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Mishustin Gives Gazprom the Go-Ahead

By The Barents Observer

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The Yamal Peninsula is a key area for Gazprom Oil. **gazprom-neft.ru**

Three days after being announced as Russia's new prime minister, Mikhail Mishustin has granted Gazprom Oil the development rights to the Khambateyskoye gas and oil field on the Yamal Peninsula.

According to the federal government, the oil company will pay about 2 billion rubles ($32 million) for the production licenses.

The field is located both on land and offshore, with a portion situated in the Gulf of Ob. Gazprom Oil already possesses the licenses for several nearby fields, including the Novy Port field located a few kilometers to the south, where production has been in full swing since 2014.

The Yamal Peninsula is a key area for Gazprom Oil. Up to 8.5 million tons of oil are sent through Novy Port's terminal per year.

The resources in the newly-obtained area could ultimately be connected to a proposed natural gas pipeline that will stretch eastwards across the Gulf of Ob. The construction of the pipeline and related infrastructure could cost up to 75 billion rubles, the Kommersant business daily reported.

Several more decrees, laws and regulations regarding Arctic development await the signature of the new prime minister. Among them is a new Law on the Arctic, which should be adopted in the first quarter of the year.

The document will secure oil and natural gas extraction as a cornerstone of economic development. The new legislation is expected to give major tax cuts to resource extraction industries embarking on new Arctic projects.

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