

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

UNSTARRED QUESTION NO:2723
ANSWERED ON:23.07.2009
CRUDE OIL PRODUCTION BY RIL
Patasani Dr. (Prof.) Prasanna Kumar

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

- (a) whether the Reliance Industries Limited (RIL) has stopped production of crude oil at KG-D-6 block in the recent past;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the RIL has sold 4,50,000 barrel of oil to Chennai Petroleum Corporation Limited (CPCL), a refinery near Chennai;
- (d) if so, the reasons for offer at a discount of \$5.34 a barrel to internationally traded price;
- (e) whether any investigations are held to find out the rationale for sale of oil at a discounted rate to CPCL by RIL; and
- (f) if so, the details thereof?

Answer

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

- (a) and (b) Yes, Madam. It was a planned shutdown for 10 days in the month of May 2009 for installation and hookup of phase-II development facilities to Floating Production, Storage and Off loading Vessel (FPSO)
- (c) Yes, Madam.
- (d) to (f) The price of crude has been bench- marked with Bonny light. The discount of \$ 5.34/ barrel has been worked out on the basis of negotiations between contractor and Hindustan Petroleum Corporation Ltd., (HPCL), and Chennai Petroleum Corporation Limited (CPCL) on considerations of quality of crude oil transportation, costs, delivery time, quantity and other terms provided under production sharing contract. However, the negotiated price is a provisional price.