

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

STARRED QUESTION NO:114

ANSWERED ON:30.11.2012

PSCS FOR CBM BLOCKS

Bhagora Shri Tarachand;Rajukhedi Shri Gajendra Singh

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

- (a) whether it is mandatory for the Government to give approval to the proposal on pricing received from the operators within a fixed time-frame under the Production Sharing Contracts (PSCs) for Coal Bed Methane (CBM) blocks;
- (b) if so, the details thereof along with the details of the proposals received in this regard from the private operators for their respective CBM blocks and the status of approval thereof;
- (c) whether the development of CBM blocks allocated is getting delayed resulting in delay of availability of CBM gas;
- (d) if so, the details thereof; and
- (e) the remedial measures being taken by the Government in this regard?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (DR. M.VEERAPPA MOILY)

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

A Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 114 asked by Shri Gajender Singh Rajukhedi: Shri Tara Chand Bhagora for answer on 30.11.2012 regarding PSCs for CBM Blocks.

(a) Article 18.6 of Coal Bed Methane (CBM) Contract stipulates the following:

"The formula or the basis on which the CBM prices shall be determined pursuant to Article 18.5.2 (c) shall be approved by the Government prior to the sale of the CBM to consumers/buyers within sixty (60) Business Days from the receipt of proposal or from the date of receipt of clarification/additional information, where asked for by the Government". Hence it is essential for Government to approve the CBM prices.

(b) So far, Government has approved the sale price of commercially produced CBM gas for Raniganj (South) block in West Bengal, Operated by Great Eastern Energy Corporation Ltd. (GEECL), where commercial gas production commenced in July, 2007. Subsequently, the proposals for approving the sale price of commercial production of Coal Bed Methane (CBM) gas was received from two more CBM Operators as under:

- (i) Reliance Industries Limited (RIL) for two blocks SP (W)-CBM-2001/1 and SP (E)-CBM-2001/1 in Madhya Pradesh.
- (ii) Essar Oil Limited (EOL) for the block RG (E)-CBM-2001/1 in West Bengal.

The proposals are currently under examination by the Government.

(c) No, Madam.

(d) & (e) Do not arise.