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Government of India
Ministry of Petroleum and Natural Gas

Shastri Bhavan, New Delhi

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RESOLUTION

No. O- 31018/149/2016-ONG.III: Government has initiated key reforms in the Upstream Hydrocarbon E & P Sector to increase domestic production of oil and gas. Marginal Field Policy (MFP) was notified on 14th October, 2015 to monetize marginal fields of Oil and Natural Gas Corporation (ONGC) and Oil India Limited (OIL) under nomination regime which remained undeveloped for a long period of time. This policy was subsequently renamed as Discovered Small Field (DSF) Policy which is now among country's flagship energy policies, in alignment with other initiatives for securing energy needs of the country.

The Government has decided to extend Discovered Small Field (DSF) Policy for fast-track monetization of un-monetized small fields / discoveries of ONGC & OIL under the nomination regime and relinquished discoveries under the PSC regime, remained un-monetized. Accordingly the DSF Policy is now being notified with the following salient features:

2. Single license for conventional and non-conventional hydrocarbons

A single license will be provided to enable E&P operators to explore and extract all hydrocarbon resources covered under the Oilfields Regulation and Development (ORD) Act, 1948, and Petroleum and Natural Gas (PNG) Rules, 1959 under one PEL/PML. This will enable the contractor to explore conventional and unconventional oil and gas resources including CBM, shale gas/oil, tight gas, gas hydrates and any other resource to be identified in future which fall within the definition of "Petroleum" and "Natural Gas" under PNG rules, 1959.

3. No restriction on exploration activity during Contract Period

The contractor will be allowed to carry out exploration activity during entire contract duration. Exploration will be at the sole risk and cost of the contractors.

4. Model for inviting the bids

Bids will be invited for the Marginal Fields on a Revenue Sharing Contract (RSC) Model. To ensure viability of operations, it is proposed to cluster fields / discoveries, as may be required at the time of Notice Inviting Offer (NIO). This revenue sharing model will be based on a revenue-based linear scale. The contractor shall be