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## **Bottlenecks hold up crude oil production at Essar in Mehsana**

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Projects Today reported that Essar Oil's crude oil production from its Mehsana block in Gujarat is to face yet another block as the government is unlikely to approve the company's move for shifting the delivery point due to revenue loss.

Essar has changed the crude oil delivery point from the oil field to a distance of 30 kilometer at Sobhasan in Gandhinagar district.

As per report, the company has decided to shift the crude oil delivery point as it wants to supply crude oil to its customer in the saleable form. In June 2007, Essar had requested the government to shift the delivery point from the field to ONGC's processing facility at Sobhasan.

Government has cited many reasons for its disapproval like increase in the cost of JVs reduction in the government's stake etc. For Essar it's not economically possible to have separate treatment, processing and storing facilities in case of more than one field.

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