

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

STARRED QUESTION NO:69

ANSWERED ON:04.08.2011

SALE OF GAS BY RELIANCE INDUSTRIES

Paranjpe Shri Anand Prakash; Ram Shri Purnmasi

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

- (a) whether the Reliance Industries Ltd. (RIL) has been permitted to sell thirty per cent stake in its exploration blocks to British Petroleum;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether RIL is not able to honour their commitment of gas supply during the period 2011-2012;
- (d) if so, the details thereof alongwith its adverse impact; and
- (e) the corrective action Government proposes in the matter?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI S. JAIPAL REDDY)

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT REFERERED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 69 TO BE ANSWERED ON 4TH AUGUST, 2011 REGARDING SALE OF GAS BY RELIANCE INDUSTRIES.

(a) and (b): Reliance Industries Limited (RIL) had applied to the Government of India in accordance with the provisions of the Production Sharing Contract (PSC) for granting consent for the proposed assignment of 30% of its Participating Interest (PI) in 23 blocks to BP Exploration (Alpha) Limited. This is permissible under provisions of PSCs. The Government has approved grant of consent for the proposed assignment in respect of 21 blocks as per Article 28 of PSC subject to fulfillment of certain conditions, such as providing financial and technical guarantee by the parent company of the assignee and an irrevocable, unconditional bank guarantee by the assignee and other documents as per PSC. As regards two blocks viz. AS-ONN-2000/1 and NEC-DWN-2002/1, this Ministry will subsequently take appropriate decision in respect of issues pending and based on such decision, this Ministry will decide to grant or refuse the consent to the assignment of 30% of PI in these blocks.

(c) and (d): Yes Sir. The average gas production during April-June 2011 from KG-DWN-98/3 (KG-D6) block is 48.60 Million Metric Standard Cubic Meter Per Day (MMSCMD) as against the production profile of 70.39 MMSCMD under the approved Field Development Plan (FDP) for D1-D3 and MA fields during this period. Due to shortfall in production of about 22 MMSCMD, the gas consuming industries have not been able to avail required quantity of gas. The supply of gas to the core sectors has been maintained at about 45 MMSCMD by effecting cuts to non-core sectors to the tune of about 7.9 MMSCMD w.r.t. signed Gas Sale and Purchase Agreement (GSPA).

(e): As the Contractor has not drilled the required number of wells as per the approved FDP, the Directorate General of Hydrocarbon (DGH) has advised the contractor to expeditiously drill them in D1 & D3 fields in order to enhance the gas production.