

**LOK SABHA
UNSTARRED QUESTION NO. 23
TO BE ANSWERED ON 18th November, 2019**

Production of Natural Gas

23. SHRI PASUNOORI DAYAKAR:
SHRIMATI VANGA GEETHA VISWANATH:

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

- (a) the present fixation of formula of natural gas being produced from KG D6 basin and in other oil fields in the country particularly in Godavari region and the details of royalty received by the Government so far from each oil field;
- (b) the details of utilization of such gas; and
- (c) whether any irregularities have been reported, if so, the action taken in this regard?

ANSWER

पेट्रोलियम एवं प्राकृतिक गैस मंत्री (धर्मेन्द्र प्रधान)
MINISTER OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a): Government of India notified "New Domestic Natural Gas Pricing Guidelines, 2014" in October, 2014. This pricing mechanism is formula based and has been worked out considering the volumes and prices prevailing at major international markets such as Henry Hub (USA), National Balancing Point (UK), Alberta(Canada) and Russia. The prices are notified every six months in accordance with said guidelines. These guidelines are applicable to all gas produced from nomination regime, New Exploration and Licensing Policy (NELP) blocks, such Pre-NELP blocks where Production Sharing contract (PSC) provides for Government approval of gas prices.

Further, Government also notified a policy on 21st March, 2016 to grant marketing including pricing freedom on gas produced from discoveries in Deepwater, Ultra Deepwater, and High Pressure-High Temperature areas subject to a ceiling price on the basis of landed price of alternative fuels. Government has also provided marketing and pricing freedom for the sale of crude oil and natural gas to be produced under the Discovered Small Fields Policy-2015 and Hydrocarbon Exploration and Licensing Policy (HELP) including those falling in KG Basin/Godavari region. The details of royalty on oil

and gas received by the Government upto financial year 2018-19 from KG basin are as under:

(Rs. in crore)

Sl. No.	FIELD/BLOCK	Amount
1	KG-DWN-98/3	3,574.21
2	KG-ONN-2003/1	5.13
3	KG-OSN-2001/3	14.66
4	RAVVA	2,435.71
5	ONGC Rajahmundry Asset	3,026.00
6	ONGC Eastern Offshore Asset	

* Exchange rate used 1USD = 65 INR

(b) & (c) The gas produced from Krishna Godavari basin is being utilised in various sectors including fertilizer, power and ceramics. Issues of unauthorised extraction of gas migrated from adjacent fields of KG-DWN-98/2 and cost dis-allowance are now sub-judice in Court/Tribunal.
