

Romania: Gazprom NIS Petrol, MOL Panfora environment & community challenges in gas concessions

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NIS Petrol, Romanian subsidiary of Serbia NIS oil company controlled by Gazprom, request the extension of its concession in Timis county. The NGOs claim NIS Petrol exploits the shale gas in this area. Earlier Gazprom NIS Petrol and MOL Panfora had issues with local communities which claimed companies will exploit shale gas through hydraulic fracturing.

Irish oil and gas company Moesia Oil and Gas and NIS Petrol, the Romanian subsidiary of the Serbian company controlled by Gazpromneft the division oil giant Russian Gazprom have asked the National Agency for Mineral Resources (NAMR) to extend for year and a half the concession for hydrocarbon exploration perimeter Crai Nou Timis county, located near the border with Serbia and leased in equal proportions by the two companies.

Moesia Oil and Gas operator has the status of the concession through its subsidiary Moesia Romanian Exploration (Crai Nou) SRL.

"In support of the request for extension of the exploration period of 18 months, concessionaires explained the need for rectification and correction due to delays which affected the realizatoion of petroleum operations, due to circumstances which have not been attributed and which were not reasonably foreseeable," it reads a document of NAMR.

According to NAMR, the request for an extension of the exploration period by two companies included explanation on the level of complexity of geological perimeter which is higher than initial estimates, incorrect and incomplete from the first seismic surveys conducted on the concession, also incomplete list of probes provided by the authorities in the tenth round of auctions of oil perimeters of NAMR, held in 2010.

This situation is likely lead to inappropriate choice of a targets for a location of future drilling, due to errors in definition and interpretation of the structure, which needs to be properly fixed so that potential gas remained in the area to be corrected and complete rated "the document said.

Concession holders propose additional program works on the perimeter, which consists of additional geological and geophysical studies and new data integration with existing database and reinterpretation of all information. The total cost of the additional work is valued at \$ 200,000.

In the document, NAMR further states that approval of the request for extending the 18-month exploration period perimeter Crai Nou "will enable further steps to obtain the permits and licenses required to carry out remaining and the inclusion of an additional

program of works which will give the holder the opportunity to conduct a full analysis of the data collected and provide the most accurate interpretation of these data, to increase the chances of identifying a commercial deposit. "

Perimeter gas Crai Nou Timis was leased from the Irish Moesia Oil and Gas in 2011, following the tender conducted in 2010. In 2012, the company transferred 50% of the rights to its local subsidiary Moesia Exploration (Crai Nou) Ltd, the remainder being taken NIS Petrol SRL, a Romanian subsidiary of Serbian company controlled by Gazpromneft, the oil arm of Russian giant Gazprom.

NAMR noted that neither the tender submitted in 2010, nor in the concession agreement signed in 2011 "did not included specifications on the potential of shale gas in this area .

Last fall, NIS Petrol asked NAMR extension for 3-year exploration period of three hydrocarbon perimeters in western Romania (Peri Biled and Baile Felix), due to delays caused by the refusal of landowners on the perimeters to allow for seismic prospecting on their properties because of concerns that NIS aims to exploit shale gas through hydraulic fracturing.

For the same reason, Panfora Oil and Gas, owned by Hungarian group MOL did everything similar with their request to NAMR with its perimeter Curtici Arad County. The application Panfora specified that in 2013 , two consulting agreements for public affairs and a service contract for public relations were signed to unblock the situation created by the protests of the large scale and refusal of local communities which blocked the owners of the concession and its subcontractors to realize seismic prospecting on their land , protests amplified by the negative reaction of the media and the actions of NGOs for environmental protection, transmits Serbia-energy.eu