

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

UNSTARRED QUESTION NO:1258
ANSWERED ON:02.03.2006
SELLING OF CRUDE OIL BY ONGC
Singh Shri Rajiv Ranjan (Lalan);Suman Shri Ramji Lal

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

- (a) whether Oil and Natural Gas Corporation is considering to sell its crude oil produced from Bombay High by way of auction;
- (b) if so, the details thereof and the reasons therefore;
- (c) the benefits likely to be accrued to the company therefrom;
- (d) whether refineries and the customers are likely to be affected by this decision; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (e): Upstream PSU oil companies including ONGC are required to sell its domestic crude production to oil PSU refineries as processing domestic crude is advantageous to the processing refineries. The benefit of lower price of domestic crude is shared by ONGC and oil PSUs as it is in public interest that this benefit remains with Government companies.

ONGC had sought and has been accorded permission to auction incremental production of BH crude within the public sector oil refineries.