

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

UNSTARRED QUESTION NO:4349

ANSWERED ON:20.04.2015

DEVELOPMENT OF HYDROCARBONS DISCOVERIES

Biju Shri Parayamparanbil Kuttappan; Gandhi Shri Feroze Varun; Misra Shri Ajay (Teni); Mondal Shri Sunil Kumar; Muddahanumegowda Shri S.P.; Pandula Dr. Ravindra Babu; Rathwa Shri Ramsinh Patalyabhai; Sampath Shri Anirudhan; Yadav Shri Om Prakash

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

- (a) the names of the public/private sector companies which have signed Production Sharing Contracts in Krishna Godavari basin and Barmer oil and gas block including oil and gas produced by them and the revenue generated out of such exploration by these companies during the last three years along with reasons for shortfall of oil and gas production, if any company-wise;
- (b) whether some of the discovered hydrocarbons are unexplored/undeveloped and commercial production of oil and gas is yet to be started;
- (c) if so, the details of such hydrocarbon blocks, oil blocks/State UT-wise including North-Eastern States and the reasons for delay to start these oil blocks along with steps being taken by the Government to explore such oil and gas blocks;
- (d) the names of the public/private sector companies have surrendered/ cancelled by Government to their exploration and production area in the country and if so, the details thereof and the reasons therefor along with any penalties imposed by the Government, company/oil field/block-wise;
- (e) whether the Government has estimated the offshore and onland oil and gas reserves during the current year and if so, the details thereof along with steps taken by the Government to enhance oil and gas reserves in the country, company/State UT-wise including Manipur and Arunachal Pradesh; and
- (f) whether a Special Dispensation Violating Production Sharing Contracts have been signed by the Government with public/private sector company during the last three years and if so, the details thereof and the reasons therefor?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

- (a): Production Sharing Contracts (PSCs) signed in respect of blocks/areas/fields in the Krishna Godavari and Rajasthan Basin are at Annexure-I.
Details of oil and gas produced and the revenue generated by these blocks/fields during the last three years are at Annexure-II.
Contractors have reported following reasons for Shortfall in Oil & Gas Production in Krishna Godavari Basin as under.
1. Rawra field is an old and matured field. Though its oil production has been maintained for the last three years, its gas production is declining due to depletion of gas reserves at a faster rate, being a mature field.
 2. In KG-DWN-98/3 Block, due to sand ingress and rapid water loading of wells, production from the wells declined sharply.
- (b) & (c): At present 18 discoveries are under development. Details are at Annexure-III.
No discovery is under development in North-Eastern States under PSC Regime at present.
The time required for development of hydrocarbon discoveries normally varies from 3 to 8 years depending upon various factors such as location/size of discovery and oil fields services availability of infrastructure.
- (d): Details of Blocks/fields relinquished by Contractors/cancelled by the Government are at Annexure-IV.
In case of non-fulfillment of minimum work programme/committed work programme within the stipulated exploration period, Contractor is liable to pay liquidated damage (LD) for the un-finished minimum work programme as per PSC provisions.
The penalty on account of cost of Unfinished Work Programme imposed by MoP&NG for various companies is US\$ 254.83 million. Out of this the companies have paid US\$ 102.68 million as detailed in Annexure-V.
- (e): No, Madam. Reserves estimation is done annually.
Following policy measures have been/are being taken by the Government to enhance oil & gas reserves based in the country:
1. Appraisal of about 1.5 million sq. Km un-appraised area of the Indian Sedimentary Basins.
 2. Re-assessment of Hydrocarbon Resources.
 3. Setting up of National Data Repository
 4. Offering of more and more unexplored areas for exploration through New Exploration Licensing Policy (NELP) bidding rounds.
 5. Policy for exploration and exploitation of Shale Gas/Shale Oil resources by NOCs under the Nomination Regime.
 6. Policy for exploration in the Mining Lease (ML) areas after the expiry of exploration period.

7 Policy on Non-exclusive Multi-client Speculative Survey for assessment of unexplored sedimentary basins

8. Policy framework for relaxations, extensions and clarifications at the development and production stage under the PSC regime for early monetisation of hydrocarbon discoveries.

9. New pricing guidelines for domestically produced natural gas has been approved to incentivize exploration and production of natural gas in the country.

10. Exploration of CBM in the country.

11. Encouraging E&P activities in for North East. In this connection, DGH has already invited a tender for hiring a consultant to assist in various issues related to NE Region having a bearing on E & P activities.

(f): No, Madam.