

Integrated Services Hub for Exploration and Production Industry: An Indian Narrative

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Abstract : India is at the cusp of major reforms in the hydrocarbon sector. Oil and gas sector is highly liberalised to attract private investment and to increase domestic production. Major hydrocarbon Exploration & Production (E&P) activity here have been undertaken by Government owned companies but with easing up and reworking of hydro carbon exploration licensing policies private players have also joined the fray towards achieving energy security for India. Government of India has come up with policy and administrative reforms including Hydrocarbon Exploration and Licensing Policy (HELP), Sagarmala (port-led development with coastal connectivity), and Development of Small Discovered Fields, etc. with the intention to make industry friendly conditions for investment, ease of doing business and reduce gestation period. To harness the potential resources of Deep water and Ultra deep water, High Pressure - High Temperature (HP-HT) regions, Coal Bed Methane (CBM), Shale Hydrocarbons besides Gas Hydrates, participation shall be required from both domestic and international players. Companies engaged in E&P activities in India have traditionally been managing through their captive supply base, but with crude prices under hammer, the need is being felt to outsource non-core activities. This necessitates establishment of a robust support services to cater to E&P Industry, which is currently non-existent to meet the bourgeon challenges. This paper outlines an agenda for creating an Integrated Services Hub (ISH) under Special Economic Zone (SEZ) to facilitate complete gamut of non-core support activities of E&P industry. This responsive and proficient multi-usage facility becomes viable with better resource utilization, economies of scale to offer cost effective services. The concept envisages companies to bring-in their core technical expertise leaving complete hardware peripherals outsourced to this ISH. The Integrated Services Hub, complying with the best in class global standards, shall typically provide following Services under Single Window Solution, but not limited to: a) Logistics including supply base operations, transport of manpower and material, helicopters, offshore supply vessels, warehousing, inventory management, sourcing and procurement activities, international freight forwarding, domestic trucking, customs clearance service etc. b) Trained/Experienced pool of competent Manpower (Technical, Security etc.) will be available for engagement by companies on either short or long term basis depending upon the requirements with provisions of meeting any training requirements. c) Specialized Services through tie-up with global best companies for Crisis Management, Mud/Cement, Fishing, Floating Dry-dock besides provision of Workshop, Repair and Testing facilities, etc. d) Tools and Tackles including drill strings, etc. A pre-established Integrated Services Hub shall facilitate an early start-up of activities with substantial savings in time lines. This model can be replicated at other parts of the world to expedite E&P activities.

Keywords : integrated service hub, India, oil gas, offshore supply base

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