

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

UNSTARRED QUESTION NO:4148  
ANSWERED ON:18.05.2006  
SELF SUFFICIENCY IN OIL  
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**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether only 30 per cent of petroleum is indigenously produced;
- (b) if so, whether country's massive dependence on imports to meet its total energy needs has led to a vulnerability that India faces on account of global oil price fluctuations;
- (c) if so, whether the experts have suggested some ways to raise self-sufficiency in the oil field; and
- (d) if so, the details thereof and the response of the Union Government thereto?

**Answer**

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

- (a) : About One-Fourth of the national demand for crude oil in terms of refinery through put is made from the domestic production.
- (b): Yes, Sir.
- (c) & (d): From time to time, experts have recommended various measures to enhance domestic hydrocarbon reserves for increased oil and gas production and thus raising self-sufficiency in the sector. These include the following: -
  - (i) Exponentially increased exploration in domestic acreages, including Improved and Enhanced Oil Recovery rates.
  - (ii) Exploration of non-conventional fuels like Coal Bed Methane, underground coal gas and gas hydrates.
  - (iii) Creation of strategic reserves.
  - (iv) Acquisition of overseas oil and gas reserves through equity or participating interest.

Various measures are being taken to substantially accelerate the exploratory activities for enhancing domestic oil and gas production. These measures include the following:-

- (i) increasing exploration efforts through the New Exploration Licensing Policy (NELP); Under NELP, 110 exploration blocks have been awarded to National Oil Companies, foreign companies and private/joint venture companies through International Competitive Bidding process. This includes 20 Exploration Blocks recently awarded in the fifth round of NELP. Another 55 blocks have now been offered under NELP-VI.
- (ii) improving the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) schemes-in particular. Oil and Natural Gas Corporation Ltd.(ONGC) have taken up 15 fields for this purpose at an estimated investment of Rs. 10,972 crore, which would also help in accelerating oil production from these fields;
- (iii) exploring new areas, especially in deep waters and difficult frontier areas, as also the deeper layers of already producing fields; and
- (iv) developing newly discovered fields speedily and stepping up the use of new technologies for seismic surveys, work over, stimulation operations, drilling of wells etc. in producing areas.
- (v) 16 contracts have been signed so far for exploration of Coal Bed Methane(CBM). Another 10 CBM blocks have been offered in the third round.
- (vi) ONGC Videsh Ltd. (OVL) has already acquired Participating Interest (PI) in various exploration and development blocks in 13 countries. To extend support to the efforts of oil companies in acquiring equity oil and gas abroad, the Government have permitted Oil India Limited (OIL) to form project specific Special Purpose Vehicles (SPVs) with Indian Oil Corporation Limited (IOC) to undertake overseas projects beyond its financial powers. In the event, IOC is not interested, OIL can join hands with any other Navaratna

downstream oil PSU. All such proposals for Exploration & Production (E&P) projects jointly to be undertaken by OIL and the Navaratna downstream oil Public Sector Undertakings (PSUs) would be brought for consideration before the Empowered Committee of Secretaries (ECS), under the same fast track mechanism as available to ONGC Videsh Limited (OVL).