

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

UNSTARRED QUESTION NO:3665

ANSWERED ON:08.08.2016

Production of Crude Oil

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

- (a) whether the current slump in international oil prices is impacting the production of crude oil and natural gas in the country;
- (b) if so, the details thereof and the reaction of the Government thereto along with the corrective steps taken/being taken by the Government in this regard;
- (c) whether the Government has prepared any blue-print for improving the production and supply of natural gas in the country and if so, the details thereof along with the steps taken to meet the domestic demand indigenously;
- (d) whether the Government proposes to increase domestic gas prices for existing oil and gas fields operated by public/private sector companies to scale up production of natural gas and if so, the details thereof; and
- (e) the details of expenditure incurred on import of natural gas during the last three years and the current year and steps taken to reduce the import of natural gas in the country, country-wise?

Answer

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

(a) & (b). Currently, there is no visible impact on country's oil & natural gas production due to slump in crude oil prices. Decline in Crude oil prices affect revenues and profits of E&P companies and extended declines may even adversely affect their ability to finance planned capital expenditures for major exploration, development and re-development projects resulting in adverse impact on production of oil and gas in the long run.

(c) to (e). In order to accelerate the pace of exploration and enhance production of natural gas in the country and to reduce import dependency, the Government has taken various policy initiatives which are as under:

? Government has approved a new Hydrocarbon and Exploration Licensing Policy (HELP) and same has been notified on 30th March 2016.

? Marketing and Pricing freedom for new gas production from Deepwater, Ultra Deepwater and High Pressure-High Temperature areas subject to certain conditions, to incentivize gas production from such areas.

? Policy for grant of extension to the Production Sharing Contracts of 28 Small and medium sized discovered blocks, so that investors can plan their investment.

? Policy Framework for relaxation, extensions and clarifications at the development and production stage under PSC regime for early monetization of hydrocarbon discoveries.

? New Domestic Natural Gas price Guidelines, 2014: Under these guidelines, gas price has been linked to the market/ important hub prices.

? Discovered Small Fields Policy- 67 oil & gas fields which have been held by ONGC and OIL for many years, but have not been exploited, has been approved for bidding under this policy. The bid has been launched on 25.05.2016.

? Appraisal of about 1.5 million sq. km un-appraised area of the Indian Sedimentary Basins has been initiated.

? Re-assessment of Hydrocarbon Resources.

? National Data Repository has been setup.

? Policy for exploration and exploitation of Shale Gas/Shale Oil resources by NOCs under the Nomination Regime.

? Policy for exploration in the Mining Lease (ML) areas after the expiry of exploration period.

? Policy on Non-exclusive Multi-client Speculative Survey for assessment of unexplored sedimentary basins has been operationalized.

As regards revision of Gas Pricing formula for gas produced from NELP, Pre-NELP & nomination regimes, presently there is no proposal under consideration.

The details of Liquefied Natural Gas (LNG) imported along with price for last three year (FY 2013-14 to 2015-16) and Current year (till April, 2016) is as under:

Year

Quantity (in TMT)

Million US \$

Rs. in Crore

2013-14

13020.69

8553.62

51699.29

2014-15

13289.15

9230.83

56340.02

2015-16

14376.92

6710.46
43782.44
2016-17(April)
1308.17
380.94
2532.10
