

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

UNSTARRED QUESTION NO:827

ANSWERED ON:01.03.2013

SUPPLY OF GAS FROM KG D BASIN

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

- (a) the current supply of gas to various power projects from Krishna-Godavari (KG) D6 basin in the country, State/UT-wise including the State of Andhra Pradesh;
- (b) the reasons for fall in the production of gas from KG-D6 basin in the recent times; I the steps taken by the government to ensure adequate supply of gas to industries and power projects including power project at Ratnagiri in view of reduction in production of gas from the said basin;
- (d) whether the State Government of Maharashtra has requested the Union Government to take over wells of KG-D6 basin and declare it as a national asset; and
- (e) if so, the details thereof and the reaction of the Union Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT. PANABAAGA LAKSHMI)

- (a): The State/UT-wise details of current supply of gas to various power projects from KG-D6 is annexed.
 - (b): During June, 2012 the total gas production from the above block declined to about 31.37 Million Metric Standard Cubic Meter Per Day (MMSCMD), comprising of 25.25 MMSCMD from D1 & D3 fields and 6.12 MMSCMD from MA fields, as compared to a total gas production of about 45.79 MMSCMD during June, 2011. The decline in gas production during June, 2012 is due to the following reasons:
 - (i) Out of a total 18 gas producer wells in D1 & D3 fields, 6 wells had ceased to produce gas due to water loading/sand ingress in wellbores.
 - (ii) Out of a 6 oil/gas producer wells in MA field, 2 oil/gas producers had ceased to flow oil/gas due to water ingress in wellbores.
 - (iii) Non drilling of the required number of gas producer wells in D1 & D3 fields by the Contractor in line with the Addendum to Initial Development Plan (AIDP) approved by the Management Committee (MC).
- Further, the Contractor has submitted the following reasons for less gas production as compared to AIDP of D1 and D3 fields:
- (i) Substantial variance in Reservoir Behavior and Character has been observed vis-à-vis the prediction, and there seem to be reservoir constraints in achieving the gas production rates.
 - (ii) Pressure decline is several times higher than originally envisaged.
 - (iii) Early water production in some of the wells was not predicted in initial reservoir simulations, though overall field water production is small.

In view of decrease in production of KG-D6 gas, Ministry of Petroleum and Natural Gas (MoPNG) issued an order on 12.07.2010 to apply pro-rata cuts in the supply against firm allocation to all customers on days when the total production is less than signed Gas Supply & Purchase Agreement (GSPA). Further, vide order dated 30.03.2011, MoP&NG directed the KGD6 Contractors that supply to core sectors viz., Fertilizer, LPG, Power and CGD (domestic & transport) sectors, apart from gas needed for operation of East West pipeline (EWPL) should be met up to their firm allocations before supplying to other sectors, irrespective of the production levels. Further, if there is any short fall in meeting the firm demand of remaining sectors due to fall in production, pro-rata cuts should be imposed on non-core sector customers. If the KGD6 gas production is insufficient to meet the demand of core sector, then cuts would be imposed in the reverse order i.e., in the sequence of CGD (domestic & transport), Power, LPG, and lastly Fertilizer. Power Project at Ratnagiri is being allocated and supplied gas as per its priority. In addition, MoPNG has on 01.01.2013 has also issued Guidelines on Clubbing/Diversion of Gas between Power Plants of same owner to enable use of domestic gas more efficiently to improve the PLF with corresponding increase in total generation of electricity.

(d): No, Madam.

(e): Dose not arise in view of (d) above.