

12.26 hrs.

**CALLING ATTENTION TO MAT-
TER OF URGENT PUBLIC
IMPORTANCE**

**REPORTED DISCOVERY OF OIL AT
RUDRASAGAR, ASSAM**

Shri Raghunath Singh (Varanasi):
Sir, under Rule 197, I beg to call the
attention of the Minister of Steel,
Mines and Fuel to the following mat-
ter of urgent public importance and
I request that he may make a state-
ment thereon:—

“The reported discovery of oil
at Rudrasagar, Assam.”

**The Minister of Mines and Oil
(Shri K. D. Malaviya)**: My attention
has been drawn to the reported dis-
covery of oil at Rudrasagar in Assam.
I am glad to take this opportunity to
report the facts to the House.

2. Well No. 1 in Rudrasagar, Assam,
was spudded in by the Oil and Natu-
ral Gas Commission on 29th May,
1960. Drilling of this Well was com-
pleted on 21st September, 1960 when
the well reached the depth of 3817.32
metres. During drilling, indications
of presence of oil were noted in cores
and Well cuttings. Out of the four
horizons which have been tested so
far, three have produced only water
and one produced 4 per cent of oil.
Two more horizons are still to be
tested. It is impossible to say what
quantity of oil will be produced from
Rudrasagar Well No. 1, unless test-
ing of the remaining two horizons are
completed.

12.28 hrs.

**STATEMENT RE: DISCUSSION
WITH E.N.I.'s TEAM**

**The Minister of Mines and Oil
(Shri K. D. Malaviya)**: I appreciate
the interest of the honourable mem-
bers of the House in wanting to know
the progress of discussions and nego-
tiations which the Government has
been having with the team of experts
from E.N.I.

The House is aware that invita-
tions were extended to foreign oil
companies to make proposals for col-
laboration in oil exploration and pro-
duction in India. Several parties
made offers; one such offer came
from E.N.I. As a result of our exa-
mination of this offer and from dis-
cussions held in Italy by a represen-
tative of the Government with E.N.I.,
it was felt that detailed negotiations
with E.N.I. should take place. At
Government's instance, Mr. Mattei,
Chairman of ENI, accompanied by
four experts visited India between
12th December 1960 to 18th Decem-
ber 1960 and negotiations were held
with him and his team on the offer
made in respect of the various as-
pects of petroleum industry.

Apart from the proposal covering
oil exploration and production etc.,
discussions were held on the possibi-
lities of obtaining credit, at reason-
able terms, from E.N.I. in the form
of equipment for workshops, refine-
ries, pipelines, petrochemical plants
etc. It appears that it may be pos-
sible for us to come to some sort of
an agreement on credit arrange-
ments.

On the proposal of ENI relating to
oil exploration and production, some
points were clarified and broad under-
standing on the approach and views
of either party on some others was
reached. After some further study
of the matter, negotiations will con-
tinue with ENI in order to achieve
a settlement.

Two experts from ENI who were
left behind to continue discussions on
matters relating to credit facilities,
have had discussions with the repre-
sentatives of the Government, and
preliminary ground has been cleared
on the various projects to which the
offer of credit will relate.

As the House will appreciate, I am
not in a position to give details of
the matters discussed or cleared or
the points awaiting settlement, as
this would prejudice the negotiations