

SHRI S. G. SARDESAI: The Government of which you were a member. . .

SHRI PRAKASH CHAND B. SETHI: Perhaps the situation at that time was that we were not aware of this technology and we were keen to have the technology and oil refining capacity in our country and therefore, in order to have that, these companies were allowed to come in and perhaps this agreement was entered into and as soon as the Government realised that there are certain clauses which are working in an irksome manner, right from that time, the Government has taken action with the companies to do away with the irksome clauses and to some extent we have succeeded in some of them. We are still working on the others. As far as the question of the crude prices are concerned, we have not entered into any agreement with them but the fact remains that after the OPEC agreement with regard to crude prices, when the crude prices particularly in the producing countries all the world over have increased, therefore, whatever increases have come into being are on account of the oil-producing countries having entered into a sort of cartel along with the companies. Still, as far as the prices are concerned, we have not yet entered into agreements. Provisionally we are importing on a monthly basis but negotiations with regard to the prices are still continuing.

#### EXPANSION OF THE KOYALI REFINERY

\*356. SHRI JAGDISH PRASAD MATHUR:†

SHRI SUNDAR MANI PATEL:

Will the Minister of PETROLEUM AND CHEMICALS/ पेट्रोलियम और रसायन मंत्री be pleased to state:

(a) whether an expert committee appointed by Government has recommended expansion of the Koyali Refinery in Gujarat;

(b) if so, the details thereof; and

(c) whether Government have accepted the recommendation made by the Committee?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND CHEMICALS/ पेट्रोलियम और रसायन मंत्रालय में उपमंत्री (SHRI DALBIR SINGH): (a) The expert committee has not yet submitted its report.

(b) and (c) Do not arise.

†The question was actually asked on the floor of the House by Shri Jagdish Prasad Mathur.

श्री जगदीश प्रसाद माथुर : अभी माननीय मंत्री महोदय ने पिछले प्रश्न का उत्तर देते हुए कहा था कि हमको देश के अन्दर अपने साधन बढ़ाने की दृष्टि से ज्यादा प्रयत्न करना चाहिए, लेकिन जहाँ इस प्रकार के काम करने का प्रश्न है, कोयली रिफाइनरी को बढ़ाने की दृष्टि से आपने जवाब दिया कि अभी इस समिति ने अपनी रिपोर्ट भी नहीं दी है। तो मैं जानना चाहता हूँ कि इस समिति का निर्माण कब किया गया था और कितने समय में आपने इसको प्रतिवेदन देने के लिए कहा था ?

SHRI PRAKASH CHAND B. SETHI: As a matter of fact, in 1969 the ONGC had made an assessment that as far as production in the Western region is concerned, it would be augmented to a great extent and therefore it was considered at that time that the Koyali Refinery should be expanded to 5.5 millions but later on, it was discovered that although we had not accepted this later recommendation, the oil deposits are such in the Western region that the oil would go on diminishing from 1974-75, at present we are drawing about 4 million tonnes and in 1973-74 it would go down to 2 millions tonnes. Now the Government has not accepted this part of the recommendation. Therefore we have appointed an expert authority to go into this question of oil availability and this committee has also been asked to look into the question whether we could expand the Koyali refinery based on further increase in production of Western region or on the basis of imported crude.

श्री जगदीश प्रसाद माथुर : यह जो आपने नई समिति के निर्माण करने के बारे में सदन को सूचना दी है, क्या इस समिति को आपने यह भी कहा है कि पश्चिमी क्षेत्र के अन्दर कोयली रिफाइनरी के अलावा कहीं हरियाणा, राजस्थान या उत्तर प्रदेश में किसी स्थान पर और भी कोई रिफाइनरी की स्थापना की जा सकती है जिस से उत्तर भारत के लोगों को भी तेल प्राप्त करने में सुविधा हो और अगर कहा है तो क्या इस समिति ने अपना प्रतिवेदन इस सम्बन्ध में आप को दिया है।

MR. CHAIRMAN: The question is about the expansion of Koyali.

