country, Government of India has adopted a multi-pronged strategy for giving momentum to production of hydrocarbons during the next five years. The development plans of the Ministry include Exploration and Production, Refining and Marketing, Storage, Petrochemicals and related Engineering activities in order to enhance the availability of petroleum and petroleum products. During the next five years, around Rupees Three Lakh Ninety Thousand Crore is proposed to be invested on development plans for the above activities in the country.

Losses incurred by Government over Andhra off-shore oil drilling

892. SHRI NANDI YELLAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Ministry was inactive towards manoeuvred, and took a U-turn to allow Reliance Industries Ltd. (RIL) to retain the entire Andhra offshore acreage, against the written word of the contract with Government;

(b) whether CAG has pointed out that RIL's discovery was running through the entire area on the basis of data collected through 3D seismic survey rather than drilling of exploratory wells, each of which cost upto USD 5 million; and

(c) if so, the details of losses incurred by Government under these lapses, so far, and the remedial measures undertaken by Government to recover these heavy losses and steps taken to put an end to such breach of trust in the immediate future?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) to (c) The contractor of the block KG-DWN-98/3, through number of correspondences, intimated Directorate General of Hydrocarbons (DGH) that petroleum exists and is likely to be produced in commercial quantities after an exhaustive exploratory and appraisal programme from the contract area. DGH, while taking note of the technicality of basin geological set up and the Contractor's proposal that geological plays extended to the entire Contract Area, advised the Operator to acquire additional 3D seismic data covering the entire Contract Area for additional evidence and assurance. After technical review of the additional 3D data acquired, the Management Committee (MC) agreed with the opinion of the Contractor that the prospective geological plays had continuity in the entire block and hence no block area needed to be relinquished. Accordingly, the contractor's proposal of retaining the entire contract area as "Discovered Area" was accepted.

CAG in its final report has mentioned about covering the block by 3D seismic survey and drilling of wells in certain locations. Further, Comptroller and Auditor General (CAG) in its report has not quantified any loss incurred by the Government due to non-relinquishment of Contract Area in line with PSC provisions.