
Rosnedra to cancel three RussNeft licenses

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Interfax reported that Russia's subsurface management agency Rosnedra on December 10 will cancel licenses RussNeft holds for the Yuzhno-Pudinsky, Somovsky and Soboliny hydrocarbon sections in the Tomsk region.

As per report all three licenses were listed on the balance sheet of RussNeft subsidiary Benodet Investments Limited. The report said that the licenses were recalled ahead of schedule because of significant violations of the terms of license agreements. Mr Rosnedra chief Anatoly Ledovskikh has already signed orders on the recall of the licenses.

RussNeft admitted in a report in November 2007 that it had violated license agreements at these fields. In particular, Benodet Investments Ltd only drilled three wells at the Somovsky section instead of the planned eight and only one well at the Yuzhno-Pudinsky section instead of the planned seven. An inspection carried out by environmental watchdog Rosprirodnadzor at the sections at the end of November confirmed the violations.

The company also said that it had violated license agreements at a number of other sections. RussNeft said the extraction rates of its subsidiary SP Chernogorskoye were more than 50% behind schedule in 2007. In addition, the subsidiary Ulyanovskneft has not drilled a single well at eleven sites, although it was supposed to have already drilled 32 wells.

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