

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

UNSTARRED QUESTION NO:1108

ANSWERED ON:02.03.2015

SHALE OIL AND GAS

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

- (a) whether the production of shale oil and gas and its commercial sale and exports by the United States of America affected the prices of petroleum products including crude oil globally;
- (b) if so, the reaction of the Government thereto;
- (c) whether there is a possibility of production of shale oil and gas in India to make its self reliant in the petroleum products;
- (d) if so, the details of the production of shale oil and gas during the last three years and the current year, State/oil and gas blocks/company-wise;
- (e) whether the rapid expansion of oil and gas development across the country is endangering human health and the environment due to use of dangerous chemicals; and
- (f) if so, the punitive action taken to safeguard the health and environment without affecting the production of oil and gas in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS.

(a) & (b): Yes, Madam. The shale boom helped US to produce nearly 15% of the global crude oil thereby significantly reducing its imports. The yearly growth of US crude oil production is around 1-1.2 MMB/D against the world demand growth of 0.8 MMB/D. The increase in oil and gas production in the United States of America is one of many possible factors helping in lowering of international prices of crude oil and spot prices of LNG. This has resulted in a lower crude oil import bill. This has also led to a reduction in prices of petroleum products like petrol, diesel, ATF, SKO, LPG, etc., thereby benefiting the consumers.

(c) to (d): In order to explore/ assess the shale gas and oil potential in the country, the Government of India has on 14.10.2013 notified the Policy Guidelines for Exploration and Exploitation of Shale gas and Oil by National Oil Companies in the PEL/PML blocks allotted to them under the nomination regime. Under the first phase of assessment (3 years), ONGC and OIL have been granted permission to carry out shale gas and oil exploration and exploitation activities in 50 and 5 PEL/PML blocks respectively.

At present, the exploration of shale gas and oil is at a nascent stage. ONGC has drilled two wells and the third well is being drilled in the Cambay basin, Gujarat. In addition, ONGC has collected cores in prospective shale formations from another 9 wells.

(e): Oil field chemicals used in upstream oil and gas industry can be classified as

(i) drilling chemicals,

(ii) processing chemicals,

(iii) stimulation chemicals and

(iv) water-injection chemicals. To handle such chemicals, there are standard operating procedures to take care of human safety and environment. Oil and gas companies follow International Organization for Standardization (ISO)/Occupational Health & Safety Advisory Services (OSHAS) standard and are certified for QHSE (Quality, Health, Safety and Environment).

(f): Does not arise.