

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

UNSTARRED QUESTION NO:5159

ANSWERED ON:26.04.2013

PETROLEUM RESERVES

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

- (a) whether there is possibility of discovery of huge petroleum reserves in Rajasthan particularly in Barmer-Sanchore area;
- (b) if so, the details thereof;
- (c) whether the Oil and Natural Gas Corporation (ONGC) had conducted a financial appraisal study for setting up of a refinery in the Barmer-Sanchore area and if so, the details and the present status thereof;
- (d) whether the ONGC has held talks with the Hindustan Petroleum Corporation Limited (HPCL) in this regard and if so, the details thereof;
- (e) whether the HPCL proposes to set up a refinery-cum-petrochemical complex in Rajasthan; and
- (f) if so, the details thereof and the estimated capital investment likely to be incurred in setting up of the said complex along with the time by which the production is likely to be started from the said refinery?

Answer

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

(a) & (b): Under the Production Sharing Contract (PSC) regime, so far 30 hydrocarbon discoveries (22 oil and 8 gas) have been made in Rajasthan as under:

i) A total of 25 hydrocarbon discoveries (21 oil and 4 gas) have been reported by the Operator Cairn India Limited in the block RJ-ON-90/1 in Barmer and Jalor districts. Recoverable reserve of about 458 Million Barrel of oil and 43 Billion Cubic Feet (BCF) of gas has been established so far in this block as per approved Field Development Plans.

ii) A total of 4 gas discoveries have been reported by the Operator Focus Energy Ltd. in the block RJ-ON/6 in Jaisalmer district. Recoverable gas reserve of about 246 BCF has been established so far in this block as per approved Field Development Plan.

iii) 1 oil discovery has been reported by the Operator Oil India Ltd in the block RJ-ONN-2004 /2, in Bikaner and Jaisalmer districts. The discovery is currently under evaluation and no oil reserves have been established so far.

Under Nomination regime ONGC is carrying out exploratory activities, as an operator, in acreages awarded in Jaisalmer & Vindhyan Basins only in State of Rajasthan. It has made 8 gas discoveries in the Jaisalmer Basin and has established 5.38 Million Metric Ton of oil equivalent (MMtoe) of In- Place Hydrocarbon Volumes & 2.61 MMtoe Ultimate Reserves.

Under Nomination regime Oil India Limited (OIL) does not have any Petroleum Exploration lease area in Barmer-Sanchore region of Rajasthan at present.

(c) & (d): ONGC examined detailed feasibility for a 4.5 Million Metric Tonnes Per Annum (MMTPA) refinery capacity through M/s EIL in 2010 and subsequent financial appraisal by merchant banker M/s SBI Caps in 2011. As per the financial analysis of the merchant banker, the project is not viable on standalone basis and will require adequate fiscal incentives and facilitation from both the State and Central Government in order to make the project bankable.

Though Government of Rajasthan (GOR) conveyed their in-principle approval for 26% equity stake in the project and to provide requisite fiscal incentives to ensure techno-commercial viability, ONGC conveyed its willingness to participate in the refinery project with equity upto 26% and critical importance of roping in an existing PSU – Oil Marketing Committee (OMC) as a lead partner for successful implementation of the refinery.

The following critical actionable points were firmed up to take the project forward.

(a) HPCL to take the role and undertake a fresh refinery configuration study through M/s UOP and simultaneously engage M/s EIL for cost study for the enhanced refinery capacity of 9.0 MMTPA.

(b) HPCL to finalize project structure in consultation with GoR, ONGC and EIL.

(e) & (f): Hindustan Petroleum Corporation Limited (HPCL) has signed a Memorandum of Understanding (MoU) with Government of Rajasthan for setting up of a 9 Million Metric Tonnes Per Annum (MMTPA) Refinery-cum-Petrochemical Complex at Barmer in the State of Rajasthan.

The proposed complex will be a State-of-the-Art complex which will produce petroleum as well as petrochemical products and will meet the latest environmental norms and product specifications. It will be capable of processing local Rajasthan crude as well as imported crude. The estimated capital investment is Rs.37,230 crore. The refinery is expected to be completed in four years.