

(b) if so, the quantum of GAIL's share in this company and how much amount was spent on this share holding and when;

(c) whether Government has any plan to sale GAIL's holding in China Gas; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) Yes, Sir.

(b) GAIL (India) Ltd. made an investment of Rs. 137 crore by acquiring 210 million shares of China Gas in 2005.

(c) and (d) The board of GAIL (India) Ltd has accorded approval to partially divest its equity stake in China Gas for recoupment of entire initial investment, while retaining the strategic advantage as envisaged at the time of initial investment.

Gas output in D6 Block of KG basin

292. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is of the opinion that Reliance Industries Limited (RIL) is not producing sufficient or desired MMSCMD of gas in a day from its D6 block of KG Basin;

(b) if so, the details thereof; and the reasons therefor;

(c) whether it is a fact that Government is not offering enough price to justify its investments further; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) and (b) The year-wise actual gas production from D1, D3 and MA fields in the KG-DWN-98/3 (KG-D6) block, operated by RIL, *vis-a-vis* the targets approved in the Field Development Plans (FDP) of these fields are as under:

(in MMSCMD)

Year	AIDP	Actual
2008-09*	2.52	0.405
2009-10	33.83	41.39
2010-11	62.10	55.89
2011-12	70.38	42.65
2012-13	86.73	26.07
2013-14 (till June, 2013	86.92	15.32

Note: *During 2008-09, associated gas production was only from MA field, which was re-injected back to the reservoir.

The decline in gas production from KG-D6 block is due to the following reasons:

- (i) Out of a total 18 gas producer wells in D1 and D3 fields, 9 wells have ceased to produce gas due to water loading/sand ingress in wellbores.
- (ii) Out of a 6 oil/gas producer wells in MA field, 2 oil/gas producers have ceased to flow oil/gas due to water ingress in wellbores.
- (iii) Non drilling of the required number of gas producer wells in D1 and D3 fields by the Contractor in line with the Addendum to Initial Development Plan (AIDP) approved by the Management Committee (MC).

Further, the Contractor has submitted the following reasons for less gas production as compared to AIDP of D1 and D3 fields;

- (i) Substantial variance in Reservoir Behavior and character has been observed *vis-a-vis* the prediction, and there seem to be reservoir constants in achieving the gas production rates.

- (ii) Pressure decline is several times higher than originally envisaged.
- (iii) Early water production in some of the wells was not predicted in initial reservoir simulations, though overall field water production is small.

Further, the gas production from D1 and D3 fields was much less than the production rates approved in the Field Development Plan (FDP). The Contractor had set up production facilities (in a cost recoverable manner) for approved production of 80 MMSCMD, but he failed to adhere to the approved Field Development Plan both in terms of gas production rate as well as drilling and putting on stream the required number of wells, even after repeated reminders. The Government, in May, 2012, issued notice for proportionate disallowance of cost of production facilities amounting to US \$ 1.005 Billion. The issue is currently under arbitration.

(c) and (d) No Sir, the price is determined in accordance with provisions of Production Sharing Contract.

Audit of KG-D6 block by CAG

293. SHRI DEVENDER GOUD T. : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) The reaction of his Ministry to the complaint made by CAG that RIL is stalling audit of KG-D6 Block;
- (b) The details of financial and other records sought by CAG and refused to submit by RIL;
- (c) The reasons behind RIL's refusal to submit the same; and
- (d) The manner in which his Ministry would work as the coordinator between CAG and RIL for early completion of audit of KG-D6 Block?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) The Ministry has taken seriously the issue raised by Comptroller and Auditor General of India (CAG) in audit of KG-D6 block. Initially there were certain issues being raised by the Operator *i.e.* RIL relating to scope and coverage of audit to be conducted by the CAG. Due to