Millennium Post, Delhi, 22/09/2025

Page No: 12, Size: 44.85cm × 12.65cm

ONGC and OIL aim to launch ₹3,200 cr stratigraphic drilling campaign next year

Stratigraphic drilling is a type of exploratory drilling aimed at studying underground geological formations rather than producing oil or gas

NEW DELHI: State-run oil explorers ONGC and Oil India Ltd are planning to begin a Rs 3,200 crore stratigraphic drilling campaign in untapped offshore areas early next year, as part of efforts to discover new hydrocarbon reserves and cut reliance on imports, officials said.

In the first phase, four wells will be drilled in deepsea of Andaman, Mahanadi, Saurashtra and Bengal sedimentary basins.

Global energy giant BP will provide technical expertise in identifying the locations as well as drilling, officials said.

Stratigraphic drilling - also known as a stratigraphic test well - is a type of exploratory drilling aimed at studying underground geological formations rather than producing oil or gas.

These wells are drilled to gather data on subsurface layers through continuous coring, petrophysical logging, and seismic data integration.

The objective is to build a detailed geological profile to support future hydrocarbon exploration, without any immediate intent to extract resources.

This will help reach a decision if the area holds hydrocarbon resources that could be commercially produced.

"ONGC has stated that they have a rig and we hope to start drilling sometime in early 2026," an official involved in the process said.

The government has agreed to compensate Oil and Natural Gas Corporation (ONGC) and Oil India Ltd (OIL) for the cost of the stratigraphic drilling campaign.

The Rs 3,200 crore estimated cost also includes a fee to be paid to BP for its services, officials said.

Closer Look

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- The government has agreed to compensate ONGC and OIL for the cost of the stratigraphic drilling campaign

"The blocks (or areas) where the stratigraphic drilling is to take place is currently owned by the government and it alone will decide how any discovery has to be monetised - either through auctioning the area or giving it to a company or a consortium on a nomination basis," another official said.

It is unclear if BP would like to be part of the monetisation. "It is entirely possible that they demand a first right of refusal (ROFR) in any development - getting a predefined percentage of stake in any consortium that monetises a discovery. But nothing has been conveyed so far," the official said.

India imports almost 88 per cent of its oil needs and about half of its natural gas requirement. The government is keen to cut this $150 billion import bill by raising domestic production.

One way of doing this is to find newer resources and the stratigraphic drilling is a step in that direction.

In a major step towards energy security, the government has reduced 'no-go' zones - areas previously restricted due to strategic interests like defence and space programmes - by 99 per cent, unlocking over 1 million square kilometres of India's Exclusive Economic Zone (EEZ) for oil and gas exploration.

To make deepsea exploration viable, the government has refined gas pricing formulas, allowing higher rates for resources produced from difficult areas.

In a bid to attract international exploration interest, India launched a Data Centre at the University of Houston in 2022 to showcase its sedimentary basin data. At the same time, the National Data Repository (NDR) was upgraded to a cloud-based platform, enabling seamless, self-service access to exploration data.

Global energy giants like ExxonMobil and Chevron have since acquired Indian basin data, reflecting renewed confidence in the country's exploration and production (E&P) potential.

PTI

Mint, Delhi, 22/09/2025
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Crude conspiracy: China's oil spree might have hidden aims

Low prices are the simplest explanation but realpolitik is likelier

JAVIER BLAS
is a Bloomberg Opinion columnist covering energy and commodities.

China will probably continue stockpiling crude oil in 2026. REUTERS

The big question troubling the global energy market now is why China is stockpiling so much oil. Occam's razor recommends searching for the simplest explanation. So perhaps the answer is as straightforward as 'because it's cheap.' Still, the conspiracy theorist in me says there's more to it.

China has purchased more than 150 million barrels—costing about $10 billion at current prices—above its actual use so far this year. For a country that buys more electric vehicles (EVs) than any other, that demands dissection.

