

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

STARRED QUESTION NO:209

ANSWERED ON:03.12.2009

EXPLORATION OF OIL/NATURAL GAS BY PRIVATE COMPANIES

Vardhan Shri Harsh

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

- (a) the number of production sharing contracts (PSC) signed between the Government and the private contractors under the New Exploration and Licensing Policy ;
- (b) the details of names of the private contractors and the blocks provided to them, area-wise; and
- (c) the mechanism/method by which the Government assesses the amount of expenditure claimed to have been incurred by the private operators in the exploration of crude oil and natural gas?

Answer

MINISTER OF PETROLEUM & NATURAL GAS(SHRI MURLI DEORA)

(a) to (c) A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO.209 ASKED BY SHRI HARSH VARDHAN TO BE ANSWERED ON 3RD DECEMBER,2009 REGARDING EXPLORATION OF OIL/ NATURAL GAS BY PRIVATE COMPANIES

(a) & (b) Under the seven bid rounds of New Exploration Licensing Policy (NELP) concluded so far, Production Sharing Contracts (PSCs) have been signed for 85 blocks with private companies.The details are Annexed.

(c) The PSC provides the framework/mechanism for recovery of expenditure incurred in the Project by the Contractor. As per provisions of Production Sharing Contract (PSC), the Management Committee (MC) approves the Annual Work Programme and budgets. The Expenditure incurred by the Contractor, is cost recoverable only to the extent of permissible and audited cost. Under the PSC the Government may undertake the conduct of the audit either through its own representatives or through a firm of Chartered Accountants, registered in India, or reputed consulting firm. The cost recovery to the Contractor is permitted pursuant to approved work programme and budget by MC and after adjustment of the audit exceptions as per provisions of PSC.