Oil India discovers natural gas in a Krishna–Godavari Basin shallow-offshore block

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News

Public-sector Oil India Ltd (OIL) on 23 Oct 2026 announced a natural-gas discovery in the 'Godavari-1' appraisal well of block KG-DSF/GSKW/2018, a 'Discovered Small Field' (DSF) block in the shallow offshore of the Krishna–Godavari (KG) Basin. Hydrocarbons were confirmed at 2,024–2,027 m in the previously unappraised 'Matsyapuri' formation. Testing from 16 Oct gave about 1 lakh, peaking at 2 lakh standard cubic metres of gas per day (SCMD), plus about 170 barrels/day of condensate. OIL is the block's sole operator.

Key facts

Company	Oil India Ltd (1959; HQ Duliajan, Assam)
Block / well	KG-DSF/GSKW/2018 (DSF bid round) / 'Godavari-1' appraisal well
Location	KG Basin – shallow offshore, Bay of Bengal
Formation	Matsyapuri – 2,024–2,027 m
Flow	Gas 1–2 lakh SCMD; condensate ≈170 bbl/day; testing from 16 Oct 2026

Background

- Geography: the KG Basin is a sedimentary basin stretching from the Krishna and Godavari deltas of Andhra Pradesh into the Bay of Bengal. Reliance made the big 'Dhirubhai-1' gas find in block KG-D6 in 2002.
- Policy: the Discovered Small Field (DSF) policy – 2015; the Hydrocarbon Exploration and Licensing Policy (HELP) – 2016, replacing NELP (1997-98): a uniform licence for oil, gas and coal-bed methane, a revenue-sharing model, and the Open Acreage Licensing Policy (OALP) letting firms choose blocks.
- Bodies: Directorate General of Hydrocarbons (DGH) – 1993, under the Ministry of Petroleum and Natural Gas; the KG, Cauvery, Cambay, Mumbai Offshore, Rajasthan and Assam basins are Category-I basins with commercial production.
- Science: condensate is a light hydrocarbon that is gas underground but turns liquid at the surface; the main component of natural gas is methane (CH_4).

Tamil Nadu link: the Cauvery Basin is also a Category-I oil-gas basin. But the 'Tamil Nadu Protected Agricultural Zone Development Act 2020' (CM Edappadi K. Palaniswami, Feb 2020) declared all of Thanjavur, Thiruvarur and Nagapattinam districts and some blocks of Cuddalore and Pudukkottai a protected agricultural zone, banning new oil, natural-gas and methane exploration projects.

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