

AP seeks royalty on oil and gas

■ Union petroleum minister Pradhan non-committal on the issue

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VISAKHAPATNAM, JUNE 25

AP government has sought the petroleum ministry to consider the recommendations of 19th standing committee on petroleum on royalty to the states having on and off shore oil and gas reserves.

AP Chief Minister N. Chandrababu Naidu made the request to the Union petroleum minister Dharmendra Pradhan during a review meeting on oil and gas sector in the state, here on Thursday. However, Mr Pradhan, was non-committal on Mr Naidu's request on royalty and said, as of now, petroleum ministry will go by the present law of the land on the royalty sharing.

Addressing a joint press conference after the meeting, both Mr Naidu and Mr Pradhan said they had agreed to hold a review meeting on the works related to oil and gas sector in the state for every six months. Mr Pradhan reiterated the Centre's commitment on setting up of petroleum varsity and a petrochemical complex in AP as per the AP Reorganisation Act.

"We had an elaborative brainstorming meeting on the oil and gas sector. There are abundant oil and gas reserves in AP more than Bombay high. Since AP is facing financial crisis, I have requested the petroleum minister to consider sharing royalty to the state on off and on shore gas and oil production as per the recommendations of 19th standing committee on petroleum sector. We request the union government to consider royalty on the lines of the share it is paying to the states on the coal auctions. Gas and oil are the only major mineral



Chief Minister N. Chandrababu Naidu felicitates Union minister of state for petroleum and natural gas Dharmendra Pradhan in Visakhapatnam on Thursday.

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wealth AP has. There are so many opportunities in the state in the oil and gas sector. There is potential for AP to become oil and gas hub of the country," Mr Naidu told reporters.

Mr Naidu also requested Mr Pradhan for additional 45 lakh LPG connections to the state as AP has already reached a saturation point.

Mr Chandrababu Naidu further said Andhra Pradesh can be made a model state in the research of oil and gas sector and the government will support the union government.

On the proposed, PCPIR, Mr Pradhan has said the union government is planning a new economic model for AP for emerging global market.

OIL, GAS PRODUCTION TO BEGIN IN 2018

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The state-owned ONGC is likely to begin oil and gas production from KG Basin in 2018 and 2019 respectively. AP Chief Minister N. Chandrababu Naidu on Thursday hinted the gas output may vary between 20 to 25 million cubic meters.

Talking to reporters after a review meeting with petroleum minister Dharmendra Pradhan on oil and gas sector in AP, Mr Chandrababu Naidu said, "ONGC will start oil and gas production at KG Basin from 2018 and 2019. From 2020 onwards the gas production may be between 20 to 25 million cubic meters and beyond that in future."

Petroleum minister Dharmendra Pradhan has said that ONGC has been striving on gas and oil exploration despite many natural challenges in KG basin. However, he is hopeful of oil and gas production by ONGC by 2018 and 2019.

"There are so many natural challenges that ONGC has been facing in KG Basin being it a deep sea exploration when compared to western coast which is shallow. New technology is being adapted at KG Basin. Despite many natural and operational challenges at KG Basin, the ONGC has been doing well and we are hopeful that oil and gas production will begin in 2018 and 2019," said Mr Dharmendra Pradhan.