

for short term contracts and that the gas sale price for short term contracts could be different from gas sale for long term contracts;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) to (c) The Production Sharing Contract (PSC) provides for pricing of gas on the basis of sales on competitive arms Length principles. The formula or basis on which the prices shall be determined is required to be approved by the Government prior to sale of Natural gas to consumers/buyers. The price obtained from the basis/formula comes to US \$ 4.2 per MMBTU for crude oil price equal or greater then US \$ 60 per barrel.

#### **CNG use in Gujarat**

3304. SHRI PRAVEEN RASHTRAPAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether any proposal has been received from the Gujarat Government for use of CNG in motor vehicles in the State;

(b) if so, the status of this proposal;

(c) whether the proposal is environment friendly; and

(d) if so, why there is a delay in accepting the legislation proposed by the State?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (d) Use of Compressed Natural gas (CNG) is encouraged throughout the country, including in the State of Gujarat, for *Inter alia* environmental considerations. In the State of Gujarat, CNG is presently being supplied in cities/towns of Anand, Baidhana, Bharuch, Bhilad, Chankeda, Chikhali, Chotila, Wankaner, Ahmedabad, Dakor, Dhaban, Dhegam, Dhrampur, Gandhinagar, Godhra, Holol, Hazira, Kalol, Khambhat, Khathlal, Morbid, Nadiad, Nar, Navsari, Padra, Palanpur, Pardi, Petlad, Rajkot, Sarigam, Sidhpur, Tankara, Umreth, Unjha, Valsad, Vapi, Surat, Ankleshwar, Kim Bardoli and Palej. Expansion of City Gas Distribution (CGD) network in new cities/towns/areas in the country, including in Gujarat, would require authorization by Petroleum and Natural Gas Regulatory Board (PNGRB) under the provisions of PNGRB Act, 2006.

#### **Transparent gas cylinders**

†3305. SHRI AMIR ALAM KHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is proposed to use transparent gas cylinders in place of opaque gas cylinders used for domestic purpose;

(b) if so, the details thereof;

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†Original notice of the question was received in Hindi.

(c) by when these gas cylinders would be available to consumers; and

(d) the steps being taken by Government to curb misuse of gas cylinders meant for domestic use?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) to (c) Government has conveyed “in principle” approval to the Public Sector Oil Marketing Companies (OMCs) for expanding the product line by way of introduction of composite (translucent fiberglass) cylinders for marketing domestic LPG, subject to there being no subsidy element in the LPG to be marketed through these composite cylinders. The composite cylinders will show the level of LPG present in the cylinder. These cylinders are being introduced (in selected markets) as a separate package and not as replacement of existing cylinders.

OMCs have invited Global tender for procuring 1 lakh cylinders and it is expected that the same will be introduced in the select markets during the second quarter of 2010.

(d) The possibility of blackmarketing/diversion of subsidized domestic LPG cylinders by some unscrupulous elements cannot be ruled out due to the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG.

In order to stop blackmarketing/diversion of domestic LPG cylinders, the Government has enacted “Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000” and formulated “Marketing Discipline Guidelines, 2001” which provides for penal action against LPG distributors indulging in diversion/blackmarketing of LPG.

Whenever OMCs receive complaints, these are investigated and if the complaint is established, suitable action is taken against the LPG distributor(s) in accordance with the provisions of the Marketing Discipline Guidelines (MDG).

In addition to the action taken by the OMCs, State Governments are empowered under the LPG (Regulation of Supply and Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 to take action against blackmarketing/diversion of domestic LPG. Similarly, the Weights and Measures Departments of the States/UTs initiate legal action against those LPG distributors found blackmarketing/diversion of LPG cylinders.

The officials of OMCs carry out random checks at distributors godowns, delivery points, as well as en-route to ensure that no misuse takes place. The distributors of OMCs are under strict instructions to check the weight of cylinders at their godowns before delivery, and only cylinders with the specified weight are to be delivered to the customers. The distributors have also been instructed to ensure that the seals are verified and shown to the customers at the time of delivery. In case any under-weight cylinder is received by the customer, such cylinders are replaced free of charge by the OMCs.

OMCs have introduced different colours for domestic and non-domestic LPG cylinders for controlling the diversion of domestic LPG for unauthorized use.

#### ONGC rigs

3306. SHRI PRASANTA CHATTERJEE:  
SHRI TAPAN KUMAR SEN:

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

- (a) the number of rigs available with ONGC;
- (b) the number of rigs in use;
- (c) whether ONGC is hiring any rig from M/s RIL;
- (d) if so, the hiring charges per day and the number of rig-days estimated for use;
- (e) whether any competitive bid was sought before hiring; and
- (f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) The number of rigs available and in use with Oil and Natural Gas Corporation (ONGC) are as under:

| Number of Rigs available | Number of rigs in use | Rigs under repairs/<br>up-gradation |
|--------------------------|-----------------------|-------------------------------------|
| 112                      | 103                   | 9                                   |

(c) to (f) Yes, Sir. ONGC placed a letter of award on RIL for hiring an ultra Deepwater Drilling rig on assignment basis for 4 years. Rig operating day rates are US \$ 495,000 for the first 180 days and US \$510,000 thereafter.

As reported by ONGC, two ultra deepwater rigs were contracted in 2008 through two International Competitive Bidding (ICB) tenders with mobilization schedule by December 2010. No rig was available for earlier mobilization. In view of the non-availability of the deep water rigs of 3000 M capability before December 2010 and considering exploration program in deep and ultra deep water areas, ONGC continued its efforts for getting rigs earlier than December 2010 by publishing an Expression of Interest (EO) in newspapers and in ONGC website on 13.1.2009 for hiring rigs of various water depth capabilities. Considering the response of EOI, a limited tender was floated with mobilization on or before December 2010.

Meanwhile, in a meeting on 5.1.2009, Reliance Industries Limited (RIL) informed about the possibility of sharing of ultra deep water rig with ONGC. Subsequently, ONGC was approached by RIL for sharing deepwater rigs from the contracts which RIL had entered into with other rig contractors. After discussions, RIL offered one deep water rig of 10000 ft. capability *i.e.* Rig Dhirubhai Deepwater KG 1 (DDKG1) for 4 years to NOGC. The contract for DDKG 1 is between RIL and Deep Water Pacific Inc for 5 years.