

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1720**  
**TO BE ANSWERED ON 2<sup>nd</sup> March, 2020**

**Oil and Gas Production and Supply**

**†1720. SHRI MOHANBHAI KALYANJI KUNDARIYA:**  
**SHRI ANIL FIROJIYA:**

पेट्रो लयम व प्राकृतिक गैस मंत्री

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

(a) whether it is a fact that all the energy requirement pressure is on liquid petroleum products and the country is not able to produce sufficient crude oil and natural gas for its energy requirement;

(b) if so, the details thereof;

(c) the steps taken/being taken by the Government to counter the challenges of investors like clarification of the ambiguity of licence operating rules and to ensure that the Government is investor friendly; and

(d) the details of steps taken by the Government to remove the obstacles related to oil and gas production and supply in the country?

**ANSWER**

पेट्रो लयम और प्राकृतिक गैस मंत्री (श्री धर्मन्द्र प्रधान)

**MINISTER OF PETROLEUM AND NATURAL GAS**  
**(SHRI DHARMENDRA PRADHAN)**

**(a) & (b)** The details of Petroleum-Oil-Lubricants (POL) production from domestic crude oil and its total domestic consumption in Million Metric Tonnes (MMT) during last three years, along with percentage self-sufficiency are given below: -

<b>Crude Oil</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Total POL production from indigenous crude oil and condensate	35.6	35.2	34.5
Total domestic consumption	194.6	206.2	213.2
Self-sufficiency based on consumption of POL products	18.3%	17.1%	16.25%

The details of domestic natural gas production and its consumption in Billion Cubic Meters (BCM) for last three years are as under:

<b>Natural Gas</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Total domestic consumption	55.7	59.2	60.8
Total domestic production	30.8	31.7	32.1
Self-sufficiency	55.4%	53.6%	52.7%

**(c) & (d)** Government has taken several transformative policy measures/initiatives to remove the obstacles related to oil and gas production and counter the challenges of investors which include:

- i. Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract (PSC) regime for early monetization of hydrocarbon discoveries, 2014
- ii. Discovered Small Field Policy, 2015
- iii. Hydrocarbon Exploration and Licensing Policy, 2016
- iv. Policy for Extension of Production Sharing Contracts, 2016 and 2017
- v. Policy for early monetization of Coal Bed Methane, 2017
- vi. Setting up of National Data Repository, 2017
- vii. Appraisal of Unappraised areas in Sedimentary Basins.
- viii. Re-assessment of Hydrocarbon Resources.
- ix. Policy framework to streamline the working of Production Sharing Contracts in Pre-NELP and NELP Blocks, 2018
- x. Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas, 2018
- xi. Policy framework for exploration and exploitation of Unconventional Hydrocarbons under existing Production Sharing Contracts, Coal Bed Methane contracts and Nomination fields, 2018.
- xii. Grant of Marketing including pricing freedom, on natural gas production from High Pressure- High Temperature (HP-HT) reservoirs and deepwater and ultra deepwater areas (with ceiling), gas produced from CBM blocks, blocks awarded under Hydrocarbon Exploration and Licensing Policy (HELP) and Discovered Small Fields (DSF) Policy, commercial gas produced from North-Eastern Region (NER) on or after 1<sup>st</sup> July, 2018 and also in those new gas discoveries whose Field Development Plan (FDP) has been approved after February 2019. To incentivize additional gas production from Administered Price Mechanism (APM) fields, reduction in royalty by 10% of the applicable royalty has also been granted on the additional production over and above business-as-usual scenario.
- xiii. In addition, Government in February, 2019 approved major reforms in exploration and licensing policy to enhance exploration activities, attract domestic and foreign investment in unexplored/unallocated areas of sedimentary basins and accelerate domestic production of oil and gas from existing fields. The policy reforms *inter alia* aim to boost exploration activities with greater weightage to work programme and bidding of exploration blocks under Category II and III sedimentary basins without any production or revenue sharing to Government. Further, reforms envisage simplified fiscal and contractual terms, early monetization of discoveries by extending fiscal incentives and incentivizing gas production including marketing and pricing freedom. The policy also provides more functional freedom to National Oil Companies for collaboration and private sector participation for production enhancement methods in nomination fields. Streamlining approval processes and promoting ease of doing business including electronic single window mechanism is also an important aspect of policy reforms.

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