

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

UNSTARRED QUESTION NO:4395  
ANSWERED ON:22.04.2010  
PRODUCTION OF GAS FROM KG BASIN  
Baal Thiru Thalikkottai Rajuthevar

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

- (a) whether the gas production from the ONGC field in KG basin is delayed inordinately;
- (b) if so, the reasons thereof; and
- (c) the steps taken by the Government to ensure that ONGC commences gas production without any further delay?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) and (b): Under the Production Sharing Contractor (PSC) regime, oil and gas is being produced from Rawa Field in Krishna Godavari (KG) basin, operated by Cairn Energy. Oil and Natural Gas Corporation (ONGC) is one of the Consortium Partners in this field with 40% Participating Interest. Further, ONGC as an Operator, has made 6 gas discoveries in the deepwater block KG-DWN-98/2 in KG basin, which are under appraisal. So far, there is no delay on part of the Contractor vis-à-vis the timelines stipulated in PSC.

However, under nomination regime, ONGC's integrated development of G-1 and GS-15 fields in K.G. Offshore, having targeted Project Completion by 15.4.2006, has been delayed. The Engineering and construction contract awarded to M/s Clough Engineering Limited, Australia for integrated development of above fields was terminated on 4.6.2007 due to their non-performance and the matter was under litigation.

(c): The discoveries made by ONGC under the PSC regime will be developed in accordance with the PSC timelines.

With regard to G-1 and GS-15 Fields, ONGC resorted to legal recourse. After rigorous and protracted efforts, an out of court settlement with M/s Murray and Roberts (who are now the controlling stake holders in Clough group of companies) could be reached in December, 2009. The settlement Agreement was signed on 08-12-2009 and implemented on 24-12-2009. The process is on for securing the project materials and documentation and the project is expected to be completed by May 2011.