GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 1721
ANSWERED ON - 03/08/2026

GAS EXTRACTION FROM ONGC'S KRISHNA-GODAVARI BASIN

1721. SHRI SANJAY RAUT:

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

(a) whether Government has taken cognisance of the petition before the Bombay High Court seeking a CBI probe into the alleged extraction of natural gas from ONGC's Krishna-Godavari Basin, reportedly causing a loss of about US$1.55 billion;
(b) the findings of the A.P. Shah Committee, the DeGolyer & MacNaughton (D&M) audit and other investigations;
(c) whether the claim of migratory gas legally permits extraction from adjoining licensed blocks;
(d) the steps taken to protect public sector hydrocarbon assets and prevent unauthorised extraction; and
(e) whether Government proposes to recover losses and initiate legal action against those found responsible, if any?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SURESH GOPI)

(a) to (e) The petitioner in the petition prayed to High Court to direct CBI to register an FIR against Reliance Industries Ltd, its owners/directors and all other known and unknown accused in gas migration matter. Bombay High Court dismissed the writ petition vide Order dated 23.03.2026.

An independent international expert DeGolyer and MacNaughton (D&M) gave its final report confirming connectivity of reservoir and confirming gas migration.

Government had constituted a Committee under Justice (Retd.) A.P. Shah to look into the issue of gas-migration from KG-DWN-98/2, Godavari PML blocks to KG-DWN-98/3 block in the Krishna Godavari Basin. The Committee's Report concluded about migrated gas and unjust enrichment. The Government accordingly sought restitution and recovery of the proceeds related to produced and sold migrated gas.

RIL invoked arbitration against this demand, and the Arbitral Tribunal decided against the Government. The Government's challenge against the said award before a Single Judge of the Delhi High Court was dismissed. However, the Government's appeal was allowed by the Division Bench setting aside both the Single Judge's order and the Arbitral Award. The Contractors have since filed a Special Leave Petition (SLP) before the Supreme Court, which is pending.

Government has put in place a comprehensive statutory, regulatory and contractual framework to protect public sector hydrocarbon assets and prevent unauthorised extraction placed at **Annexure-I.**

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Annexure-I

Annexure referred to in reply to part (a) to (e) of Rajya Sabha Unstarred Question No.1721 to be answered on 03.08.2026 regarding "Gas Extraction from ONGC's Krishna-Godavari Basin".

The key safeguards are as follows:

1. Sections 4 and 4A of the Oilfields (Regulation and Development) Act, 1948 (as amended) prohibit the undertaking of prospecting, exploration, development or production of mineral oils except under a valid Petroleum Lease. Further, Section 9 provides for penalties in the event of contravention of Section 4A.

2. Rules 12 and 13 of the Petroleum and Natural Gas (PNG) Rules, 2025 provide that where a reservoir extends beyond the Lease/Contract Area, its development shall be undertaken only through Government-approved lease extension, unitisation or joint development arrangements in accordance with the PNG Rules, 2025 and the applicable Production Sharing Contract (PSC)/Model Revenue Sharing Contract (MRSC) provisions.

3. Section 9 of the ORD Act read with Rule 16 of the PNG Rules, 2025, authorises the Central Government to act against any person producing mineral oils from a well or borehole located outside the leased area.

4. Article 25.3(b) of the MRSC and Article 30.3(b) of the PSC empower the Government to terminate the contract where the contractor intentionally and knowingly undertakes or authorises the unauthorised extraction of mineral oils without a valid Petroleum Lease.

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