

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

UNSTARRED QUESTION NO:2444
ANSWERED ON:30.08.2007
"DIRECTORATE GENERAL OF HYDROCARBONS"
Chowdhury Shri Adhir Ranjan;Nikhil Kumar Shri

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

- (a) whether the Union Government has strengthened the Directorate General of Hydrocarbons (DGH) by giving it more powers;
- (b) if so, the details thereof;
- (c) whether DGH have been empowered to oversee private sector oil companies ever increasing exploration and production activities in the country;
- (d) if so, the details thereof; and
- (e) to what extent the DGH have cross checked the activities of private sector oil companies?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (d) Government has strengthened Directorate General of Hydrocarbons (DGH) to exercise certain powers and functions of Central Government with a view to promoting sound management of the hydrocarbon resources in the country in respect of exploration & production companies including public, private and foreign companies having balanced regard for environmental safety, technological and economic aspects.

Following powers and functions have been delegated to DGH vide this Ministry's Notification dated 1st September, 2006:

- i) to monitor the upstream petroleum operations in India including coalbed methane and gas hydrates operation in accordance with the Act and the Rules;
- ii) review and monitor the exploration programme and development plans for commercial discoveries of hydrocarbons reserves proposed by licensee or lessee with a view to optimizing hydrocarbon recovery from a reservoir in accordance with generally accepted international petroleum industry practices;
- iii) review the management of petroleum reservoirs by licensee or lessee and advise them on any action which may ensure proper management of the petroleum reservoirs including their conservation in accordance with generally accepted international petroleum industry practices;
- iv) to ask for and maintain in a readily retrievable form all geo-scientific data, reports and information from licensee or lessee and store and preserve data and samples pertaining to petroleum exploration, drilling, production and connected operations;
- v) review the reserves discovered by the licensee or lessee in accordance with generally accepted international petroleum industry practices;
- vi) to lay down norms for declaration or announcement of discoveries by licensee or lessee;
- vii) to exercise the powers of the Central Government as given in rules 24, 25,26,27 and 30 of the Petroleum and Natural Gas Rules, 1959;
- viii) to monitor oil and gas production and royalty or any other charges or fee or levies, and where applicable, cost petroleum etc., due to the Central Government and obtain necessary reports from licensee or lessee to facilitate the Central Government in receiving accurate royalty and other statutory charges by the due date.

However, Ministry of Petroleum & Natural Gas has clarified to DGH that the main objective of delegation of power is to utilize the technical expertise of DGH for better management of petroleum reservoirs and to help them function as a repository of relevant technical data.

As regards DGH approving payment for contractors, such as payments towards unfinished committed work programme under the Production Sharing Contract (PSC) and accepting such payments on behalf of Government of India, DGH needs to make recommendations to the Government on all payment matters.

(e) DGH has been monitoring the activities of Private/Joint Venture companies as stipulated in PSC, and in terms of delegation of power specified in answers to para (a) to (d) above.