

[English]

SHRI LOKANATH CHOUDHURY (Jagatsinghpur): I have given a notice for the suspension of the Question Hour regarding the resignation of Ministers because a crisis has been created.

MR. SPEAKER: Yes, you have given the notice.

SHRI LOKANATH CHOUDHURY: What is really happening? A Minister has resigned and resigned because he is also involved. This is an important question. Eleven other Ministers are going to resign. Therefore this is a serious question which should be taken up and the Question Hour should be suspended. The whole country is in suspense.

MR. SPEAKER: Question No. 121, Shri M.V.V.S. Murthy. Shri Murthy, Please. ... Absent. Shri Bolla Bulli Ramaiah.

11.13 hrs.

ORAL ANSWERS TO QUESTIONS

[English]

Oil and Gas Fields

*121. SHRI BOLLA BULLI RAMAIAH:
SHRI M.V.V.S. MURTHY:

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

(a) whether the Government have signed any contracts with the private companies for development of small oil and gasfields;

(b) if so, the details thereof;

(c) whether the process of privatisation of the hydrocarbon sector has been considered;

(d) if so, the contracts being initiated at present; and

(e) the total contracts signed between the Government and private sector?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH KUMAR SHARMA): (a) to (e) A Statement is laid on the Table of the House.

Statement

Government has signed contracts for development of 5 small sized fields viz. Hazira, Cambay, Bhandut, Matar and Sabarmati, in Gujarat, with a consortium of Gujarat State Petrochemicals Corporation Ltd. (GSPCL), Ahmedabad and Niko Resources, Canada, on 23rd September, 1994. These fields would be developed by the companies on their own with no participation by ONGC/OIL, under production sharing contracts with the Government of India.

The companies would have to pay statutory levies like royalty and cess. Payment for the companies' share of oil would be at international market price.

In addition to the above 5 contracts, Government

has approved the award of contracts for development of 8 more small sized fields as per details given below:—

Name of company/consortium	Field
Selan Exploration Technologies Ltd. New Delhi	Indrora, Bakrol and Lohar
Larsen & Toubro, Bombay—Joshi Technologies, USA	Dholka & Wavel
Interlink Petroleum, Baroda	Baola
Hindustan Oil Exploration Co. (HOEC), Baroda—Moesbacher Energy Company, USA—Petrodyne Inc. USA	PY-1
HOEC, Baroda—Petrodyne Inc. Ahmedabad	USA—GSPCL, Asjol

Apart from the above stated 5 small sized fields, contract for the development of medium sized field i.e. the Ravva field in the Krishna Godavari basin has also been signed. This is between Government of India and a consortium of Command Petroleum Australia, Videocon Petroleum, India and Ravva Oil (Singapore) Pte. Ltd., Singapore.

SHRI BOLLA BULLI RAMAIAH: I would like to know from the hon. Minister whether the Government is proposing to open all those areas for exploration which were not earlier thrown open due to security reasons. If so, how many such areas are likely to be opened at the earliest?

Another thing I would like to know is that with regard to the wells which have been depleted, whether they are able to plan any new systems that will increase the productivity in order to meet the increased requirements of the crude in this country. The hon. Minister has made a statement saying that within three years it will increase up to 60 per cent of the previous production.

I would like to know how he will be able to achieve that result. If he is able to give some information, I would be happy.

CAPT. SATISH KUMAR SHARMA: Sir, we have to get the security clearance required and only after we get the security clearance those areas can be opened up for either exploration or production, especially where there are outside investors and foreign companies involved.

The second part of the question is what steps are being taken to enhance the production? There are various steps which are being taken right from Bombay High, which is our largest field. There is an EOR, Enhanced Oil Recovery proposal, which is being evaluated. There are five companies who have given the bids for this proposal which will improve our production from the Bombay High. That is being considered because that will give a substantial improvement. Besides, for other fields also we are looking for EOR techniques and other technology to come in, like the horizontal drilling and other

methods to see how we can augment our production.

As far as the third part of the question about the 60 per cent rise is concerned, yes, Sir, it is very much in place. This year it is going up by 5 million tonnes. This means, from the low production of 27 million tonnes last year, this year, the production goes up to 32; next year, it is likely to be 38 million tonnes and by the year 1997 the oil production will go up to 44.5 million tonnes. This is the situation.

