

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

UNSTARRED QUESTION NO:1970

ANSWERED ON:29.11.2001

FALL IN CRUDE OIL PRODUCTION

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

- (a) whether the crude oil production of ONGC is continuously falling;
- (b) if so, the facts thereof;
- (c) whether ONGC has been claiming targeted higher reserves, higher recovery and higher production of crude oil;
- (d) if so, the extent to which ONGC claim of achieving target in the production of crude oil is correct; and
- (e) the steps taken by the Government to increase the production of crude oil in the country?

**Answer**

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

(a) to (e): A statement is attached.

Statement referred to in reply to Lok Sabha Unstarred Question No.1970 for answer on 29.11.2001 regarding Fall in Crude Oil Production.

(a) &(b): There was a marginal decline in ONGC`s crude oil production during 1999-2000 as compared to the production in 1998-99. However, the decline was arrested in the year 2000-2001 as indicated below :-

Year Oil production (in Million Metric Tonne)

1998-99	26.385
1999-2000	24.648
2000-2001	25.057

(c): The annual target of reserve accretion and of production are as per the assessed potential based on available information. However, on account of the uncertainties involved in the exercise, the actual achievements may vary from the projected estimates.

Oil recovery factor of a field is the estimated percentage of oil that can be produced from the total oil volume present therein. The recovery factor is dependent amongst other things, upon intrinsic factors such as the geology of the reservoir and type of reservoir, the drive mechanism, the petro-physical properties and the characteristics of the oil as also other factors such as the production technologies used, the investment made and the applicable fiscal regime. While the estimated average recovery factor of normal oil, for the fields in India is currently around 28%, the oil recovery factor for Oil & Natural Gas Corporation Ltd.(ONGC) fields ranges from 15% to 54%.

(d): The details of actual production of crude oil viz-a-vis MOU targets during the last 3 years are as below:

(Million Metric Tonne)

1998-99 1999-2000 2000-01

MOU target	28.100	25.800	24.600
Actual	26.385	24.648	25.057

It can be seen from the above that production has improved in 2000-01 over 1999-2000 and also exceeded the MOU target for 2000-01.

(e): Several important steps have been taken to increase oil and gas production, which include include the following steps :

(i) to improve the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) schemes; in particular Oil and Natural Gas Corporation Limited (ONGC) has taken up 15 fields for this purpose at an estimated investment of Rs. 10,000 crore, which would also help in accelerating oil production from these fields.

(ii) to increase exploration efforts through the New Exploration Licensing Policy (NELP). Under the first round of NELP, Production Sharing Contracts (PSCs) have been signed for 24 blocks in which works are in progress. Additionally, under the second round of NELP, PSCs have been signed on 17.7.2001 for 23 blocks.

(iii) to attract technology and investment, PSCs for 9 discovered fields, 8 in Gujarat and 1 in Assam, were signed on 23.2.2001 with consortia of Indian and foreign companies.

(iv) to explore in new areas, especially in deep water and difficult frontier areas, as also explore in the deeper layers of the producing fields.

(v) to develop faster the newly discovered fields and to step up the use of new technologies for seismic surveys, work over, stimulation operations, drilling of wells etc. in producing areas.

(vi) to acquire acreages abroad.