic at this juncture suggests that the central government can still potentially hold the FY23 fiscal deficit close to the target of 6.4 per cent of GDP, assuming no further excise duty cuts or/and additional spending on subsidies over and above what has already been announced," it said.

However, it will be a "different story" if crude oil prices rise to over USD 150 per barrel during the course of the year, it said, hinting that the fiscal deficit can expand beyond the targeted levels otherwise.

The brokerage said its house view is for the fiscal deficit number to come at 6.5 per cent of GDP.

The note said the actual revenue collection turned out to be higher than the revised estimates in FY22.

Indian economy to grow by 7-7.8 pc in FY23 despite global headwinds: Experts

PTI ■ NEW DELHI

The Indian economy can grow by 7-7.8 per cent this fiscal on the back of better agriculture production and a revitalised rural economy amid global headwinds mainly due to the ongoing Russia-Ukraine war, eminent economists said.

Eminent economist and BR Ambedkar School of Economics (BASE) Vice-Chancellor NR Bhanumurthy said at present Indian economy is facing multiple headwinds largely from external sources.

Noting that global inflationary pressures and the Russia-Ukraine war have brought in risks to the economy, which is otherwise strong with all the domestic macro fundamentals being well managed, he said unlike advanced economies, India's Covid stimulus measures, especially the fiscal policy interventions, are less inflationary and rather growth-enhancing.

"With better agricultural production and revitalised rural economy India should touch 7 per cent growth in the current year despite global headwinds," Bhanumurthy told PTI. Echoing similar views, eminent economist and Institute for Studies in Industrial Development (ISID) director Nagesh Kumar said the high-frequency indicators point to a robust growth momentum carrying through 2022-23 with a real GDP growth somewhere between 7-7.8 per cent.

French economist Guy Sorman said India could be severely impacted by the high cost of energy and fertiliser imports. "However, because India is still, largely an agricultural economy, the social impact of slower growth will be tempered by city workers going back to their village.

"This could increase agricultural production and grain exports," Sorman added.The World Bank has cut India's economic growth forecast for the current fiscal to 7.5 per cent as rising inflation, supply chain disruptions, and geopolitical tensions taper recovery.

India's economy grew 8.7 per cent in the last fiscal (2021-22) against a 6.6 per cent contraction in the previous year. In its third monetary policy of 2022-23, the Reserve Bank retained its GDP growth forecast at 7.2 per cent for the current fiscal, but cautioned against negative spillovers of geopolitical tensions and a slowdown in the global economy.

On high inflation, Bhanumurthy said, CPI inflation peaked in March 2022 and a large part of the CPI inflation in the last three months is driven by fuel prices.

"Delayed transmission of domestic fuel prices and rise in global fuel and other commodity prices appears to have led to a sudden spurt in CPI inflation," he said, adding that recent policy measures, such as reduction in fuel taxes and hike in policy interest rates, should smoothen inflation and inflation expectations in the coming quarters.

Kumar noted that the global headwinds of rising commodity prices do pose downside risks for the Indian economic outlook as the CPI levels are elevated.

"Yet, I do not think that India is heading towards stagflation, given that the growth momentum seems quite robust," Kumar argued.

India's import of Russian crude oil jumps 50 times to 10% of all import

OUR CORRESPONDENT

Last month, Russia overtook Saudi Arabia to become India's second-biggest supplier of oil behind Iraq as refiners snapped up Russian crude available at a deep discount following the war in Ukraine

NEW DELHI: India's crude oil imports from Russia have jumped over 50 times since April and now make up for 10 per cent of all crude bought from overseas, a senior government official said on Thursday.

Russian oil made up for just 0.2 per cent of all oil imported by India prior to the Ukraine war.

"Russia oil now makes up 10 per cent of India's oil import basket in April. It is now among the top 10 suppliers," the official told reporters here.

As much as 40 per cent of the Russian oil has been bought by private refiners - Reliance Industries and Rosneft-backed Nayara Energy.

Last month, Russia overtook Saudi Arabia to become India's second-biggest supplier of oil behind Iraq as refiners snapped up Russian crude available at a deep discount following the war in Ukraine.

Indian refiners bought about 25 million barrels of Russian oil in May.

Russian-origin crude accounted for 10 per cent of India's total seaborne imports in April for the first time, rising from 0.2 per cent throughout 2021 and Q1 2022.

