

In support of marginal crude well policy



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Amid an aroused brouhaha [over](#) the government's move to hand [over](#) 69 oil wells to private companies in Assam, a section of economists have thrown their weights behind the decision.

Talking to Assam Times noted economics Gautom Prasad Baroowah said," to extract crude for marginal field well is expensive. The government would spend huge money from tax payers fund. The rate of return could be minimal."

According to Baruah, "instead of incurring huge expenses government can allocate these source of marginal crude well to private party and earn huge money and reinvest it for development of new fields and earn better profit."

Baroowah observed that vigilance is the [price](#) of liberty. Reinvestment must be proper, transparent and efficient.

The Union cabinet recently gave its approval to the Marginal Fields Policy, for development of hydrocarbon discoveries made by national oil companies; Oil & Natural Gas Corporation Ltd. (ONGC) and Oil India Ltd. (OIL). These discoveries could not be monetized for many years due to various reasons such [as](#) isolated locations, small size of reserves, high development costs, technological constraints, fiscal regime etc.

Under the new [policy](#), 69 oil fields which have been held by ONGC and OIL for many years, but have not been exploited, will be opened for competitive bidding. Under this [policy](#), exploration companies will be able to submit bids for exploiting these oil fields. These oil fields have not been developed earlier [as](#) they were considered [as](#) marginal fields, and hence were of lower priority.

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