

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

STARRED QUESTION NO:384

ANSWERED ON:22.04.2010

ALLOCATION OF OIL AND GAS BLOCKS TO PRIVATE COMPANIES

Mahendrasinh Shri Chauhan ;Vasava Shri Mansukhbhai D.

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

(a) the policy parameters laid down under the New Exploration Licensing Policy (NELP) for relinquishing blocks for private companies/joint ventures for exploration of oil and gas which have been initially explored by the public sector agencies;

(b) the number of blocks which have been carved out from the areas relinquished by the public sector companies and offered to the private companies/joint ventures under NELP; and

(c) the underlying objectives of the policy and the benefits that accrue to the Government by such transfer of sites to the private operators for, exploration?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(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. 384 BY 'SHRI MANSUKH BHAI D.VASAVA & DR. MAHENDRASINH P. CHAUHAN' TO BE ANSWERED ON 22.4.2010 REGARDING ' ALLOCATION OF OIL AND GAS BLOCKS TO PRIVATE COMPANIES.'

(a) & (b): NELP blocks get relinquished as per the provisions of the Production Sharing Contract (PSC). Some blocks are carved out from these relinquished areas for offering under various New Exploration Licensing Policy (NELP) rounds through International Competitive Bidding Process. These blocks are awarded to the successful bidders, which may be private, foreign, national or State Oil Companies/ Consortium. Under NELP, 18 blocks have been carved out from the areas relinquished by the Public Sector companies.

(c): By such a policy, the relinquished blocks where no commercial discovery is established, would continue to be explored by new operators for hydrocarbons and all benefits under NELP would be available to the Government. NELP was formulated with an objective to encourage private and foreign investment by providing level playing field both to private and public sector companies with a view to accelerate oil and gas exploration in the country. The Policy has resulted in the following achievements:.

# Private & foreign investment to the tune of US\$ 10.3 billion has been made in NELP blocks as on 01.01.2010.

# As compared to 2008-09, natural gas production in the country has increased by 75% and is expected to be doubled in near future.

# Under NELP, about 46% Indian Sedimentary basinal area has been awarded for exploration including deepwater.

# So far, 77 oil and gas discoveries have been made, including major gas discoveries in deepwater. Out of these, 49 discoveries were made by private/foreign companies.

# Commercial oil/gas production has commenced from 6 discoveries till date.

# Crude oil production is about 20,000 barrels per day, which is likely to increase to 34,000 barrels per day in near future.

The offer of blocks for exploration and production is expected to contribute to increase in production of oil and gas in the country thereby enhancing the energy security of the country and also generate revenues to the Government of India in the form of Profit Petroleum, Royalty and other Statutory Taxes & Levies as applicable.