

Serbia mining: New mining law gives concessionaries extended exploration area up to 5000m² for oil & gas

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By urgent procedure, the Ministry of Mining and Energy is preparing Draft Amendments to the Law on Mining and Geological Exploration by which the maximum oil and gas exploration area will amount to 5000 square kilometers, which is five times more than in other countries.

The Article 36 of the future Law reads: “The exploration area for carrying out geological explorations of mineral and other geological resources may amount to not more than 100 square kilometers, except for oil and natural gas explorations, in which case it amounts to not more than 5000 square kilometers.”

Not Like This in EU

Everywhere in the world, the exploration area is not more than 1000 square kilometers, and it is only in our country that this is going to be 5000 on land. Why five times more than in other countries? This means that one company is controlling the entire area. In the Ministry, they claim that the law is amended by urgent procedure for the purpose of bringing it into conformity with the EU legislation. This story does not hold water because, in Romania, the oil and gas exploration area is not more than 1000 square kilometers - Aca Udički, Chairman of the Council for Energy and Mineral Resources of the League of Social Democrats of Vojvodina (LSV), says in his interview to Kurir.

Drill as Deep as You Like

He explains that the Law does not envisage an exploration limit in terms of depth either, which is the case in the countries that possess oil and gas deposits, such as Russia, Azerbaijan and Qatar.

Worldwide, the exploration territory is divided in terms of the area and the depth, so that several different companies could gain the right to explore. It can happen that a company does not have the technology, and they are holding a monopoly and not allowing someone else who has the technology to enter and carry out explorations at a greater depth. If there are 86 000 square kilometers in Serbia, they should be divided in 86 exploration areas and

they should also be divided in terms of depth. In this way, instead of being given to the state, a monopoly is given to a company which has six exploration areas - Udički explains. We have not obtained answers to the questions regarding this topic from the Ministry.

What Experts Say

Marinko Toljić, the professor of Geological Mapping and Tectonics at the Faculty of Mining and Geology, says that the exploration area of 5000 square kilometers is not so controversial if the number of concessions is limited:

“We should see how much space that has some exploration potential is left. However, the number of concessions that a company can obtain should be limited so as to prevent the creation of a monopoly. It is sufficient that there are five to six major companies in the game, possessing enough funds, equipment and professional staff for geological explorations.