The stockpiling was exceptionally high during the second quarter, when the International Energy Agency (IEA) estimates that China absorbed over 90% of the global stockpiling we can measure. That has helped support prices this year, and with the oil market forecast to move into a huge surplus, whether or not China continues its buying spree—and if so, for how long—is crucial for 2026.

Here, we should admit what we do not know. At the annual Asia-Pacific Petroleum Conference last week in Singapore, oil traders agreed only that China has the capacity to store more crude. Beyond that, "nobody has a crystal ball about the duration of Chinese buying for its strategic storage," Ilia Bouchouev, a former oil trader and now a senior research fellow at the Oxford Institute for Energy Studies, recently said. Be sceptical of anyone who claims to know what the Chinese Communist Party plans. Instead, I'll offer some educated guesses about the factors at play. Importantly, Chinese policy is multi-dimensional, so several considerations are probably intertwined.

Let's start with the simple explanations:

First, opportunistic buying. Chinese commodity officials have demonstrated they are canny traders (look at their copper purchases, for example) with a very long-term view. And oil is cheap. In real terms, adjusted by the cumulative impact of inflation, West Texas Intermediate crude has been changing hands at about the same price as 20 years ago.

Second, the opportunity is moot if one lacks the capacity. For China, the timing was right: Lots of storage has come online recently, and plenty more is available for 2026. Even now, about half of China's tanks and caverns are empty, according to market estimates.

Third, China has introduced new rules that have effectively added to the storage needs. An energy law enacted on 1 January codifies for the first time strategic storage as a legal requirement for state-owned and private companies. Effectively, the state is sharing the responsibility of stockpiling with the commercial sector, setting the legal foundation for an increase in total oil inventories. That legal change isn't often discussed, but, anecdotally, it appears to have played a major role in the purchases.

Until here, William of Ockham, the 14th century Franciscan friar who made a mark on the scholarship of reasoning, would probably be proud. Those three explanations are straightforward. All of them are probably true. But, very likely, there's more to it, including a bit of realpolitik, if not conspiracy theory.

Fourth, China has understood that it needs to boost its oil security in a world where the US is wielding sanctions and tariffs willy-nilly. Today, China buys 20% of its oil from countries under US sanctions—chiefly Iran, Russia and Venezuela. None can guarantee that the US would not be able to, at the very least, hinder that flow in the future. Building more stocks is only prudent. The only question is what's enough: Currently, China has inventories equal to 110 days of consumption. If the grapevine in Singapore is right, that could be extended to 140 to 180 days by 2026.

Fifth, does China fear an interruption in supply beyond US and European sanctions? Oil traders who traffic in intrigue utter only one word: Taiwan. For a significant minority in the oil market, the supplemental buying makes sense if Beijing is preparing for military conflict. In this view, the simplest explanation for its crude stockpiling is that it's gearing up for conflict. For them, Occam's razor marries easily with conspiracy.

Sixth, China may see oil as an alternative to US Treasuries, a way to reduce its exposure to US assets. Putting, say, $10 billion in 2025 in crude, and perhaps as much again in 2026, is a way to diversify its foreign reserves. After all, Beijing is also buying gold and investing in non-dollar assets.

Put it all together, and it's difficult to avoid a conclusion: China will probably continue stockpiling oil in 2026 for commercial and strategic reasons, mopping up part of the expected global surplus. Whether one adheres to the Occam's razor or elaborate guesswork, Beijing has good reasons to store more oil. ©BLOOMBERG

Economic Times, Delhi, 22/09/2025
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CALLS FOR STRONGER SANCTIONS

Trump Renews Pressure on EU to Stop Russian Oil Imports

Washington: President Donald Trump renewed his call for European nations to "stop buying oil" from Russia, linking the demand to US efforts to pressure President Vladimir Putin to end the war in Ukraine.

