

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

UNSTARRED QUESTION NO:3319
ANSWERED ON:05.02.2004
GUIDELINES TO ONGC VIDESH TO SELL CRUDE FROM FOREIGN WELLS
UMMAREDDY VENKATESWARLU

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

- (a) whether the Government has fixed any guidelines to ONGC Videsh to sell the crude from the Sakhalin, Sudanese and Iraqi oil fields;
- (b) if so, whether the Government has directed ONGC Videsh to sell its crude from foreign wells and oilfields to Indian PSUs;
- (c) if so, the objectives of such directive to ONGC Videsh;
- (d) whether it is feasible to bring crude from distant places to refineries in India; and
- (e) the details of other policy to be adopted by ONGC to sell its products?

Answer

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

(a) to (e): ONGC Videsh Limited (OVL) has been acquiring Participating Interests in exploration blocks and development fields abroad for equity oil and gas in order that the country's supply of hydrocarbons is secure. Currently they have Participating Interests in only one oil producing asset located in Sudan. Oil production from Sakhalin and other assets has not yet commenced.

It is not envisaged that the entire equity hydrocarbons come to India at all times. It would depend upon logistics, technical flexibility and commercial viability.

However, Government has advised OVL that Indian Oil Corporation Limited (IOC), Hindustan Petroleum Corporation limited (HPCL), Bharat Petroleum Corporation limited (BPCL) and Mangalore Refinery Petrochemicals Limited (MRPL) would take the crude oil (Nile Blend) from the Sudan asset to the extent of their requirement and that the balance quantity may be sold by OVL on a transparent manner on commercial considerations. Also, with a view on the energy security of the country, OVL has been advised not to bind the supplies of Nile Blend crude on a long-term contract basis with any party.

It is feasible to bring crude oil from distant places to refineries in India, if the refineries find it commercially viable.