

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

UNSTARRED QUESTION NO:2521

ANSWERED ON:30.08.2007

ASSESSMENT OF PRODUCTION COST OF CRUDE OIL AND OIL RESERVES

Chinta Mohan Dr. ;Suman Shri Ramji Lal

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

- (a) whether any assessment of production cost is made with regard to development of various oil reserves and crude oil production in the country;
- (b) if so, the said production cost in respect of each oil reserve assessed so far in various phases;
- (c) whether the production cost of crude and gas has been assessed separately under the said phases; and
- (d) if not, the reasons thereof?

Answer

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

(a) to (d) The cost of crude oil production during 2006-07 of Oil and Natural Gas Corporation (ONGC) from nominated field was in the range of Rs. 8485 per tonne to Rs. 10458 per tonne depending upon size of reservoir, location and availability of infrastructure. The cost of natural gas production during 2006-07 was in the range of Rs. 3353 per thousand cubic metres to Rs. 3896 per thousand cubic metres.

Development of oil / gas reserves is based on techno-economic feasibility of the field including price realization of crude oil & natural gas.

Assessment of cost of natural gas is made independently in case of non-associated gas. Otherwise, cost of natural gas is assessed based on thermal equivalence principal for associated gas.