

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

UNSTARRED QUESTION NO:1976
ANSWERED ON:23.08.2012
AUDIT OF ONGC
Tewari Shri Manish

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

- (a) whether the Oil and Natural Gas Corporation (ONGC) has recently engaged some foreign entities namely Gaffney Clive and Associates and De Golyer and Macnaughton(D&M) to audit sixty four domestic fields of the company including Mumbai High;
- (b) if so, the significant findings of this audit process;
- (c) whether the audit has estimated IP reserves of 42.54 million tones of oil equivalent and 3 P reserves of 80.40 million tones of gas and whether these estimates are higher than ONGC's own estimates along with the reasons for mismatch in the projections;
- (d) the percentage of oil and gas demand of the country likely to be fulfilled from these oil and gas reserves projected between 2012-2032;
- (e) whether the audit endorse the drilling practices that have been used in the past two decades or so to explore oil and gas or does it conversely; point to inefficient drilling and exploration practices; and
- (f) whether there is any possibility that India would be self sufficient in oil and gas in the foreseeable future?

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 Limited(ONGC) had engaged these two petroleum consultants for the Third Party Certification of its reserves estimated as on 01.10.2010 for 64 fields, which hold 90% of Ultimate Reserve and 83% of Reserves of ONGC owned and operated areas.

Out of these, Reserves of Mumbai High were certified/audited by M/s Gaffney Cline & Associates while 63 fields were certified/audited by Degolyer & MacNaughton(D&M).

There is a -4.65% variations in In-Place (IP) reserves and +9.87% variation in 3P reserves vis-À-vis ONGC estimated reserves. The variations are well within the industry accepted practices indicating that ONGC follows a rigorous method of estimation at par with international standards.

(c): No Madam. The Auditors have estimated 612.57 Million Metric Tonne(MMT) Oil + Oil and Equivalent of Gas (O+OEG) of 1P reserves and 1061.55 MMT(O+OEG) of 3 P reserves shown in the audit resulted from delays in implementation of the ONGC's development plans with respect to its ageing fields in Assam and requirement of massive hydro-fracturing in one field of KG Basin.

(d): The petroleum product demand and crude oil production in 2016-17 as projected in 12th Five Year Plan is 186.209 Million Metric Tonne(MMT) and 41.156 MMT respectively, showing the demand fulfillment of about 22.10% from the indigenous sources. In case of Natural Gas, projected gas production in the corresponding period i.e. 2016-17 is 209 Million Metric Standard Cubic Meter Per Day (MMSCMD) against the demand of 359 MMSCMD showing an import dependence of 41.8%.

(e): Madam, ONGC engaged DeGolyer and MacNaughton(D&M) for conducting audit of 579 exploratory wells drilled during the period 2002-2007.

DeGolyer & MacNaughton (D&M) provided several suggestions to improve drilling efficiency, most of which were known, analyzed and adopted/being adopted.

(f): Does not arise in view of reply to part (d) above.