

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

STARRED QUESTION NO:207
ANSWERED ON:11.03.2010
EXPLORATION OF OIL RESERVES
Aaron Rashid Shri J.M.;Ruala Shri C. L.

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

- (a) the details of the exploration work undertaken by the Oil and Natural Gas Corporation and other public and private sector companies in the the country particularly in Mizoram and Tamil Nadu;
- (b) the details of the surveys completed by the above companies in this regard;
- (c) the total assessment in regard to the oil and gas potential from these areas; and
- (d) the quantum of share of profit for the concerned States ensured by the Government in this regard?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO.207 TO BE ANSWERED ON 11.03.2010 REGARDING EXPLORATION OF OIL RESERVES ASKED BY SHRI C.L. RUALA AND SHRI J.M. AARON RASHID

(a) to (c):- The details are given in Annexure.

(d): The Twelfth Finance Commission recommended the sharing of the non-tax revenue of 'Profit Petroleum' arising out of contractual provisions under New Exploration Licensing Policy (NELP) with the States from where the mineral oil and natural gas are produced in the ratio of 50:50.

The Government has accepted the above recommendation subject to the condition that this should be within the overall ceiling of the transfers recommended by the Finance Commission (38 % of the gross revenues).

Apart from this non-tax revenue of profit petroleum, the State Governments receive Royalty on crude oil and natural gas produced from onland blocks, Mining Lease Fee and other applicable statutory levies. Presently, applicable royalty rates on crude oil from Nomination blocks of ONGC are 20% of wellhead price of crude oil and from Production Sharing Contract (PSC) regime, is 12.5%. The applicable royalty on natural gas is @10%.