

Cost recovery of Cess and Royalty is not allowed to ONGC under provisions of PSC of the block CB-OS/2. However, ONGC can recover the cost of royalty as per the provisions of the PSCs in CY-OS-90/1 (PY3) and RJ-ON-90/1. Under these PSCs, the liability to pay royalty and/or cess on the entire share of production was cast on ONGC in its capacity as licensee. Further, these fields were perceived to be marginal fields and it was felt that in the development of such fields, the exploration risks could exclude royalty payment as a factor to be taken into account by bidding companies.

In the NELP PSCs, the contractors pay royalty in proportion to their PI. Cess is exempted under NELP Contracts. The contractors have a level playing field under NELP PSCs.

Development of CBM sources

2151. SHRI A. ELAVARASAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the country's track record on unconventional gas source, Coal Bed Methane (CBM), production has not been encouraging and the expected production for 2010-11 is 1.11 million standard cubic metre a day and the current production stands at only 11.71 per cent;

(b) if so, the details thereof;

(c) whether gas production from CBM blocks of private firms are also behind the approval plan due to issues like lack of market access and land acquisition and some of them are still under developed; and

(d) if so, the steps taken to explore this unconventional gas source?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) In order to harness the Coal Bed Methane (CBM) in the country, 33 CBM blocks have been awarded so far. Out of 33 blocks, 30 CBM blocks have been awarded in the first four rounds of CBM, two CBM blocks have been awarded on nomination basis and one through the Foreign Investment Promotion Board (FIPB) route. CBM exploration has resulted in successful production and testing in few blocks. The present commercial gas production from Raniganj (South) block is about 0.16 Million Standard Cubic Meter Per Day (MMSCMD), which is about 25% of the gas production rate estimated for 2010-11 in approved Field Development Plan (FDP). Further, incidental gas is being produced during testing of CBM wells in Raniganj (East), Jharia, Bokaro, and Sohagpur (East) and Sohagpur (West). Based on the current understanding, it is expected that CBM production is likely to reach to the tune of 3 MMSCMD by 2012 and 7.4 MMSCMD by 2015.

(c) So far, the Development Plans for four CBM blocks, namely, Raniganj (South) operated by Great Eastern Energy Corporation Limited, Sohagpur (East) and Sohagpur (West)

operated by Reliance Industries Limited and Raniganj (East) operated by ESSAR have been approved. Out of these, Commercial production of CBM gas commenced in July, 2007 from Raniganj (South) block. Remaining three blocks are currently under Development.

The development activities in CBM blocks are being affected due to various issues such as land acquisition, law and order problems, overlapping issues with allotted coal mines, distance from the market etc.

(d) The steps taken to explore CBM gas in the country are:—

- Identifying more and more coal — bearing area for exploitation of CBM gas.
- Facilitating necessary clearances from Ministry of Environment and Forests, Ministry of Coal and State Governments etc.

New gas agencies in Uttar Pradesh

†2152. SHRI MOHAMMED ADEEB: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the number of LPG gas agencies in Uttar Pradesh (Uttar Pradesh) having more than twenty thousand connections;

(b) whether new gas agencies are proposed to be opened in these areas to mitigate pressure on these agencies;

(c) if so, by when;

(d) if not, the reasons therefor; and

(e) the areas of Aligarh, Barabanki, Noida, Lucknow and Orai where gas agencies are proposed to be opened alongwith details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) Public Sector Oil Marketing Companies (OMCs) have reported that there are 108 LPG distributorships in the State of Uttar Pradesh having more than twenty thousand customers.

(b) to (d) The population of the location, economic status, purchasing ability, per capita consumption of LPG of nearby existing market of LPG, etc. are the factors taken into account in the feasibility study. Feasibility study for opening of LPG distributorships is carried out by OMCs from time to time in the entire country including Uttar Pradesh and all feasible location are included in the plan for setting up of regular distributorship or under the scheme Rajiv Gandhi Gramin LPG Vitaran Yojana (RGGLVY).

Since, setting up of LPG distributorship/RGGLV involves advertisement, receipt of application forms, scrutiny of the same, selection of the candidates, field verification of the

†Original notice of the question was received in Hindi.