

LOK SABHA

Wednesday, December 11, 1996/Agrahayana 20,
1918 (Saka)

(The Lok Sabha met at Two Minutes Past
Eleven of the Clock)

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

[English]

Oil Reserves in Nagaland

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*281. SHRI ISWAR PRASANNA HAZARIKA
SHRI UDDHAB BARMAN

Will the PRIME MINISTER be pleased to state :

(a) whether exploration by Oil and Natural Gas Corporation has resulted in location of proven oil reserves in Nagaland;

(b) if so, estimated quantity of oil and gas reserves in the State;

(c) whether ONGC has commenced drilling and production of crude oil in Nagaland;

(d) if so, quantity of oil produced so far;

(e) whether drilling operations are still continuing; and

(f) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU) :

(a) Yes, Sir.

(b) The reserves as on 1.4.1996 are 2.20 MMt of Oil and 0.64 BCM of Gas.

(c) and (d). ONGC has been producing crude oil/gas from Champang field in Nagaland since 1980-81. However, crude oil production operations in Nagaland have been suspended w.e.f. 11.05.1994 as per the directive of the State Government and have not yet resumed. A cumulative production of 1.036 MMt of crude oil has been obtained till May 1994.

(e) No, Sir.

(f) Drilling operations had to be stopped from 11.5.1994 due to problems created at various locations in Nagaland from time to time and subsequently as per the direction of State Government of Nagaland.

SHRI ISWAR PRASANNA HAZARIKA : Mr. Speaker, Sir, when we are faced with a severe shortage in indigenous production of petroleum crude, it is very

strange that this Government is unable to persuade one of the States of our own country to permit us to do prospecting and drilling of petroleum crude. Apparently it is because of Article 317A of the Constitution, which, *inter alia* provides that :

"No Act of Parliament in respect of ownership and transfer of land and its resources shall apply to the State of Nagaland unless the Legislative Assembly of Nagaland by a resolution so decides"

Obviously the Government of Nagaland must have invoked this Article and directed the ONGC to withdraw its operations from the territory.

In this context, I would like to know whether an exploration licence and petroleum mining lease was granted to the ONGC. To start with, in 1980-81, the drilling was started under Rule 5 of the Petroleum and Natural Gas Rules, 1959 framed under the Oil Fields (Regulations and Development) Act, 1948. If that licence was granted, was it subsequently withdrawn or had the Nagaland Government refused to pass a resolution permitting the ONGC to continue drilling? What steps is the Government is taking to persuade the State Government of Nagaland?

MR. SPEAKER : Please frame your question.

SHRI ISWAR PRASANNA HAZARIKA : This is the question. What steps is the Government taking to persuade the State Government of Nagaland to permit the ONGC to resume drilling operations in Nagaland?

SHRI T.R. BAALU : Mr. Speaker, Sir, the hon. Member has raised the question connected with those raised by the Government of Nagaland. On 7.5.94, the Government of Nagaland had instructed the ONGC to suspend forthwith the extraction of work till a final decision was taken by the State Government. The Issue raised by the State Government is about the interpretation of Article 371A of the Constitution which relates to the ownership and transfer of land and its resources. Article 371A says and I quote :

"No Act of Parliament in respect of ownership and transfer of land and its resources shall apply to the State of Nagaland unless the Legislative Assembly of Nagaland by a resolution so decides."

SHRI ISWAR PRASANNA HAZARIKA : I have already quoted that.

SHRI T.R. BAALU : What is wrong in quoting it once again?

SHRI ISWAR PRASANNA HAZARIKA : We want a reply.

SHRI T.R. BAALU : We have already sought the legal opinion of the Attorney General to this effect. The Attorney General says that Article 371A relates only to the ownership and transfer of land and its resources. The Mines and Minerals (Development and Regulation)

Act, 1951 which is applicable to Nagaland does not relate to ownership and transfer of resources of land. Therefore, the legislation relating to development regulations of mines and minerals will not require ratification. This is the position.

