

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

UNSTARRED QUESTION NO:3601

ANSWERED ON:15.12.2014

RESERVE REPLACEMENT RATIO OF ONGC OIL

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

- (a) the details of reserve replacement ratio of Oil and Natural Gas Corporation Limited (ONGC) and Oil India Limited (OIL) during the last three years and the current year;
- (b) whether the oil and gas production is not increasing in proportion to the replacement ratio being reported by these companies and if so, the reasons therefor;
- (c) whether any guidelines have been issued by the Government to maintain transparency in oil and natural gas production by various public/private sector companies across the country;
- (d) if so, the details thereof and steps taken by the Government to maintain transparency and to ensure that all discovered resources are explored by the companies within the timeframe prescribed for the purpose; and
- (e) the achievements made by ONGC and OIL during the above period?

Answer

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

(a) Reserve Replacement Ratio (RRR) as reported by ONGC and OIL for the last 3 years are as under:

	2011-12	2012-13	2013-14
ONGC	1.25	1.47	1.24
OIL	1.37	1.63	1.29

As far as RRR of current year is concerned, the annual review of Reserves Estimation is firmed up at the end of the financial year.

(b) Despite RRR being more than one in respect of both ONGC and OIL, the production is almost stagnant. This is on account of the fact that most of the fields of ONGC and OIL are old and matured and have crossed their plateau period of production and entered into the natural decline phase.

(c) & (d) To ensure transparency in the bidding process, the contracts are awarded through an open competitive bidding process under New Exploration and Licensing Policy (NELP) and Pre-NELP regimes. The policy on Coal Bed Methane (CBM) ensures award of CBM blocks, through an open international competitive bidding in a transparent manner.

Besides, the initial bidding process, the Government has notified on 10.11.2014 as a reform initiative the Policy Framework for Relaxation, Extensions and Clarifications at the development and Production Stage under the PSC Regime for Early Monetization of Hydrocarbon Discoveries, for taking decisions on issues arising during the contract execution. These policy initiatives provides for a framework for taking decisions in a uniform transparent manner rather than taking decisions on case by case basis.

(e) During the last three years (2011-14), ONGC has acquired 17790 Line Kilometre (LKM) of 2D, 29593 Square Kilometre (SKM) of 3D seismic data, drilled 349 exploratory wells and declared 59 discoveries. With these exploratory inputs, 253.96 Million Metric Tonne of Oil Equivalent (MMTOE) of ultimate oil & gas reserves has been achieved. During current year 2014-15, as on 01.10.2014, ONGC has acquired 381 LKM of 2D, 1270 SKM of 3D seismic data, drilled 42 exploratory wells and made 8 discoveries.

The hydrocarbon reserves accreted by OIL in its operated blocks during the last three financial year are 8.40 MMT in 2011-12, 9.78 MMT in 2012-13 and 7.32 MMT in 2013-14.