India, the world's third-biggest oil-importing and consuming nation, has long defended purchases of crude oil from Russia following President Vladimir Putin ordering the invasion of Ukraine.

The Oil Ministry had last month stated that "energy purchases from Russia remain minuscule in comparison to India's total consumption."

Iraq remained the top supplier to India in May and Saudi Arabia is now the third biggest supplier.

India has taken advantage of discounted prices to ramp up oil imports from Russia at a time when global energy prices have been rising.

After the US and China, India is the world's third-largest consumer of oil, over 85 per cent of which is imported.

Following its invasion of Ukraine, there are now fewer buyers for Russia's Ural crude oil, with some foreign governments and companies deciding to shun Russian energy exports, and its price has fallen. Indian refiners have taken advantage of this and bought Russian crude oil at discount as high as $30 per barrel.

Free Press Journal
India's oil imports from Russia up 50 times
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GROWS FROM 0.2 TO 10 PER CENT

India's oil imports from Russia up 50 times

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OIL INDIA LIMITED

Oil India Ltd.conducted the Foundation Stone Laying ceremony with an unveiling of a plaque for construction of its Guwahati Office and Skill Development Institute at Bamunimaidan, Guwahati. Dr Himanta Biswa Sarma, CM of Assam laid the Foundation Stone and unveiled the plaque in presence of Rameshwar Teli, Minister of State for Petroleum and Natural Gas and Labour and Employment, Government of India, and the Board of Directors of Oil India limited. The plot of land where the construction of the buildings will be done was allotted to Oil India Ltd. by the Government of Assam through a long-term lease. The process for setting up a Guwahati Office of Oil India Limited and Skill Development Institute has started in right earnest and preconstruction activities have been completed to a large extent.

GAIL to venture into gas liquefaction retail sales

Mumbai, June 23:

Indian gas firm GAIL (India) Ltd plans to liquefy natural gas for easy transportation and sale in areas that are not connected with the pipeline grid, helping the nation boost use of the cleaner fuel.

Prime Minister Narendra Modi wants to raise the share of cleaner fuel in the country's energy mix to 15% by 2030 from the current 6.2 per cent as India aims for net zero carbon by 2070. To meet that objective companies are investing billions of dollars to build gas infrastructure including liquefied natural gas (LNG) import terminals, pipelines and setting up LNG fuelling stations. GAIL will be setting up portable liquefaction units on a pilot basis at two sites for liquefaction of natural gas, the company said in a statement on Wednesday.

"It will be first of its kind in the country to introduce portable and scalable liquefaction units," it said.

It is easy to transport gas in a liquid form to areas where the pipeline network is not developed. Easy transportation of gas will also aid in setting up LNG fuelling stations and bunkering in the country. Indian companies are setting up 50 LNG fuelling stations along a 6,000-km network of highways linking the four main metropolitan areas. The country plans to raise the number to 1,000 in the next few years.

GAIL CELEBRATES INTERNATIONAL YOGA DAY

GAIL (India) Limited celebrated International Yoga Day through a series of activities encouraging everyone to adopt Yoga , a part of our ancient Indian heritage, in their daily routine. Yoga is India's gift to humanity; it is a holistic approach to health and well-being, balancing the mind, body and soul. The theme of this year's Yoga Day celebrations is 'Yoga for Humanity'. Around 25 crore people across the world are expected to take part in various events, doing yoga in unison towards better health and wellness for all. GAIL employees pledged to make Yoga an integral part of their lives for a better and calmer future. A digital engagement activity was carried out among employees who shared pictures practicing Yoga. GAIL also promoted the International Yoga Day related contents through posts and links on social media and its website.

GECL to start shale exploration programme.

GECL executes amendment in PML

Integrated coal bed methane (CBM) company, Great Eastern Energy Corporation Limited (GECL) on Thursday announced that it has executed an amendment to its Petroleum Mining Lease (PML) and will now progress with its shale exploration program.

Prashant Modi, managing director & CEO of Great Eastern, said, "We are thrilled to achieve this significant milestone by executing an amendment to our PML and will now commence our Shale Programme. Given the large potential Shale Gas resource in our Raniganj (South) block of up to 6.63 TCF of original gas in place, it provides an exciting and excellent growth opportunity for the Company."

The GAIL pipeline installation is progressing well and offers the Company an ability to deliver additional future production volumes to new customers and markets and, coupled with the increasing demand for natural gas both in India and globally and the Shale Programme, all provide support for the overall growth strategy and vision of the company.

STAFF WRITER