Now the ONGC has spent Rs. 162 crore by way of investment. We have lost two drilling rigs out of the five that we had deployed. Out of the five rigs, two have been damaged and pilfered and we have lost about Rs. 28 crore. We have paid Rs. 33 crore by way of royalty. We have spent Rs. 2 crore by way of welfare measures to construct roads and bridges. In spite of all this coordination, we want to have relationship with the States. The State Government had opted to send a letter on 7.5.94 requesting us to stop the work. Unless a congenial atmosphere prevails in Nagaland, we cannot go ahead with this.

SHRI ISWAR PRASANNA HAZARIKA : I understand that the decision of the Government of Nagaland is largely influenced by what is happening in the oil fields of Assam. There has been a wanton and avoidable flaying up of precious, non-renewable gas resources for as long as 30 years. Everyday, gas worth Rs. 30 lakh is flared up and no effort has been made at all to reduce the flaring to a technologically acceptable level. At the same time, no steps have been taken to harness the gas for setting up power, fertilizer and petro-chemical industries and downstream Units. On the one hand, gas is being flared and on the other, even the power stations in Assam are being starved of gas.

In reply to a recent question of mine, the Government has admitted that a newly commissioned power station in Assam is lying idle because of shortage of gas. That is why, we are seeing things like the blow up of the pipeline in Nalbari district of Assam followed by fire in the Digboi Refinery and also the kidnappings of ONGC personnel in Tripura. All this is happening because of a sense of inequity, a sense of exploitation by flaring the gas. And, the people have the apprehension that the North-East would be left in the lurch once its non-renewable oil and gas resources are exhausted.

Therefore, what is needed is to have a comprehensive strategy to tackle the case of oil fields in the insurgency affected Oil fields. What is needed is setting up of petrochemical industries, harnessing of gas reduction of flares gas and creation of ancillary industries in the North-East.

MR. SPEAKER : Please come to the question. You cannot go on making a statement like this.

SHRI ISWAR PRASANNA HAZARIKA : What I want to know, Mr. Speaker, Sir, is whether the Government have any comprehensive strategy to deal with the oil fields in the insurgency affected North-Eastern region?

SHRI T.R. BAALU : Sir, the question relates to Nagaland. Anyhow it is for the information of the hon. Members that most of the gas in Assam is being used

by the various industries. We are also having storage facilities to store the extracted gases.

SHRI ISWAR PRASANNA HAZARIKA : No, no, gas is not stored. There is no storage facility. It is being flared.

What is the Government doing about the Gas Cracker Project to exploit the flared gas?

SHRI T.R. BAALU : Sir, the question relates to Nagaland.

MR. SPEAKER : Yes, I think so.

The question relates to Nagaland and you cannot expect him to answer about Assam.

SHRI ISWAR PRASANNA HAZARIKA : Nagaland is not willing to permit them to continue drilling because of what is happening in Assam in terms of exploitation and wastage of oil and gas resources.

MR. SPEAKER : I will explain.

Mr. Minister, do you have a comprehensive policy on oil exploration specifically, for North-Eastern States? That is what he is asking.

SHRI T.R. BAALU : Sir, in fact, we are very much inclined to take up the matter of the North-Eastern borders and in this connection, the hon. Prime Minister of India had visited those areas.

Once again, as per the instruction of the hon. Prime Minister, I am going to visit the North-East in the first week of January next year to have face to face discussion with the State Governments which will definitely yield some results.

As per the instructions of the hon. Prime Minister, I will see that somehow or the other it is settled.

SHRI UDDHAB BARMAN : Sir, the hon. Minister in his reply has said that the drilling operation in some parts started in 1980-81 and it was bundled off in May 11, 1994 after a long period of 14 years.

Mr. Speaker, Sir, as you are aware, Nagaland is a very sensitive part of our country and necessarily people of that area are backward also. The economic development is very low there and there are long standing grievances among the people of that State.

We are told that the PSU has to exploit the natural resources in the North-Eastern region of Nagaland. Certainly, the social responsibility falls on the PSU for the development of that area. Considering the backwardness of Nagaland and sensitivity of the situation, is the Ministry trying to persuade the Government of Nagaland and assuage the feelings of Nagaland people by taking economic and other measures for the development of that area?

