

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

UNSTARRED QUESTION NO:2990

ANSWERED ON:20.03.2008

BIDS FOR SALE OF NATURAL GAS

Barad Shri Jashubhai Dhanabhai;Kathiria Dr. Vallabhbhai;Pathak Shri Harin;Varma Shri Ratilal Kalidas

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

- (a) whether Panna, Mukta and Tapti (PMT) Joint Venture partners invited the bids for sale of natural gas upto 4 MMSCMD from 1<sup>st</sup> April, 2006 from various companies;
- (b) if so, the details thereof;
- (c) whether Gujarat State Petroleum Corporation Ltd., (GSPCL) had offered the highest bid but the Union Government had directed PMT to sell the entire gas to GAIL;
- (d) if so, the reasons therefore;
- (e) whether the State of Gujarat has made any representation to Union Government to follow the rules of tender procedure and offer gas to GSPCL since their bid was the highest; and
- (f) if so, the action taken by the Union Government on the representation ?

**Answer**

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

- (a) and (b) Panna-Mukta and Tapti (PMT) JV invited bids from prospective buyers for sale of natural gas up to 4 MMSCMD for a period of two years.
- (c) In response to JV's bid GSPC, one of the bidders offered the highest price of US \$ 4.75/ MMBTU for 4 MMSCMD gas.
- (d) As per Production Sharing Contract (PSC) signed by the Government with PMT JV, the Government nominee for lifting of natural gas is GAIL. However, in view of lack of consensus on gas price between GAIL and PMT JV, the Government had allowed JV partners to market the gas directly initially for a period of one year w.e.f. from 1.4.2005 and subsequently for another two years. However, to take care of the existing priority consumers in power and fertilizer sectors, GAIL continued to get major portion of the gas, while remaining gas was supplied in accordance with the bids received from the companies.
- (e) & (f) The Government of Gujarat had represented to the Government of India. As per the PSC terms and provisions, Government nominee GAIL has the first right on natural gas produced from Panna Mukta and Tapti Blocks. Accordingly, if GAIL is able to lift entire gas produced by PMT JV on terms, mutually agreeable to both the parties, GAIL may market the entire gas. The bids were invited from companies in 2006 in view of the lack of consensus on gas price between GAIL and PMT JV.