**श्री जगदीश प्रसाद माथुर :** उसको तो रिजेक्ट कर दिया है और एक नई कमेटी बैठाई है उसने क्या किया ।

**श्री प्रकाशचन्द बी० सेठी :** अध्यक्ष महोदय, इस प्रश्न के साथ दोनों प्रश्न जुड़े हुए हैं एक प्रश्न यह है कि कायली रिफाइनरी का उत्पादन बढ़ा कर के उसको 3.8 से 5.5 किया जाय और वह कितनी स्टेजेज में होगा यह देखने की बात है । लेकिन यह बात भी सही है कि जहां तक सरकार का ताल्लुक है हम इस नतीजे पर पहुंचे हैं कि नार्थ वैस्ट रीजन में भी एक रिफाइनरी की आवश्यकता होगी । उस रिफाइनरी की क्षमता का जहां तक ताल्लुक है यह विचार किया गया है कि नार्थ वैस्ट रीजन की रिफाइनरी की क्षमता 4 टू 5 मिलियन टन्स होनी चाहिये यहाँ की मार्केट और खपत को देखते हुये । इस निये कोयली रिफाइनरी का अगर विकास हो तब भी नार्थ वैस्ट रीजन में एक रिफाइनरी स्थापित करने का सरकार का इरादा है । उसके बारे में कई साइट्स के निरीक्षण हुये हैं । उसकी टेक्नो इकोनामिक कजर्विलिटी के बारे में रिपोर्ट मागी गई थी और वह रिपोर्ट सरकार के पाम अभी अभी आई है ।

**श्री जगदीश प्रसाद माथुर :** स्थान के बारे में आपने कुछ नहीं बताया ।

**श्री प्रकाश चन्द बी० सेठी :** उसके बारे में विचार हो रहा है ।

**SHRI ARJUN ARORA :** May I know if the Minister is aware of the fact that the decision to set up a refinery in the North-west region was taken as early as 1960, the year in which Mr. Sethi entered the Parliament? Is he aware of that decision or not? And if he is, can he tell us the reasons why the establishment of this refinery is being delayed? Sir, in reply to a question he said that they are expanding the Koyali Refinery but he concedes that Delhi and the North west region is a big centre of consumption of petroleum products. It is well established that refining should be done at centres of consumption because carrying crude through pipelines or otherwise is cheaper than carrying refined products. So my question is whether he is

aware that the decision was taken in 1960 and what are the reasons for the delay and why in spite of it being economic a refinery is not being set up in the North west region preferably at Mathura.

**SHRI PRAKASH CHAND B. SETHI :** As far as the date on which the decision was taken to locate a refinery in the North-west region is concerned certainly I am not aware of the date but I would certainly look into what the hon. Member has said and would benefit by it but I would only like to point out that we are very keen to have this refinery established. As far as the location is concerned a few sites were suggested and this Techno Economic Committee has gone into the question of location. There are also other matters about the availability of crude and how to feed this Refinery; keeping in view all these points a decision about the establishment of this Refinery would be taken.

**SHRI C. D. PANDE :** In view of the fact that we have a certain share in the Rustom Oil Wells in Iran and consecutively for two years we could not dispose of our share of the crude I want to know whether the Government will take care in establishing or in expanding the Koyali or any other Refinery in India to see that there is some change in the mechanism so that the Rustom crude may also be refined because our oil is going abegging. Due to high prices it is not being used at all.

**SHRI PRAKASH CHAND B. SETHI :** Taking up the last part of his question first, as far as the Rustom crude prices are concerned, now the position has completely changed and we are in a position to sell the Rustom crude. Actually we have sold it in parity with the price of other crudes. Now, as far as the consumption of the Rustom crude is concerned, it was certainly tried in the Cochin Refinery, but it was found that it is of a higher gravity of about 37 to 38 API and the crude which is used by the Cochin Refinery is of 34 API gravity and, therefore, it was not found economical to use the crude in the Cochin Refinery.

**SHRI ARJUN ARORA :** The refinery could have been adjusted.

**SHRI PRAKASH CHAND B. SETHI :** No, Sir, I am coming of that. As far as adjustment is concerned, we are making it in the Barauni Refinery where it will be quicker to do so and we will be able to use the Rustom crude or for that matter the Raksh crude. Also if it comes to the Barauni Refinery, it has on million tonnes capacity lying idle.

