

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

STARRED QUESTION NO:17

ANSWERED ON:24.11.2014

CRUDE OIL RESERVES

Joshi Shri Chandra Prakash;Yadav Shri Jay Prakash Narayan

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

- (a) whether the Government has created adequate storage/strategic reserves of petroleum products to address the wide fluctuation of international crude oil prices and rising demand in the country;
- (b) if so, the details thereof along with the existing storage capacity of various OMCs in the country, State-wise including Rajasthan and Bihar;
- (c) whether the Government intends to construct more caverns to store crude oil by various Oil Marketing Companies in the country;
- (d) if so, the details thereof along with the plan chalked out by the Government in this regard; and
- (e) the other measures taken/being taken by the Government to meet the rising demand of crude oil and petroleum products in the country?

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.17 BY SHRI CHANDRA PRAKASH JOSHI AND SHRI JAI PRAKASH NARAYAN YADAV TO BE ANSWERED ON 24.11.2014 REGARDING CRUDE OIL RESERVES.

(a) & (b): The Government, through Indian Strategic Petroleum Reserves Limited (ISPRL), is setting up Strategic Crude Oil Reserves with storage capacity of 5.33 Million Metric Tonnes (MMT) at three locations viz. Visakhapatnam (storage capacity: 1.33 MMT), Mangalore (storage capacity: 1.5 MMT) and Padur (storage capacity: 2.5 MMT) to enhance the energy security of the country.

The Visakhapatnam Project is expected to be completed by February, 2015. Mangalore and Padur Projects are expected to be completed by October, 2015.

The details of the existing storage capacity of crude for various Oil Marketing Companies (OMCs) including Rajasthan and Bihar are given at Annexure.

(c) & (d) In order to further increase the Strategic Crude Oil storage capacity, ISPRL through Engineers India Limited, has prepared a detailed feasibility study for construction of additional 12.5 MMT of strategic crude oil storages in Phase-II at four locations viz. Bikaner, Rajkot, Chandikhol and Padur.

However, at present Government has no plans to construct caverns to store crude oil by various OMCs in the country.

(e) In order to accelerate the pace of exploration and production of oil and gas in the country, the Government has taken various policy initiatives which are as under:-

i) Offering of exploration blocks through NELP bidding rounds.

ii) Encouraging exploration and exploitation of alternative energy sources, such as Coal Bed Methane (CBM), Shale Gas/Shale Oil and Gas Hydrates etc.

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

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

v) Policy on Non-exclusive Multi-client Speculative Survey for assessment of unexplored sedimentary basins.

vi) Policy framework for relaxations, extensions and clarifications at the development and production stage under the PSC regime for

early monetisation of hydrocarbon discoveries.

The refining capacity of India at present is in excess of domestic consumption of petroleum products and is adequate to meet the rising demand in near future.