

No.L-12015/9/2010-GP
Government of India
Ministry of Petroleum and Natural Gas

Shastri Bhawan, New Delhi
Date: June 16, 2010

To

J. S. Srivastava
C&MD, ONGC
C&MD, OIL *→ Name*
C&MD, GAIL (India) Ltd. *17/6/10*

Sub: Specifications of gas produced by NOCs and terms of supply.

Sir,

The issue of specifications of natural gas produced by National Oil Companies (NOCs) has been brought to the notice of the Government. It has been informed that gas supplied by ONGC from certain fields, including isolated fields, contains liquid hydrocarbons and water carry-over, which can potentially damage downstream equipments of customers. The Ministry has been receiving complaints, especially from customers of isolated fields, regarding low pressure, fall in pressure, irregular supply, low quality and gas being mixed with water & oil. Further, it has been represented that customers of isolated fields are not connected to the grid with alternative sources of gas. It is the considered view of the Government that quantity, pressure and other specifications of gas produced by NOCs should be in accordance with the industry parameters for natural gas.

2. In view of the above, separate compression charge over the price of gas would not be charged, while it is being presently charged in some cases by NOCs. As regards quantity of gas to be supplied, ONGC & OIL should indicate before every quarter the gas to be supplied to GAIL or directly to customers, as the case may be, in the coming quarter. Other specifications, including pressure, should be decided after technical discussions between ONGC & OIL and GAIL, as also discussions with customers, and subsequently applied to all customers after the approval of the Ministry. Instructions regarding specifications and compensation for off-specification gas, similar to the contracts in place for other forms of non-APM gas, would be issued at that stage.

Yours faithfully,

M. Srivastava
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