

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:4814  
ANSWERED ON:19.04.2001  
EXPLORATION IN MUKTA-PANNA OIL FIELDS  
ANANTA NAYAK

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether the Government are taking any step to exploit the Mukta-Panna oilfields with the help of private sector;
- (b) if so, the details of national and international companies participating in the exploration of oil-fields; and
- (c) the terms of conditions laid down on those companies for exploration of oil and natural gas?

**Answer**

Minister of State in the Ministry of Petroleum & Natural Gas (Shri Santosh Kumar Gangwar)

(a) & (b): Government of India has signed a contract on the 22nd December 1994 for the development of medium sized oil fields Mukta and Panna with the consortium of Enron Oil and Gas (India) Ltd. U.S.A. , Reliance Industries Ltd., India and the Oil and Natural Gas Corporation Ltd. with a participating interest of 30% , 30% and 40% respectively .

(c) The broad terms and conditions laid down in the contract are given below:-

- (i) ONGC has 40% participating interest in the contract.
- (ii) The contractor is required to pay royalty and cess on oil and gas as per the contract.
- (iii) Profit petroleum is to be shared with Government based on post tax investment multiple as per the contract.
- (iv) The percentage cost recovery limit from annual production is 100%.
- (v) Contractor is required to pay signature and production bonuses as per the contract.
- (vi) Exemption from the Import duties on goods required for petroleum operations is available.
- (vii) Income tax is payable as per the provisions of the Income Tax Act, 1961.
- (viii) Government has the first right of refusal and may buy crude oil and gas under the contract.
- (ix) Arbitration is as per UNCITRAL (United Nations Commission on International Trade Law).
- (x) Applicable laws of India are to govern the contract.