

REMINISCENCES

How “Bombay High” was Saved from Foreign Take-over

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The year was 1968. Ashok Mehta was the Minister for Petroleum. In his earlier years he had been a socialist by conviction. But like the social Democrats in the West, he had no qualms in handing over key jobs to foreign companies. Lyndon Johnson was then the President of the USA. He had interests in the Texas-based company, Tenneco. Hence the US Administration kept pressurizing India's Petroleum ministry to lease out the “Bombay High” to Tenneco. Seismic offshore survey data and their interpretation by Indian geoscientists had marked “Bombay High as a high prospect. Ashok Mehta felt, oil exploration in the sea by indigenous efforts an impossibility. ONGC explorationists, too, with the exception of one deputy director in its geophysics directorate, were diffident. Hence Ashok Mehta drew up a text of agreement with Tenneco and sent it to the cabinet for approval. He felt approval by the Union Cabinet would be a mere formality.

But Mr P N Haksar was there as the Principal Secretary in the Prime Minister's secretariat. He was a bureaucrat with extraordinary brilliance and enjoyed Prime Minister Indira Gandhi's absolute confidence, greatly influencing the Government's decisions. He was highly appreciative of the journal “Oil Commentary” which I used to edit as Chief of the Petroleum Information Service (PIS). This was an organisation set up in 1961 by the then Minister for Oil, Shri K D Malaviya who had put India on the world's oil map despite opposition to oil exploration efforts by conservative elements in the Union Government and the Planning Commission (who considered it a gamble and a money spending spree, which only the richest countries could afford). His ringing words, “the battle for economic independence is being fought on the front of petroleum. I need your help. Take charge of this organization and build it the way you like” had greatly inspired me and persuaded me to join it by leaving my former job as Asstt Editor of the *Financial Express*. He directed the state enterprises in petroleum – the ONGC, the then Indian Refineries Ltd, and the Indian Oil Company (this was before the merger of the latter two) – to share the organisation's financial burden but not to interfere in its studies.

Shri Malaviya's original purpose was to use it as a public relations organisation. But I turned it into a body for policy research and for giving policy leads through our journal, I dedicated myself to (i) the study of the developments in the science and technology in the realms of oil exploration, refining, transportation and distribution of oil products and also in their downstream uses such as chemical fertilisers and petrochemicals; (ii) to deducing their economic and political consequences following therefrom; (iii) to closely watching the policies being pursued by the internationally dominant oil and chemical companies and their home country governments; and (iv) to suggesting, in that context, the policy that India ought to pursue to enhance its freedom. I was assisted by only one officer and one assistant for research. But the assurance of freedom was a great motivator. I fully exercised this freedom despite many odds that appeared later. This had drawn Mr Haksar's admiration and respect.

As the Petroleum Ministry's proposal for agreement with Tenneco reached the Prime Minister's secretariat, Mr Haksar called me on the phone “Sailen, can you come over? I need to consult you”. As I presented myself in no time, he said, “The Petroleum Ministry has sent a proposal for leasing out Bombay High to an American company. What do you say to this?” My instant reply was. “No. We must do it ourselves”. “But the Petroleum Ministry feels that ONGC cannot do this job and the ONGC leadership itself is diffident. How, then, can we explore to ourselves?” he queried.

I replied “What is the great difference between on-land exploration and offshore exploration? The science and technology is the same. Rather, seismic survey in the sea is easier. The problem is only to

keep the drillship in position against the storm and the tide and the current. If the ONGC is diffident, let it be a joint venture of ONGC and the Indian Navy. We can appeal to the UN to give us experts in the spheres in which we are deficient: we can even appeal to the US Government to give us experts for specific specialization/s. But we must do the job ourselves”.

I reported about the risk that some geophysicists had told me. “The lessee foreign exploration company will come to know our sea profile. It will come to know in which intersection of latitude and longitude, in which season, and between which hours of the day or night, a submarine can enter a particular horizon and remain undetected for days together”. This, indeed, was a grave strategic risk and Mr Haksar was impressed.

