

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

STARRED QUESTION NO:262
ANSWERED ON:16.03.2015
CRUDE OIL AND NATURAL GAS RESERVES
Chavan Shri Ashok Shankarrao;Singh Shri Kunwar Haribansh

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

- (a) the estimated hydrocarbon including crude oil and natural gas reserves reported both at offshore and onshore separately.
- (b) the quantum of oil and natural gas reserves being explored by the public/private sector companies during the last three years and the current year, oilfield and company-wise;
- (c) the fiscal and other incentives provided for exploration and extraction of oil and gas deposits;
- (d) the foreign companies and agencies involved in the exploration and extraction of oil and gas deposits; and
- (e) the action plan/policy of the Government to conserve crude oil and natural gas reserves in the country and to deal with the challenges faced by the country in energy sector?

Answer

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

(a) to (e) A statement is laid on the table of the house.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 262 BY KUNWAR HARIBANSH SINGH: SHRI ASHOK SHANKARRAO CHAVAN: TO BE ANSWERED ON 16.03.2015 REGARDING "CRUDE OIL AND NATURAL GAS RESERVES".

(a) Estimated offshore and onland hydrocarbon reserves of crude oil and natural gas as on 01.04.2014 are as under:

LOCATION	In Place Volume	Estimated Ultimate Recovery Balance					
	OIL+ Total O + OEG	OIL+ Total O + OEG	OIL+ Total O + OEG	OIL+ Total O + OEG	OIL+ Total O + OEG	OIL+ Total O + OEG	OIL+ Total O + OEG
	COND Gas	COND Gas	COND Gas	COND Gas	COND Gas	COND Gas	COND Gas
	MMT (OEG)	MMT (OEG)	MMT (OEG)	MMT (OEG)	MMT (OEG)	MMT (OEG)	MMT (OEG)
	MMT	MMT	MMT	MMT	MMT	MMT	MMT

Offshore	3590	2546	6136	1026	1482	2508	361	877	1239
Total	.13	.47	.6	.16	.34	.5	.7	.43	.13

Onland	3359	1158	4518	895	592	1487	378	353	732
Total	.82	.6	.42	.37	.07	.44	.19	.92	.11

CBM	-	281	281	-	101	101	-	100	100
Total		.06	.06		.59	.59			
(Onland)									

Grand	6949	3986	10936	1921	2175	4097	739	1331	2071
Total	.95	.07	.02	.53	.47	.00	.89	.94	.83

(b) Details of oil and natural gas reserves accretion by the public/private sector companies during the last three years are at annexure-I.

(c) Fiscal and other incentives provided for exploration and extraction of oil and gas deposits to E&P companies under New Exploration Licensing Policy (NELP) are as under:

- i. Lower rates of royalty are applicable as compared to Nomination Fields.
- ii. No Cess is payable on production from blocks offered under NELP Bidding Rounds.
- iii. Goods imported for petroleum operations are exempted from Custom duty.
- iv. Deduction of infructuous or abortive exploration expenses and expenditure incurred in respect of exploration activities or services etc under Section 42 of Income Tax Act, 1961 have been provided.
- v. 100% FDI is allowed under NELP
- vi. 40% subsidy on supply of gas in North Eastern Region is available to all operators to incentivize exploration and production.
- vii. A seven year tax exemption under Section 80-IB(ix) of Income Tax Act, 1961 for blocks awarded upto NELP VII bidding round has been provided.
- viii. Fiscal stability provisions have been made in the Production Sharing Contracts.

(d) Following 11 foreign companies are engaged as operator in exploration and extraction of oil and gas;

1. BHP Billiton Pty. Ltd.
2. BP Exploration (Alpha)
3. British Gas Exploration and Production (India) Ltd.
4. Cairn Energy India Pty. Ltd.
5. Deep Energy Lie
6. Hardy Exploration & Production (India) Inc.
7. Heramac Ltd.
8. Joshi Tech. Inc.
9. Niko Resources Ltd.
10. Oilex-NL Holdings Ltd
11. Santos International Operations Pty. Ltd,

(e) The Government is taking the following steps to conserve crude oil and natural gas and to deal with the challenges faced by the country in the energy sector:

- i. Fillip is being given to the Ethanol blended petrol programme by fixing the delivery price of ethanol in the range of Rs. 48.50 to Rs.49.50 per litre.
- ii. Ethanol is being allowed to be produced from other non-food feedstocks besides molasses, like cellulosic and ligno cellulosic materials for blending.
- iii. To promote bio-diesel, under the bio-diesel purchase policy, the Government has recently allowed the direct sale of bio-diesel to all consumers.
- iv. Exploration of non-conventional hydrocarbons such as shale oil & gas, coal bed methane and gas hydrates is being promoted.
- v. Strategic crude oil reserves with storage capacity of 5.33 MMT are being set up at Visakhapatnam, Mangalore and Padur.
- vi. Promotion of fuel efficient practices and equipment in the industrial sector such as boilers, furnaces and other oil operated equipment.
- vii. Standardisation of fuel efficient irrigation pump sets and rectification of existing pump sets to make them more fuel efficient.
- viii. Promotion of fuel efficient equipment and appliances such as kerosene and LPG stove in the household sector.
- ix. In house conservation efforts in the upstream and refining sectors through installation of waste heat recovery system, utilization of non-conventional energy resources and reduction of gas flaring.
- x. Development and implementation of Standards & Labelling Programme for Domestic LPG stoves and diesel engine driven monoset pumps for agricultural purposes.

xi. Promotion of conservation of fuel conservation through multi-media mass awareness programme.

xii. A policy framework for early monetization of discoveries has been approved by the government to address rigidities in the timelines of the PSC. These reforms have helped in moving ahead with discoveries with estimated reserves worth more than US\$ 5 billion are associated.

xiii. Exploration & production in unexplored Indian sedimentary basins are proposed to be encouraged through appraisal of un-appraised sedimentary basins.

xiv. A project to reassess the hydrocarbon resources is underway. The project shall be covering all 26 sedimentary basins of India using new seismic and drilling data acquired in the last two decades so that prospects of hydrocarbons in India can be understood better.

xv. A National Data Repository (NDR) is being set up to enable validation, storage, maintenance and easy access to all available geo-scientific data of the Indian sedimentary basins thereby assisting in increasing the investment in exploration & production in our country.

xvi. Efforts are being made for enhancing the recovery factor of discovered reserves of oil and gas of matured oil and gas fields of National Oil Companies through latest Improved Oil Recovery/Enhanced Oil Recovery (IOR/EOR) techniques.