SHRI BOLLA BULLI RAMAIAH: Mr. Speaker, Sir, as per the Eighth Plan, what the hon. Minister says is that production will be 44.5 million tonnes by 1997. If he achieves that we will be happy. I want to know whether they are going to do all that within our own country or in the boundaries surrounding countries also. I would like to know whether it is possible. I would like to know whether the ONGC had made any new survey in Andhra Pradesh, Tamil Nadu, Kerala and Gujarat for new areas for development. I would like to know whether they will be able to meet the requirements which are going up. I want to know, what is the likely total oil production by the year 2000, how much we will be able to import and how much we will be able to produce within our own country.

Another important item is that the availability of diving technicians in this country are terribly in a shortage. We are depending more from outside. I want to know from the hon. Minister whether we have any training school in which we can develop them within the country.

CAPT. SATISH KUMAR SHARMA: Sir, the strategy for oil exploration and production is to get India its share in the global oil. This means, India must have its equity in the global oil. Hence, we are looking for oil within the country and outside the country. We are going to explore and are trying to explore methods for producing oil outside. Vietnam is a classic example, where ONGC Videsh started looking for oil in the Vietnam border. I am glad to inform the hon. Member that in Vietnam we have found natural gas. The commercial study is right now underway. Similarly, we have taken a block in Egypt. We are negotiating with Yemen. There are various places outside where we are looking for oil besides looking for oil and gas within the country so that we do not miss the bus. It is a global phenomenon. You look at the major companies whether it is British Petroleum or British Gas, all the major companies in the world are not only looking for it in their own territory but also looking globally. So, the idea is, India should be self-sufficient in oil and gas in the quickest possible time frame. So, this is the strategy we are following.

SHRI BOLLA BULLI RAMAIAH: Regarding the survey in Andhra Pradesh and other areas, he has not given any reply, Sir.

SHRI M.R. KADAMBUR JANARTHANAN: Mr. Speaker, Sir, thank you very much. Is it a fact that the ONGC has found a new gas field in Perungulam Village in Ramanathapuram District in Southern Tamil Nadu? If so, will the Minister direct the ONGC to drill more wells so that the gas find can be consolidated?

CAPT. SATISH KUMAR SHARMA: Sir, I would like to convey to the hon. Member and the House that wherever and whenever we find the presence of hydrocarbons, whether it is in the form of gas or crude, the logical next step is that more wells will be drilled to delineate the field to find out what is the quantity of gas and oil that is there. Wherever it happens this project is automatically taken up. More wells are drilled there. Then, we come to a conclusion as to what is the size of the reservoir and what is the size of the in-place reserve. I can assure the hon. Member that this will go on, Sir.

SHRI M.R. KADAMBUR JANARTHANAN: Is it a fact that gas has been struck in Perungulam Village?

SHRI SOBHANADREESWARA RAO VADDE: Mr. Speaker, Sir, involving the foreign companies in the oil exploration is unavoidable to some extent. ONGC has invested and spent thousand crores of rupees; and after a great deal of efforts after so many years, some oil fields and some gas fields have been identified. In view of the above, why should the Government of India and the Ministry not allocate new oil fields which are not yet explored to the foreign companies? Why should the ONGC and the Indian companies—there are various companies—not take up oil exploration and drilling operations, by issuing shares to the public and raising equity in the ratio of 1:4? By this, the ONGC and other oil companies will be in a position to explore oil which has been found with our efforts. Why does the Government not reconsider its present policy of giving on platter to these MNCs the precious oil resources and confine themselves only to the new fields which are yet unexplored? I would like to have a categorical answer from the hon. Minister.

CAPT. SATISH KUMAR SHARMA: I think, the hon. Member is referring to the discovered oil fields which we have given out to the Indian and international companies in the past. Sir, I would like to convey to the hon. Member that when this decision was taken which was in 1992, our foreign exchange reserve or our foreign exchange resource crunch was very severe. We had some of these fields which we had found or which we had discovered ten or twelve years back; and for all those years, they were laying dormant. Oil was in place, but they were not being exploited because of the resource crunch, on the one hand and on the other, ONGC was fully committed with whatever funds personally it then had, for others which they considered as more important projects. So, to bring the oil on stream in the earliest possible time frame because of the severe oil crunch which the country was facing and to save the foreign exchange on the import bill, we decided to give some of these fields after ensuring that (a) ONGC shall be the partner to the extent of 40 per cent and (b) we get the right technology and that the production costs are lower than even what the ONGC would have to spend. So, after taking all these factors into consideration, we initiated this in the best interest of ONGC and the country.

