

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

UNSTARRED QUESTION NO:2679

ANSWERED ON:14.03.2016

New Policy of Petroleum Products

Chandumajra Shri Prem Singh;Diwakar Shri Rajesh Kumar;Kumar Dr. Virendra ;Selvam Shri V. Panneer

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

- a) whether the Government proposes to hold consultation with the industry/ investors before formulating any new Policy regarding development of oil/gas and other petroleum products and if so, the details thereof along with salient features of the new oil/petroleum policy;
- (b) whether the Government has worked out any mechanism to ensure representation of the end consumers at such consultations and check formation of cartels/monopolies and if so, the details thereof;
- (c) whether the Government proposes to deregulate the prices of natural gas and if so, the details thereof;
- (d) whether the Government proposes to change the revenue sharing formula for oil and gas sector and if so, the salient features of the same; and
- (e) the steps proposed to be taken by the Government to reduce the import expenditure and growth of petroleum industry while protecting the rights of the consumers as well?

**Answer**

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

The implementation of these policy initiatives and other reform initiatives is expected to enhance domestic production from the fields and reduce imports.

\*\*\*\*\*

- (a)The consultations are carried out with the industry and its representatives at various stages of policy formulation wherever considered necessary.
- (b)Government, takes due care at each stage of consultation and policy formulation to check manipulations.
- (c)The mechanism for pricing of domestically produced natural gas has been brought out in New Domestic Gas Pricing Guidelines 2014. For High Pressure-High Temperature, Deepwater and Ultra Deepwater areas, a proposal to grant marketing freedom with a cap has been approved by the Government.
- (d)The present production of hydrocarbons is under Production Sharing Contract/Nomination regime, while the future bidding and allotment of acreages will be on revenue sharing regime.
- (e)The government has taken several steps to enhance domestic production and reduce import dependency through several policy initiatives such as:
  - (i)Policy to grant relaxation, extension, and clarifications at development and production stage for early monetization of hydrocarbon discoveries
  - (ii)Marginal Field Policy- Discovered Small Field Policy
  - (iii) Uniform Licensing Policy-Hydrocarbon Exploration and Licensing Policy
  - (iv)Policy for Grant of Extension to small and medium sized discovered fields
  - (v)Policy for Marketing Freedom for Gas Produced from Deepwater and Ultra Deepwater areas etc.