

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

UNSTARRED QUESTION NO:3335
ANSWERED ON:24.08.2006
EXPLORATION OF GAS IN K.G. AND P.M.T. OILFIELDS
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

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

- (a) whether the government has signed any field contract with various companies exploring gas in Krishna-Godavari and Panna-Mukta-Tapti oilfields;
- (b) if so, the details along with the terms and conditions thereof; and
- (c) the steps/action taken by the Government to ensure compliance of field contract signed by these companies?

Answer

MINISTER OF STATE IN THE Ministry of Petroleum & Natural Gas (SHRI DINSHA PATEL)

(a): The Government has signed contracts with several companies for exploration of oil & gas in Krishna Godavari Basin, which has resulted in gas discoveries. The Government had also signed contracts for development and production of Panna- Mukta and Tapti fields in 1994.

(b): The Production Sharing Contracts for exploration blocks in Krishna – Godavari provide for payment of royalty and profit petroleum share to the Government. Under Panna – Mukta and Tapti field contracts, the Contractor is required to pay royalty and cess on crude oil and royalty on gas. They also pay profit petroleum to the Government as provided in the contracts.

In addition to above, the contractors are allowed duty free imports of items required for petroleum operations. They have the freedom to sell oil & gas in India and are subject to the laws of India.

(c): Government, through Directorate General of Hydrocarbons, monitors the progress in terms of provisions of respective Production Sharing Contracts.