

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

UNSTARRED QUESTION NO:2472

ANSWERED ON:23.08.2013

PRODUCTION OF NATURAL GAS

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

- (a) the details of production of natural gas in the country during the last three years and the current year, field, year and State/UT-wise;
- (b) whether the domestic production of natural gas continue to decline in the country;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the corrective measures taken or proposed to be taken by the Government in this regard?

**Answer**

Minister of State in the Ministry of PETROLEUM & NATURAL GAS (SMT. PANABAACA LAKSHMI)

(a) The State-wise and year-wise details of natural gas production in the country during the last three years (2010-11, 2011-12 and 2012-13) and the current year 2013-14 (upto June, 2013) is given in Annexure.

(b) & (c) The domestic production of natural gas continue to decrease from the year 2010-11. The domestic production of natural gas in the country during 2010-11, 2011-12 and 2012-13 was 52.22 Billion Cubic Metre (BCM), 47.56 BCM and 40.67 BCM respectively.

The Major reason for decline in natural gas production is due to less production from KG-DWN-98/3 (KG-D6) block. In addition, natural gas production from aging field of Oil and Natural Gas Corporation Ltd. (ONGC) and Oil India Ltd. (OIL) is on natural decline. The reasons for decline in gas production from KG-DWN-98/3 (KG-D6) block is given below:

(i) Out of a total 18 gas producer wells in D1 & D3 fields, 9 wells have ceased to produce gas due to water loading/sand ingress in wellbores.

(ii) Out of 6 oil/gas producer wells in MA field, 2 oil/gas producers have 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 Management Committee (MC).

Further, the Contractor has submitted the following reasons for less gas production as compared to AIDP of D1 & 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.

(d) The corrective measures taken to increase natural gas production in KG-DWN-98/3 (KG-D6) block are as under:

i. The Contractor has been asked to drill, complete and connect more producer wells and undertake appropriate remedial measures to revive the sick wells in D1, D3 and MA fields in this block.

ii. The Contractor's proposal to install compressor at Onshore Terminal to increase gas recovery from D1 & D3 fields has been approved by the Management Committee (MC).

iii. Revised Field Development Plan (RFDP) of MA field has been approved by the MC. iv. The Optimized Field Development Plan (OFDP) of another 4 gas discoveries (D-2, 6, 19 & 22) has been approved by MC.

v. The Declaration of Commerciality (DoC) of gas discovery D-34 has also been reviewed by MC. Further, the gas production from D1 & D3 fields was much less than the production rates approved in the Field Development Plan (FDP). The Contractor had set up production facilities (in a cost recoverable manner) for approved production of 80 Million Metric Standard Cubic Metre per Day (mmscmd), but he failed to adhere to the approved Field Development Plan both in terms of gas production rate as well as drilling and putting on stream the required number of wells, even after repeated reminders. The Government, in May, 2012, issued notice for proportionate disallowance of cost of production facilities amounting to US \$1.005 Billion. The issue is currently under arbitration.