

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

UNSTARRED QUESTION NO:2842
ANSWERED ON:18.08.2011
COST OF PRODUCTION OF CRUDE OIL
Premajibhai Dr. Solanki Kiritbhai

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

- (a) whether the Government has prepared any action plan for bringing down the cost of production of crude oil in the country: and
(b) if so, the details thereof?

Answer

Minister of State in the Ministry of PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH)

(a) & (b) In India, crude oil is produced by National Oil Companies/State PSUs, Private and Foreign Companies. Production cost depends on various factors such as reservoir parameters & performance, terrain such as on-land/shallow water/deep water/ ultra-deep, development concept, well productivity, input costs, work efficiency of the individual companies etc. It also varies over a period of time.

The Fiscal and Tax Incentives provided to the oil and gas producers and various other Policies of Govt. of India are intended to reduce the production cost.