"The Europeans are buying oil from Russia — not supposed to happen, right?" Trump said Saturday at a dinner in Mount Vernon, Virginia.

Trump has repeatedly criticized Europe over Russian energy purchases. After meeting UK Prime Minister Keir Starmer on Thursday, he said he's willing to intensify economic pressure on Moscow, "but not when the people that I'm fighting for are buying oil from Russia."

Most European countries halted direct Russian oil purchases after Moscow's 2022 invasion, but small volumes still flow to Eastern Europe. Europe also imports diesel from India and Turkey, where Russian crude is refined.

The EU has banned imports of refined products from Russian crude starting next year and is weighing restrictions on Russian liquefied natural gas from 2027. Nearly all EU states have ended seaborne and pipeline imports, with Hungary and Slovakia — reliant on the Druzhba pipeline — the main exceptions. Brussels is considering trade measures if they don't phase out purchases, Bloomberg reported.

These remaining imports account for about 3% of EU crude, down from 27% before the war, according to European Commission data.

On Saturday, Trump suggested Matt Whitaker, US ambassador to NATO, press Europe harder. "They have to stop buying oil from Russia, Matt," he said. "Matt won't let it happen much longer."

With no resolution to the war in sight, Trump expressed frustration with Putin, saying he was "very disappointed." He argued the conflict would end if Russian oil revenues were squeezed "a little bit more." **Bloomberg**

ONGC, OIL to begin new campaign in '26

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ONGC, OIL aim to launch ₹3,200 crore drilling campaign

PRESS TRUST OF INDIA
New Delhi, September 21

STATE-RUN OIL explorers ONGC and Oil India are planning to begin a ₹3,200 crore stratigraphic drilling campaign in untapped offshore areas early next year, as part of efforts to discover new hydrocarbon reserves and cut reliance on imports, officials said.

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Economic Times, Delhi, 22/09/2025
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ONGC, Oil India to Launch ₹3,200cr Offshore Drilling Campaign

New Delhi: State-run oil explorers ONGC and Oil India Ltd are planning to begin a ₹3,200 crore stratigraphic drilling campaign in untapped offshore areas early next year, as part of efforts to discover new hydrocarbon reserves and cut reliance on imports, officials said.

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Global energy giant BP will provide technical expertise in identifying the locations as well as drilling, officials said. **PTI**

Maharashtra Times, Mumbai, 22/09/2025
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Discovery of new hydrocarbon reserves

नवीन हायड्रोकार्बन साठ्यांचा शोध

नवी दिल्ली : 'ओएनजीसी' आणि ऑइल इंडिया लिमिटेड (ओआयएल) या सरकारी कंपन्या पुढील वर्षाच्या सुरुवातीला न वापरलेल्या ऑफशोअर भागात ३,२०० कोटी रुपयांची स्ट्रॅटिग्राफिक ड्रिलिंग मोहीम सुरू करण्याची योजना आखत आहेत. नवीन हायड्रोकार्बन साठे शोधण्यासाठी आणि आयातीवरील अवलंबित्व कमी करण्याचा प्रयत्न म्हणून ही योजना आखली जात आहे.

पहिल्या टप्प्यात, अंदमान, महानदी, सौराष्ट्र आणि बंगालच्या खोल समुद्रातील गाळाच्या खोऱ्यात चार विहिरी खोदल्या जातील. जागतिक ऊर्जा क्षेत्रातील दिग्गज असलेली भारत पेट्रोलियम ही कंपनी ठिकाणे ओळखण्यासाठी तसेच खोदकाम करण्यासाठी तांत्रिक कौशल्य पुरवणार आहे, असे अधिकाऱ्यांनी सांगितले. स्ट्रॅटिग्राफिक ड्रिलिंगचा (स्ट्रॅटिग्राफिक चाचणी विहीर) उद्देश तेल किंवा वायू उत्पादन करण्याऐवजी भूगर्भीय रचनांचा अभ्यास करणे हा आहे.