

Cabinet approves Exploration and Exploitation of Coal Bed Methane (CBM) from areas under Coal Mining Lease allotted to Coal India Limited (CIL) and its Subsidiaries

Cabinet Committee on Economic Affairs (CCEA)

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The Cabinet Committee on Economic Affairs chaired by the Prime Minister, Shri Narendra Modi today gave its approval for issuing a notification amending clause 3(xiii) of the notification dated 03.11.2015 issued by the Ministry of Petroleum & Natural gas under Section 12 of the Oil Fields (Regulation and Development) Act, 1948 (ORD Act, 1948).

Due to this amendment relaxation is granted under the Petroleum & Natural Gas Rules 1959 (PNG Rules, 1959), to Coal India Limited (CIL) and its subsidiaries for not applying for grant of license/lease under the PNG Rules, 1959 for extraction of Coal Bed Methane (CBM) under their Coal Bearing Areas.

Impact:

The decision is in line with the Government's initiatives of 'Ease of Doing Business'. It will expedite the exploration and exploitation of CBM, enhance the availability of natural gas and reduce the gap in demand and supply of natural gas. The increased development activities for exploration and exploitation of CBM gas reserves in-and-around the block will generate economic activities which in turn has potential to create employment opportunities in CBM operations and in the industries.

Background:

Government of India has earlier issued a notification on 03.11.2015 granting rights to CIL and its subsidiaries for exploration and exploitation of CBM from all coal bearing areas for which they possess mining lease for coal. Clause 3(vi) of the Notification provides that the "Lessee shall submit application under the P&NG Rules 1959 for grant of Mining Lease (ML) for CBM to MoP&NG along with detailed recommendations of Central Mine Planning & Design Institute Limited (CMPDIL)."

AKT/VBA/SH

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