

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS

LOK SABHA
UNSTARRED QUESTION NO. 3189
TO BE ANSWERED ON 5th December, 2016

Target for Crude Oil Production

†3189. **SHRIMATI RAMA DEVI:**
SHRI PR. SENTHIL NATHAN:
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पेट्रोलियम व प्राकृतिक गैस मंत्री

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

- (a) whether the Government has fixed any upper target to produce crude oil, natural gas and other petroleum products to avoid foreign exchange losses incurred in importing such petroleum products;
- (b) if so, the details thereof along with the steps taken to increase the production and remove the mismatch in demand and supply of such petroleum products in future and achievement made by the Government in this regard, product-wise;
- (c) whether there is any restriction for India to facilitate import of crude Oil, Gas and Petroleum products and if so, the details thereof;
- (d) the concrete steps taken/being taken by the Government to augment the production of crude oil and natural gas from existing oil and gas fields; and
- (e) the other measures taken by the Government to make the leasing out of potential/unexplored/discovered oil and gas field/well in the country to private/foreign companies to achieve the desired domestic production level?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री (स्वतन्त्र प्रभार) (श्री धर्मेन्द्र प्रधान)

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

(a) to (d). Ministry of Petroleum & Natural Gas for each financial year, sign MoU (Memorandum of Understanding) with the Oil & Gas CPSEs (Central Public Sector Enterprises). Under this agreement, the CPSEs undertake to achieve the targets set in the agreement at the beginning of the year.

Government of India has taken several policy initiatives as well as administrative measures to enhance production of oil and gas in the country for meeting domestic demand. The policy initiatives can be mentioned as:

- i. Policy for Relaxations, Extensions and clarifications under Production Sharing Contract (PSC) regime for early monetization of hydrocarbon Discoveries.
- ii. Policy on Testing Requirements.
- iii. Discovered Small Field Policy.
- iv. Policy for marketing freedom for gas production from difficult areas.
- v. Policy for exploration in Mining Lease Area.
- vi. Hydrocarbon Exploration and Licensing Policy.
- vii. Policy for Extension of Production Sharing Contracts.
- viii. Shale Gas Policy etc.

Some of the administrative steps taken by the Government are:

- i. Setting up of National Data Repository.
- ii. Appraisal of Unappraised area in Sedimentary Basin.
- iii. Streamlining of functioning of Management Committee for timely approval of Work Program and Budget in PSC regime.
- iv. Re-assessment of Hydrocarbon Resources.

The Government has decided that Oil PSUs may formulate policies for import of crude oil in their best commercial interest and in accordance with the extant guidelines of the Central Vigilance Commission etc. Therefore Public Sector Oil Marketing Companies (OMCs) procure crude oil as per Crude Import Policy. Crude Oil is procured on term and spot basis from NOCs and other registered parties with OMCs. There is no restriction on import of Liquefied Natural Gas (LNG).

(e). Under Pre-New Exploration Licensing Policy (Pre-NELP)/NELP, exploration blocks were awarded through Competitive Bidding Process for carrying out Exploration & Production activities. In various rounds of biddings held under Pre-NELP/NELP, Private/JV companies had also participated alongwith the National Oil Companies (NOCs).

Based on the experiences of implementation of NELP and to simplify contractual regimes, Government has recently announced 'Hydrocarbon Exploration Licensing Policy (HELP)' with the objective to enhance domestic oil and gas production.

In addition to above, to enhance oil & gas production in the country and inviting private investment, a policy named as 'Discovered Small Field Policy' has been approved by the government, envisaging auctioning of 67 small/marginal fields of ONGC and OIL through International Competitive Bidding.