

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

STARRED QUESTION NO:400
ANSWERED ON:21.04.2005
OIL PRODUCTION
Vallabhaneni Shri Balashowry

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

- (a) whether India is venturing into increasing indigenous oil production through new explorations and also through participation in oilfields abroad in exploration and production;
- (b) if so, the details of the ongoing projects and the capacity addition likely to be made by these ventures on maturity; and
- (c) the extent to which these ventures are likely to reduce the import bill?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF THE LOK SABHA STARRED QUESTION NO. 400 BY SHRI BALASHOWRY VALLABHANENI TO BE ANSWERED ON THE 21ST APRIL, 2005 REGARDING OIL PRODUCTION

(a) & (b): Various measures to substantially accelerate exploratory activities for enhancing domestic oil and gas production are being taken. These include the following:-

(i) improving 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 Ltd.(ONGC) have taken up 15 fields for this purpose at an estimated investment of Rs. 10,972 crore, which would also help in accelerating oil production from these fields;

(ii) increasing exploration efforts through the New Exploration Licensing Policy (NELP); Under the four rounds of NELP, Production Sharing Contracts (PSCs) have been signed for 90 blocks. The Fifth Round of NELP has been declared open as of the 4th January, 2005 to invite bids for 20 exploration blocks; bids close on the 31st May, 2005.

(iii) exploring new areas, especially deep waters and difficult frontier areas, as also the deeper layers of already producing fields; and

(iv) developing newly discovered fields speedily and stepping up the use of new technologies for seismic surveys, work over, stimulation operations, drilling of wells etc. in producing areas;

Besides, in keeping with the objectives of the Energy Security section of the National Common Minimum Programme, ONGC Videsh Ltd. (OVL), as well as other national oil companies such as IOC, OIL and GAIL, have been pursuing the acquisition of equity oil abroad, as well as the acquisition abroad of oil and gas exploration acreages and producing properties. These companies have Participating Interests in oil and gas projects located in Vietnam, Sudan, Russia, Iraq, Iran, Myanmar, Libya, Syria, Australia, Ivory Coast, Qatar and Egypt.

As on 1.4.2004, the domestic hydrocarbon reserves established through exploratory efforts by the national and private/JV oil companies is about 2950 Million Metric Tonne (MMT) of oil and oil equivalent of gas (OEG). OVL have established another 199 MMT of OEG from their overseas assets.

Domestic production of crude oil and natural gas in 2004-05 was around 33.98 MMT and 31.75 Billion Cubic Meter(BCM) respectively. During this period, OVL's share of production from its overseas assets was 3.7 MMT of oil and 1.35 BCM of gas.

(c): Reduction in the import bill would be in proportion to the increased availability of oil and gas from domestic assets.