SHRI SOBHANADREESWARA RAO VADDE: But, we had to purchase at international prices.

CAPT. SATISH KUMAR SHARMA: Commercially speaking, it still comes to this. To give you an idea, for a given field with the ONGC as a partner like the Punna-Mukta, Tapti and Rava, I would say that the kind of investment which was then required or even now required when they start operating in these fields, is over a billion dollars. But what are we giving them? We are giving them in a range of only 10 per cent to 18 per cent. That is their return. The remaining 90 per cent in some cases or a little less in other cases is all coming back to the company and the country. So, it is in our best interest. India is not the only country which is doing it. This is being done as a regular programme in Argentina, in Russia in China and all over. It is a part of the scheme to attract these companies who will get into discovered oil fields first and then go into, as the hon. Member said, the future exploration projects. It had already happened. Some of these companies like Enron, Command Petroleum and Indian companies like Videocon or the Reliance moved now from the discovered oil programme to the exploration side, which is the key area, investing largely there. Reserve exploration is the biggest challenge before the country. We have to have domestic companies; we have to have international companies. The discovered oil fields is a very limited area in the total reserves. It is only five per cent of the total reserves. What is more important is to get this investment into the exploration area so that we can find new oil for the country, another Bombay High and so that the reserve exploration goes up. That is the biggest challenge before the country. This way, we will bring out this.

SHRI SYED SHAHABUDDIN: Mr. Speaker, Sir, in his reply, the hon. Minister has referred to 14 fields. Now if I recall correctly in the seven international rounds of bids that we had offered, I believe that around 50 to 60 different blocks or fields were involved.

Now I would like to know from the hon. Minister the reason for the delay in response in respect of the large number of blocks that we had offered and for which the Minister has not said anything.

Secondly, he has said that the first five fields are going under a production-sharing contract. But about the other eight more small fields, he has not mentioned the type of contract. I would like to know whether that is also in the nature of the production-sharing agreement and not merely a service contract.

So, the first is the fields that we have offered to which we have received no response and the reason therefor. And when are these fields, that have now been put under contract, going to come on stream?

CAPT. SATISH KUMAR SHARMA: Sir, the hon. member referred to the fifth round and the sixth round. That was the continuous round of bidding for exploration. The subject-matter, which is being discussed right now, does not relate to exploration. It mainly focusses on discovered oilfields.

As far as the second part of the question, which refers to the small fields and the type of contract, is concerned, we have gone for the small fields unlike the

discovered oilfields where I said that for the discovered five oilfields, the investment is over \$ 1 billion.

Here the small fields are so small that they are actually not economically viable for a company like the ONGC and OIL to handle. That is why they were farmed out. We have public sector company of the Government of Gujarat and some other companies which have got to be on their own.

In these small fields, unlike the medium-sized fields, there is no joint sharing. These are very small. The risk will be taken by those companies which will be producing small amounts of gas and crude—wherever it is—in the small fields on their own. It is not a joint venture unlike the medium-sized companies which I have mentioned which are joint ventures—ONGC and other companies apart.

[Translation]

Coal Production

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*122. DR. RAMKRISHNA KUSMARIA:
SHRI SATYA DEO SINGH:

Will the Minister of COAL be pleased to state:

- (a) the total production and requirement of coal in the country;
- (b) the extent of coal requirement of the country which is met by the coal procured from the open coal mines and underground coal mines;
- (c) whether the Government propose to permit the private sector in coal mining; and
- (d) if so, the details thereof?

[English]

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR AND HOLDING ADDITIONAL CHARGE OF THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI P.A. SANGMA): (a) to (d) A statement is laid on the Table of the house;

Statement

(a) and (b) Total demand for coal (including imports) as assessed by the Planning Commission for the year 1993-94 was 268.80 million tonnes. The actual production in the country during the year 1993-94 was 246.04 million tonne. The supplies from indigenous sources were as follows:

Indigenous Opencast Mines	169.60 m.t.
Indigenous Underground Mines	76.44 m.t.
Draw-down of pithead stocks	0.41 m.t.
	Total supplies from indigenous sources
	246.45 m.t.

(c) and (d) As per the amended provisions of Coal Mines (Nationalisation) Act, 1973, private sector participation in coal sector is limited to captive coal mining for generation of power, washing of coal