

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

STARRED QUESTION NO:313

ANSWERED ON:14.12.2012

FRESH INVESTMENT IN KG D BASIN

Rajesh Shri M. B.;Rao Shri Nama Nageswara

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

- (a) the names of the companies which have been awarded contracts for development of the Krishna Godavari (KG) D6 basin;
- (b) whether the Government proposes to carry out a performance audit prior to allowing any future capital investment in the said block;
- (c) if so, the details thereof and the reaction of the companies thereto; and
- (d) the action taken/being taken by the Government in this regard?

Answer

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 313 TO BE ANSWERED ON 14TH DECEMBER, 2012 REGARDING FRESH INVESTMENT IN KG D6 BASIN ASKED BY SHRI NAMA NAGESWARA RAO AND SHRI M.B. RAJESH, MPs

(a): Under the first bidding round of New Exploration Licensing Policy (NELP), the deepwater exploration block KG-DWN-98 /3 (KG-D6) in Krishna Godavari basin in East Coast was awarded to M/s Reliance Industries Ltd (RIL) as Operator with 90% Participating Interest (P.I) along with M/s NIKO Resources Ltd. as Consortium Partner with 10% P.I through International Competitive Bidding process. Subsequently, in August, 2011, Government had granted consent for the assignment of 30% P.I by RIL to BP Exploration (Alpha) Limited (BPEAL) in this block. The present status of Consortium in KG-D6 block is as under:

- RIL (60% P.I) and Operator

- BPEAL (30% P.I)

- NIKO Resources (10% P. I)

(b) to (d): No, Government of India proposes to carry out audit in exercise of the rights under Section 1.9 of the Accounting Procedure of the Production Sharing Contract. Government has requested the C&AG to undertake this audit for the years 2008-09 to 2011-12 for this block, and advised the contractor to provide access to all records, documents and accounts of the block as per the contractual provision and extant legal framework. The contractor has agreed to audit under PSC without prejudice to his rights and contentions.