

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

UNSTARRED QUESTION NO:5833  
ANSWERED ON:08.09.2011  
ULTRA DEEPWATER DRILLING RIG  
Khairi Shri Chandrakant Bhaurao

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

- (a) whether ONGC placed a letter of award on Reliance Industries Ltd. (RIL) for hiring an ultra Deepwater Drilling Rig on assignment basis for four years;
- (b) if so, whether rig operating day rates was very low according to the market assessment;
- (c) if so, the reasons therefor; and
- (d) the corrective measures taken in this regard ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

(a) and (b): Yes, Madam. Oil and Natural Gas Corporation (ONGC) has placed a Letter of Intent (LOI) to Reliance Industries Limited (RIL) on 27.05.2009 for hiring one ultra deepwater rig DDKG-1 for a firm period of four (4) years on assignment basis. The operating day rates of rig DDKG-1 were lower than the prevalent market rates at the time of hiring the rig.

(c) & (d): The rig day rates depend on various factors such as demand supply position, crude oil prices etc. ONGC has reported that the rig was hired on assignment basis at reasonable competitive price/rates prevailing at that time as per laid down procedures.