

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:473  
ANSWERED ON:04.12.2003  
PRODUCTION OF CRUDE OIL  
RAMJI LAL SUMAN;SUSHIL KUMAR INDORA

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

- (a) whether several public and private oil companies are engaged in the production of crude oil in the country;
- (b) if so, whether the Government have assessed the cost of production of crude oil;
- (c) if so, the details of the cost prices incurred on the production of crude oil in different sectors alongwith the names of those sectors, the company-wise;
- (d) whether the production costs are on the higher side in comparison to other countries; and
- (e) if so, the factual position in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRIMATI SUMITRA MAHAJAN)

(a) to (c) : The two National Oil Companies, viz., Oil and Natural Gas Corporation Limited (ONGC) and Oil India Limited (OIL) as well as Private/Joint Venture (Pvt./JV) companies are engaged in oil production in the country. In view of the fact that the technical factors relating to the producing fields of various companies are different and also that various companies follow different accounting policies as well as different treatments of cost, and are subject to different fiscal regime, it would not be possible to make a 'like to like' comparison of cost of production at any point of time.

However, the cost of production of crude oil during 2002-03 by ONGC, OIL and Pvt./JV companies are given in the Statement annexed.

(d) & (e) : Generally, the production costs of crude oil consist of several elements like operating cost/lifting cost, recouped cost (depletion, depreciation, amortization), financing cost and statutory levies. These elements vary from country to country and company to company depending upon the fiscal regime and accounting procedures. Thus, it is not possible to compare the production costs of oil producing companies of India with the production costs in other countries.

**ANNEXURE**

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 473 B SUSHIL KUMAR INDORA AND SHRI RAMJI LAL SUMAN TO BE ANSWERED ON 4TH DECEMBER 2003 REGA PRODUCTION OF CRUDE OIL

Cost of production of crude oil during 2002-03 :

I. National Oil Companies

(Rs./metric tonne)

Name of the Company Onshore Offshore

ONGC 6,098 5,203  
OIL 5,135 -

Note : Inclusive of operating cost, recouped cost, financing cost, statutory levies, etc.

## II. Private Companies/Joint Ventures

Name of consortium companies    Region/Name of Block    Cost of Production (Rs./metric tonne)

Cairn Energy Ind Pty. Ltd. ONGC Eastern Offshore (Ravva) 1,392  
Videocon Petroleum Ltd,  
Ravva Oil (Singapore) Ltd.

Hardy Exploration and Eastern Offshore (PY-3) 4,745  
Production India Ltd.  
ONGC-TPL  
HOEC

British Gas Exploration & Western Offshore (Panna-Mukta) 1,446  
Production India Limited  
ONGC  
Reliance Industries Limited

Geo-Enpro Onshore-Arunachal Pradesh (Kharsang) 3,427  
Jubilant Enpro Limited  
Geo-Petrol  
OIL

Larsen & Toubro Onshore-Gujarat (Dholka) 3,530  
Joshi Technologies Inc.

Hindustan Oil Exploration Company Onshore-Gujarat (Asjol) 3,271  
Gujarat State Petroleum Corp. Limited

Selan Exploration Technology Limited Onshore-Gujarat (Indrora, Bakrol & Lohar)3,512

Note : The above costs include only the operating costs and statutory levies. The other general elements of production cost like recouped cost (depletion, depreciation, amortization) and financial cost are not included in the above costs as per terms and accounting procedures of Production Sharing Contract, 100% cost recovery of all investments is allowed to the contractor before payment of any profit petroleum.