

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

UNSTARRED QUESTION NO:1804

ANSWERED ON:16.08.2013

COAL BED METHANE GAS

M.Thambidurai Dr. ;Siddeswara Shri Gowdar Mallikarjunappa

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

- (a) Whether Government has received proposals for approval of pricing of Coal Bed Methane (CBM) gas;
- (b) If so, the details thereof; and
- (c) The timeline for consideration of these proposals as per the contract; and
- (d) The reasons for the delay in taking a decision in the matter within the timelines mandated under the contracts?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAAGA LAKSHMI)

(a) to (d): Government has received proposals for approval of Formula/basis for Coal Bed Methane (CBM) gas price for the three blocks awarded under the first round of CBM policy, block RG(E)-CBM- 2001/1 in West Bengal, operated by Essar Oil Limited and blocks SP(W)-CBM-2001/1 & SP(E)-CBM-2001/1 in the State of Madhya Pradesh operated by Reliance Industries Limited. Dr. C. Rangarajan has examined the proposal of 3 CBM blocks and made recommendations.

CBM gas price for the block RG(E)-CBM-2001/1 has been approved based on the Dr. C. Rangarajan recommendations. For the blocks SP(E)-CBM-2001/1 & SP(W)-CBM-2001/1, the recommendations made by Dr. Rangarajan are under consideration.

The basis/formula for pricing of CBM gas are to be approved in accordance with the provisions of Article 18 of CBM contracts by the Government prior to the sale of CBM to consumers/buyers within sixty (60) working days from the receipt of proposal or from the date of receipt of clarification/ additional information, where asked for by the Government.

Further, Government has approved the gas price formula based on the Rangarajan Committee recommendations, which will be applicable from 1st April 2014 for a period of 5 years. These gas prices will be applicable to all natural gas including CBM.