

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

UNSTARRED QUESTION NO:3550
ANSWERED ON:04.08.2014
COAL BED METHANE
Owaisi Shri Asaduddin;Puttaraju Shri C.S.

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

- (a) whether the Government proposes to develop unconventional sources of gas like Coal Bed Methane (CBM), Gas Hydrates and Shale Gas;
- (b) if so, the details thereof along with Research and Development work undertaken by the Government to meet the increasing demand of natural gas in the country;
- (c) the number of CBM blocks awarded so far along with gas produced from these blocks and the number of CBM blocks identified for awarding in near future, State-wise; and
- (d) whether the Government has received proposals for approval of pricing of CBM and if so, the details thereof and the action taken by the Government thereon?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) & (b): Yes, Madam. In order to develop Coal Bed Methane (CBM) resources, the Government has awarded 33 blocks for exploration and exploitation of CBM. The prognosticated CBM resources are estimated to be of the order of 63 Trillion Cubic Feet (TCF). Out of the 33 blocks, 30 blocks have been offered through International Competitive Bidding (ICB), 2 on nomination basis and 1 through Foreign Investment Promotion Board (FIPB) route.

For the exploration and development of Gas Hydrates, the National Gas Hydrate Programme (NGHP) was formulated by Government in 1995. The first NGHP Expedition-01 was carried out in 2006, wherein coring and drilling at 21 sites in western offshore, eastern offshore and Andaman sea were done to know the occurrence of gas hydrates in offshore areas. The presence of gas hydrates has been established in Krishna-Godavari, Mahanadi and Andaman deep water basins along east coast of India.

The Shale gas potential in the country has been assessed based on the geo-scientific data gathered for conventional oil and gas over the years in different sedimentary basins by National Oil Companies and Private/Joint Venture Companies. The preliminary study indicates that the potential of Shale gas exists in Cambay, Gondwana, Krishna-Godavari onland, Cauvery onland, Assam-Arakan and Indo-Gangetic sedimentary basins.

The Government has, on 14.10.2013, notified the policy guidelines for exploration and exploitation of shale gas and oil by National Oil Companies (NOCs) in their onland PEL (Petroleum Exploration Lease)/ PML (Petroleum Mining Lease) blocks awarded under the nomination regimes. As per the policy, the NOCs will undertake a mandatory minimum work programme in a fixed time frame for shale gas and oil exploration and exploitation, so that there is optimum accretion and development of shale gas and oil resources. Under the first phase of assessment of shale gas and oil, exploration and exploitation, at present, 56 PEL/PML blocks (ONGC -50, and OIL-6) have been identified by NOCs. ONGC has drilled one well where coring has been completed. In addition, ONGC has collected cores from another 7 wells.

(c): The Government has awarded 33 blocks for exploration and exploitation of CBM under the four bidding rounds launched, so far. Out of these, 8 blocks are under development phase wherein good CBM potential have been established. The Field Development Plans (FDP) for these blocks have been approved and development activities have been carried out by the contractors.

The total established reserves in these eight blocks are of the order of 9.9 Trillion Cubic Feet (TCF). Presently, CBM is being produced from 3 blocks namely Raniganj (South), Raniganj (East) and Jharia. The current average CBM production for the year 2014-15 (April, 2014 to June, 2014) is about 0.58 MMSCMD. The projected CBM production is likely to reach to the level of 4.0 MMSCMD by 2016-17.

Further, 10 CBM blocks have been identified for offer under the proposed Uniformed Licensing Policy (ULP). Out of these, 6 blocks are located in Gujarat State, 2 blocks in Madhya Pradesh and 2 blocks in Maharashtra State.

d): Yes, Madam. Four Contractors namely M/s Great Eastern Energy Corporation Limited (GEECL) (Raniganj South block), M/s

Essar (Raniganj East block), ONGC (Jharia block) and Reliance Industries Limited (Sohagpur East & West blocks) have sought the approval of Government of India (GoI) for the gas price formula/basis for valuation of CBM gas. The approval of GoI has been issued for 3 contractors namely M/s GEECL, M/s Essar and ONGC. The proposal of RIL has been scrutinized and additional information has been sought.