

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

UNSTARRED QUESTION NO:274

ANSWERED ON:02.12.2004

OIL IN CAMBAY VALLEY, GUJARAT

Kharventhan Shri Salarapatty Kuppusamy;Saroj Shri Tufani

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

(a) whether all off shore installations of the ONGC and other oil exploration companies engaged in offshore explorations are to be treated as part of domestic tariff area(DTA) as a result of the recent Government decision to bring the entire exclusive economic zone (EEZ) and continental shelf under the jurisdiction of the Customs Act, 1962;

(b) if so, the extent to which it will affect the cost structure of the crude production of ONGC and other engaged in offshore exploration companies; and

(c) the manner in which cost of production of crude by them would compare with international crude production?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) The consortium comprising Gujarat State Petroleum Corporation Ltd. (GSPL) and Gail (India) Ltd. has made a discovery in block CB-ONN-2001/1.(b) Preliminary estimates of oil reserves made by the operator in respect of the discovery is about 10 million barrels.

(c) & (d) The specific gravity of the oil discovered in the block is 36O API. The discovery is under appraisal in accordance with the provisions of the Production Sharing Contract (PSC). Commercial production from the discovery would depend on the results of the appraisal and the decision taken on commerciality in accordance with the provisions of the PSC.