

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

UNSTARRED QUESTION NO:5497
ANSWERED ON:29.04.2010
UNDERGROUND OIL STORAGE
Swamygowda Shri N Cheluvarya Swamy

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

- (a) whether the Government is working out a plan to offer space in the upcoming underground oil storage facilities to global crude suppliers with the aim of spreading investment risks of building and maintaining a buffer stock of crude oil;
- (b) if so, the details thereof;
- (c) whether the capacity of the present buffer stock of crude oil would also be increased; and
- (d) if so, to what extent and the likely investment etc. to be involved therein?

Answer

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

(a): No, Sir.

(b): Does not arise, in view of (a) above.

(c) & (d): The Government decided in September, 2005 to set up a Strategic Crude Oil Reserve of 5 Million Metric Tonne (MMT) capacity at 3 locations viz., Vizag (1.0 MMT), Mangalore (1.5 MMT) and Padur (2.5 MMT) through the Indian Strategic Petroleum Reserves Limited (ISPRL), a 100% subsidiary of the Oil Industry Development Board (OIDB). The capacity at Vizag is proposed to be enhanced from 1 MMT to 1.3 MMT. This strategic storage of crude oil would be in addition to the existing storages of crude oil and petroleum products available with the oil companies.

The project involves a capital cost of approximately Rs.2400 crore (at September 2005 prices) and Crude Oil cost of approximately Rs.9000 crore, besides operation and maintenance cost, estimated to be about Rs.90 crore per annum.