**SHRI N. K. SHEJWALKAR :** Will the hon. Minister be pleased to say whether he has received any representation from Madhya Pradesh, from the Gwalior people,

stating that any new refinery which is going to be opened should be located in Madhya Pradesh, because Madhya Pradesh is devoid of any important Central project?

**SHRI PRAKASH CHAND B. SETHI:** Yes, Sir, I have received a representation from Gwalior particularly, but as I have pointed out, as far as the location of any refinery is concerned, it will be decided on the basis of a techno-economic survey and at a point where it would be most economical.

#### OIL EXPLORATION IN THE COUNTRY

\*357. **SHRI LOKNATH MISRA:**

**SHRI K. C. PANDA:†**

Will the Minister of PETROLEUM AND CHEMICALS/पेट्रोलियम और रसायन मंत्री be pleased to state:

(a) whether the Government of India have formulated plans for oil exploration to meet the urgent need of crude in the country; and

(b) if so, the details thereof?

**THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND CHEMICALS/पेट्रोलियम और रसायन मंत्रालय में उपमंत्री (SHRI DALBIR SINGH):** (a) and (b) A statement is laid on the Table of the House

#### STATEMENT

The work of oil exploration in the country is being carried out mainly by the Oil and Natural Gas Commission. Oil India Limited operates certain concessional areas in Assam. Both these organisations have drawn up long term plans for intensification of their exploration and production activities.

2. Under the ten-year plan (1969-70—1978-79), of ONGC exploratory surveys of various prospective areas which have not been covered will be undertaken; also further geophysical surveys of some of the areas already covered will be carried out using improved field techniques and data-processing methods, with the object of locating structures favourable for oil/gas accumulations.

3. A detailed techno-economic study of the oil and gas potential in the country is being made jointly by the Commission and a team of Soviet experts. The exploration is being extended to cover areas like Tripura where large oil/gas accumulations are prognosticated even though drilling

conditions and logistics may be difficult. Exploration is also being extended to the offshore areas and drilling is proposed to be carried out in the Gulf of Cambay and the deep waters of the Arabian sea off the West Coast.

4. Oil India Limited's Five-Year Plan (1970—74) provides for exploration in Kusijan/Jorajan areas of Assam and in Nimgu area of NEFA.

**SHRI K. C. PANDA:** From the statement it appears that the Government is engaged in exploratory surveys. I want to know from the Minister whether they have a plan for the exploration and production of oil in the country and whether they have fixed up a target date by which India will be able to stop imports of oil from outside.

**SHRI PRAKASH CHAND B. SETHI:** We have a plan, not only a Five Year Plan, but a ten-year plan which is continuously under revision. As far as oil exploration is concerned. . . .

**SHRI K. C. PANDA:** It may be five years or ten years, but there must be some target date fixed by the Government.

**SHRI PRAKASH CHAND B. SETHI:** How can that be in a matter where everything depends upon the striking of oil? Sometimes, in spite of our best efforts, it is not possible to strike oil whereby we would be self-sufficient. It is likely that if we are able to strike oil at Bombay High, we may be able to become self-sufficient the day we can locate a good source of oil. In a place like Aliabet where we have been drilling we have not been able to commercially establish the location of oil. It is likely that it may be infructuous. Therefore, all possible efforts to locate oil inshore and offshore are being made. We are trying our best to find new sources of oil. As far as oil production is concerned, we are certainly increasing it. This year it is likely to be in the range of 7.15 million tonnes and it is hoped, on the basis of the available resources, that we would be reaching 8.5 million tonnes by 1973-74.

**SHRI K. C. PANDA:** May I know whether with all the technical ability of our technicians in the country the Ministry has been able to develop technical ability so that we may not depend on foreign countries for exploration work?

**SHRI PRAKASH CHAND B. SETHI:** As far as oil technology is concerned I would like certainly to point out that our technicians and engineers have done a very good job in exploration and also as far as the finding out oil is concerned. But I would like to point out, for example, as far as offshore drilling is concerned, it is a new technique, it is a new technology where we are not so much trained; to

†The question was actually asked on the floor of the House by Shri K. C. Panda.