“Politically also, there was a risk. We are not a small country like Libya. Our giving the lease to an American company would be construed by the Soviet Bloc as our leaning towards its opposite side”, I said.

Hence I suggested that “the Prime Minister should ask the ONGC leadership to organise a gathering of its best geoscientists and drillers so that she could address them, throw the challenge to them, and excite their potential. Moreover, the Govt needed to take a decision to spend at least Rs 200 crores. If we do not succeed, this money will go down the drain. But the chances are that we shall hit a jackpot. We would possibly come to possess many billion dollars worth of assets”. (Rs 200 crores of that time, in today’s values, would possibly be Rs 2000 crores).

Mr Haksar said: “There is an opinion that the American company will do a quick job of it and we will be able to share in a large quantity of oil early”. To this I said, “Since it has the promise of a large reserve, this is all the more reason why we should have it exclusively for our nation instead of giving a share to foreigners”.

Mr Haksar asked me to write down the points I had covered. I did a three-page note and handed it over to him so that he could brief the Prime Minister.

Soon thereafter I went to Dehradun (ONGC’s headquarter), saw the ONGC Chairman, Mr L J Johnson in an effort to persuade him to undertake the “Bombay High” exploration job. He remained unconvinced and said. “I, too, am for self-reliance. But to think that our boys can handle the huge jack-ups in the sea – that is madness, that is madness”. I came back disappointed.

At the cabinet meeting, as the Petroleum Ministry’s proposal came up, Prime Minister Indira Gandhi opposed it and said forthrightly that “we should do it ourselves”. Nobody, including the Petroleum Minister, dared to oppose her. Only the then Deputy Prime Minister-cum-Finance Minister, Shri Morarji Desai obliquely opposed her, saying “Well, we can do it ourselves if she can find the money”. The Prime Minister remained undeterred: Petroleum Ministry’s proposal was scotched. But no money was sanctioned for the venture in that meeting.

In order to stir up a national campaign for indigenous effort for offshore oil exploration, I, in mid-May of 1968, came up with a lengthy article titled “A Bold Initiative can Turn the Tide in the Country’s Fortunes: Offshore Exploration Issue Raises Questions of Basic Approach and Attitudes”—it covered all aspects, raising all possible questions and answering them. This drew the attention of important policy making bodies and opinion-makers. Dr Triguna Sen, who was then Minister of Education in the Union Government, was the first to send me a letter of congratulation. It meant his support to the cause of indigenous efforts. Many journals and some dailies wrote editorials quoting my article and endorsing its view. The climate of opinion changed from diffidence and skepticism to robust optimism.

Mr Ashok Mehta soon resigned on a foreign policy issue, denouncing the Government of India's silence on Soviet Union's intervention in Czechoslovakia. Dr Triguna Sen was appointed Minister of Petroleum. Positive measures for "Bombay High" exploration followed soon.

Meanwhile, a remarkable change came over the ONGC leadership's mindset. At the annual Oil and Gas conference held at Baroda soon after the publication of the above-mentioned article, the delegates were invited to visit the oil pavilions during the coffee break. The ONGC chairman, standing at ONGC pavilion's gate, was welcoming the visitors. As the present writer arrived there, Mr Johnson burst forth into a hearty welcome, "Mr Ghosh, I read your article. Probably you are right".

Efforts now proceeded in the most natural way - this was also the way the article in the *Oil Commentary* had suggested. Drilling was first done in the indicated structure in the shallow waters of the Tapti River. With experience and confidence thus gained, drilling in "Bombay High" offshore structure in the Arabian Sea started later, leading to oil strike in 1974. This was a saga of enterprise, made by ONGC's brave explorationists i.e. geoscientists (who included geologists, geophysicists, geochemists), drillers, production and pipeline engineers, and their supportive service providers, particularly the mechanical engineers and mechanics in the workshops. This bold initiative established ONGC's reputation as an onland-cum-offshore oil explorer on the global scale. □