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Tamil Nadu passes law, no fresh nod for oil exploration in Cauvery Delta region

The Cauvery Delta region is considered to be the rice bowl of Tamil Nadu. It also accounts for a large part of the production of foodgrain and other agricultural produce in the state. Earlier this month, Palaniswami had promised a special law to put into effect his announcement that the Cauvery Delta region will be converted into a Protected Special Agricultural Zone.

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CHENNAI: Existing oil wells operating in the Cauvery Delta can continue operations but there will be no more fresh allocations as a new law passed in the Tamil Nadu Assembly protects five districts in the Cauvery Delta from natural resource mining that may harm farming.

The Tamil Nadu Protected Agricultural Zone Development Act 2020 was passed in the Assembly on Thursday even as the DMK staged a walkout. It calls for the prohibition of drilling and extraction of oil and natural gas, including coal-bed methane, shale gas and

other similar hydrocarbons, in addition to seven other projects such as zinc, copper and aluminium smelters, tanneries, ship breaking to name a few.

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The legislation that was passed in Assembly, however, has mentions of only five districts — Thanjavur, Tiruvarur, Nagapattinam, some blocks of Cuddalore and Pudukkottai — giving Ariyalur and Tiruchirappalli, and Karur a miss. Further, the law goes on to say that the government may, by notification, add or omit any area in this list of districts or even the prohibited projects on the list if required.

"The Bill seeks to establish a high-powered authority to advise the government on various measures to protect and improve farming activities to increase farm production and farm productivity to serve the interest of farmers," R Doraikkannu, Tamil Nadu's Minister for Agriculture, said.

According to documents from the ministry, 28 petroleum mining licences rolled over in 2019, covering an onland acreage of 3,516 sq km. The government has also issued 10 exploration and mining licences to private companies.

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exploration and mining licences to private and joint venture players covering over 410 sq km.



"It is definitely a welcome move as it could set a precedent to declare more such pockets as protected agricultural land," said Arun Krishnamurthy, founder of the Environmentalist Foundation of India (EFI).

"There is no mention of the shutting down of existing projects though and what the limitation is going to be for the existing exploration. Questions also arise about how feasible declaring this as a completely agrarian belt is given that we are an energy hungry country."

Last year, Vedanta had won several allocations in the Cauvery basin. According to a Vedanta executive, it was in the process of securing approvals and it does not have any current operations in the Cauvery basin. "We will, surely, comply with the laws of the land," said the Vedanta executive.

"The oil and gas production is already under some degree of pressure with domestic production declining continuously since FY12. Disbarring of hydrocarbon exploration in the Cauvery delta belt will impact the country of the existing 5.5% of Category I basins which have contributed to ~1% and ~3% of the oil and natural gas production," said Urvisha Jagasheth, research analyst at CARE Ratings.

Read more on Palaniswami Oil Exploration Dmk Tamil Nadu Cauvery Delta Region ONGC

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