

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

UNSTARRED QUESTION NO:1460

ANSWERED ON:13.12.2013

SALE OF COAL BED METHANE GAS

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

- (a) whether certain gas producers in the country are selling Coal Bed Methane gas at the rate of 13 US dollars per unit;
- (b) if so, the details thereof and the quantity of gas being sold by the producers during 2012-13;
- (c) whether any basis has been specified for the said price determination;
- (d) if so, the details thereof; and
- (e) the extent by which the price of the gas being sold in the market is more or less than its average price?

Answer

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

(a) & (b): Presently CBM gas is being sold by 3 Operators, namely, M/s Great Eastern Energy Corporation Limited (GEECL), M/s Essar Oil Ltd. and Oil & Natural Gas Corporation (ONGC) from Raniganj South, Raniganj East and Jharia CBM blocks, respectively.

Commercial quantity of CBM gas is being produced in one block, namely, Raniganj South operated by GEECL. Small quantities of incidental gas is being produced in two CBM blocks viz Raniganj East and Jharia by M/s Essar and ONGC respectively, The gas sale price realized in these CBM blocks is as under:

- (i) US\$ 8.46/mmbtu to US\$ 22.01/mmbtu in Raniganj South block by M/s GEECL.
- (ii) US\$ 9.16/ mmbtu to US\$ 11.63/mmbtu in Raniganj East CBM block by M/s Essar.
- (iii) US\$ 5.71/mmbtu in Jharia CBM block by ONGC.

The gas sales during the year 2012-13 were 75.61 MCM, 8.07 MCM and 2.95 MCM by M/s GEECL, M/s Essar and ONGC, respectively.

(c) to (e): The valuation of CBM gas produced and saved from the Field/Development Area is based on Arms-Length Prices and is defined under Article 18 of the CBM contract. The gas sale price realized from different customers by these operators is as per Gas Sales Agreement between the operators and buyers.