

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

UNSTARRED QUESTION NO:338
ANSWERED ON:23.11.2006
PRODUCTION OF NATURAL GAS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the findings and production of natural gas in the country and the need to set up pipelines for transporting and distribution of gas;
- (b) the design and carrying capacity of these gas pipelines;
- (c) whether the Government proposes to invite private sector in the business of natural gas production, transportation, marketing and distribution; and
- (d) if so, the details thereof?

Answer

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

(a) to (d): Exploration acreages for oil and gas are being awarded by the Government under New-Exploration Licensing Policy (NELP) for which 110 Production Sharing Contracts (PSCs) have already been signed. 165 Bids for 52 blocks have been received by the bid closing date of 15.9.2006 under the 6th round of NELP. The bids are presently under evaluation.

Under the NELP, 35 discoveries of oil and gas have been made and 510 MMTOE reserves have been established from 16 discoveries. The natural gas production in the country in the year 2005-06 was 32.19 Billion Cubic Metres (BCM).

The Government acquires right of user in land for the authorized entities to lay gas pipelines both for Government and private companies. The design and carrying capacity of the gas pipeline depends on techno-commercial feasibility, including quantity of gas to be transported. The business of natural gas exploration and production, transportation, marketing and distribution is open to Government and private companies.

GAIL is operating more than 5400 kms, of pipelines with a capacity of around 130 MMSCMD for transportation of natural gas to various customers in the country.

Reliance Gas Transportation and Infrastructure Limited (RGTEL), a subsidiary company of M/s. Reliance Industries Limited, is laying a natural gas pipeline in the Kakinada- Hyderabad-Uran -Ahmedabad sector to cater to the demand for gas of various customers, RGTEL has also been issued Expression of Interest (EOI) for Kakinada- Nellore-Chennai sector.

Gujarat State Petroleum Corporation Limited (GSPCL) has also been issued Expression of Interest (EOI) for Kakinada-Ahmedabad sector. The pipeline will be passing via Vijaywada, Dundigal, Nagpur and Bhopal.

The Government has invited the private sector in natural gas production, transportation, marketing and distribution. Petroleum and Natural Gas Regulatory Board Act, 2006 has been enacted to provide a legal frame work for the same. Policy for development of Natural Gas Networks and city/local gas distribution Networks is being formulated by the Government to encourage participation of private sector along with public sector.