MR. SPEAKER : The Minister has already answered this. He said that he was going to visit there in the first week of January to discuss with the State Governments. This has already been answered.

Shri Meena, please.

[Translation]

You cannot ask question about Rajasthan.

SHRI BHERULAL MEENA : Sir, this is a relevant question.

MR. SPEAKER : Then ask, what is relevant.

SHRI BHERULAL MEENA : Mr. Speaker, Sir, this question is relevant because it was for the shortage of LPG that a country-wide survey was conducted and all possible efforts were made to meet the shortage. All that I want to know from the hon. Minister is whether a survey was conducted in Rajasthan, especially in Barmer area of the State?

[English]

MR. SPEAKER : I am sorry.

[Translation]

SHRI BHERULAL MEENA : Let the reply come.

MR. SPEAKER : No, not like this. This question relates to Nagaland. Why do you link it with Rajasthan.

(Interruptions)

[English]

MR. SPEAKER : This is specific question about Nagaland. He will not have the information. Spending time on this point is a waste.

Conversion of Thorium into Uranium

*282. SHRI SATYA DEO SINGH :

SHRI VIJAY PATEL :

Will the PRIME MINISTER be pleased to state :

(a) whether possibilities of Atomic Energy Development in the country have increased after getting success in conversion of Thorium into Uranium 233, recently.

(b) if so, the details thereof;

(c) whether any project using alternative nuclear fuel has been commissioned; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY (SHRI YOGINDER K. ALAGH) : (a) to (d). A Statement is laid on the Table of the House.

STATEMENT

(a) and (b). Yes, Sir. Thorium has been successfully converted into uranium 233 in the Research Reactors

in Trombay over the years. The reprocessing of uranium 233 from the irradiated rods also has been carried out both at Bhabha Atomic Research Centre (BARC) and Indira Gandhi Centre for Atomic Research (IGCAR). The R & D work in the Department of Atomic Energy is oriented towards the long term strategy with the current generation of Pressurised Heavy Water Reactors as the first stage, Plutonium Fuelled Fast Breeder Reactors as the second stage and reactors operating on the Thorium-Uranium 233 fuel cycle as the third stage.

(c) and (d). Yes, Sir. Two zero power critical facilities with Uranium-233 fuel Purnima-II and Purnima-III were operated as experiments in BARC. And more recently on October 29, 1996, a 30 KWth research reactor KAMINI using Uranium-233-aluminium alloy fuel fabricated at BARC was commissioned at the Indira Gandhi Centre for Atomic Research (IGCAR) at Kalpakkam. This research reactor will be mainly used as a source of neutrons for neutron radiography of fast reactor fuel elements and also for neutron activation analysis, for reactor physics and for shielding experiments.

[Translation]

SHRI SATYA DEO SINGH : Through this question, I would like to avail an opportunity - and I think the House would also like to join me - to congratulate the Indian scientists and technicians who have achieved success through indigenous research in commissioning KAMINI reactor. It has been estimated that we have Thorium reserves of over four lakh tonnes in the country. Based on these estimates, we can generate 3.5 lakh MW of electricity during the next 300 years. The KAMINI reactor developed indigenously is, perhaps, the only reactor of its type in the world. This research was undertaken in BARC and Indira Gandhi Centre for Atomic Research and the scientists working in these two centres deserve to be congratulated. The target set for the 9th Five Year Plan for the generation of atomic energy (electricity) through the use of Thorium - Uranium 233, experiment of which has been done in the KAMINI reactor, is merely 3 per cent which comes to 800 MW in all. This atomic reactor is environment friendly and it has opened new vistas for meeting the shortage of electricity in the country. Keeping in view the success in generation of electricity with the use of Thorium, I would like to know whether Government would consider increasing the generation of atomic energy during the 9th Five Year Plan and, if so, the steps proposed to be taken in this regard?

[English]

SHRI YOGINDER K. ALAGH : I am very grateful to the hon. Member for bringing it to the attention of the House that the Kamini Reactor is a very great achievement of Indian nuclear science. I would like to inform him that in the Ninth Five Year Plan, the Department of Atomic Energy proposes to produce a