

Opportunities in Open Acreage Licensing Policy Bid Round-V



Directorate General of Hydrocarbons

Mumbai
Wednesday, February 26, 2020

OVERVIEW OF HYDROCARBON EXPLORATION AND LICENSING POLICY

Hydrocarbon Exploration and Licensing Policy (HELP) announced in March 2016

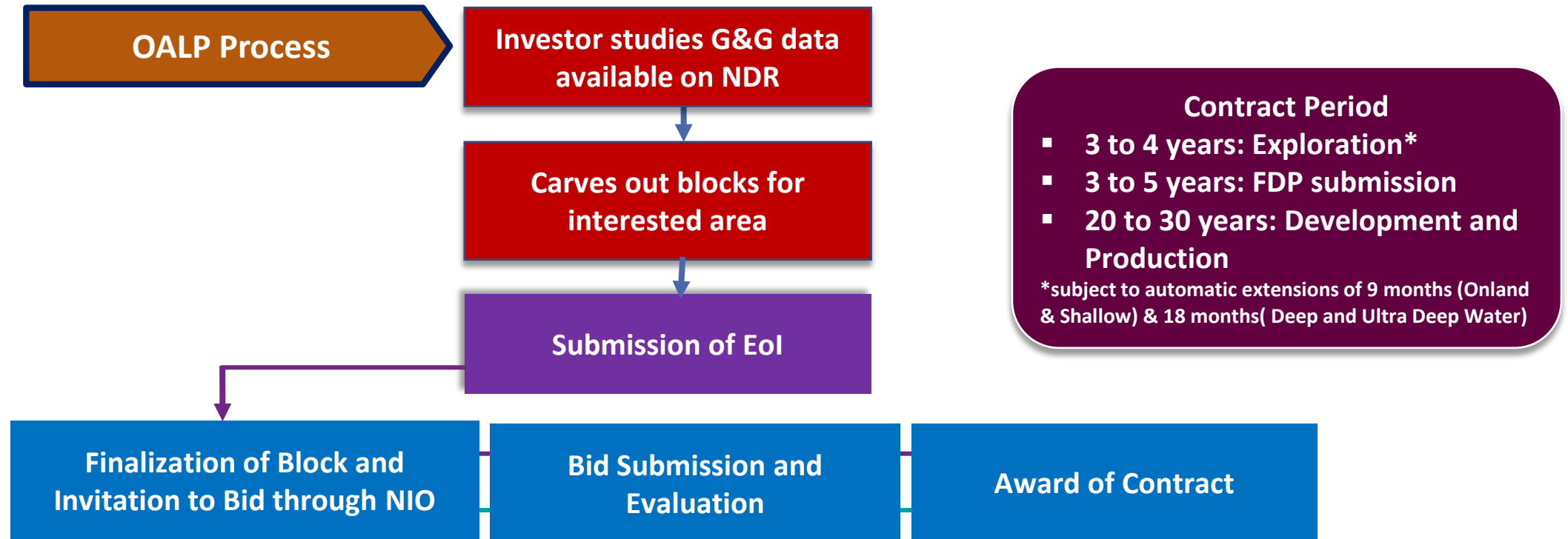
- Single license for both conventional and unconventional hydrocarbons
- Open Acreage Licensing Programme (OALP) allows carving out of EoIs based on available G&G data
- Fiscal regime- Transition from Cost Recovery to Revenue Sharing
- Low Royalty Rates
- Pricing and Marketing freedom
- Exploration rights on all retained area for full contract life
- 100% Participating Interest (PI) allowed for foreign/ private players
- OALP-V launched on 14.01.2020 , Bids closing on 18.03.2020
- EoI window for OALP-VI is underway, closes on 31.03.2020

OVERVIEW OF HYDROCARBON EXPLORATION AND LICENSING POLICY

Government notified further Reforms in existing HELP on February 28, 2019

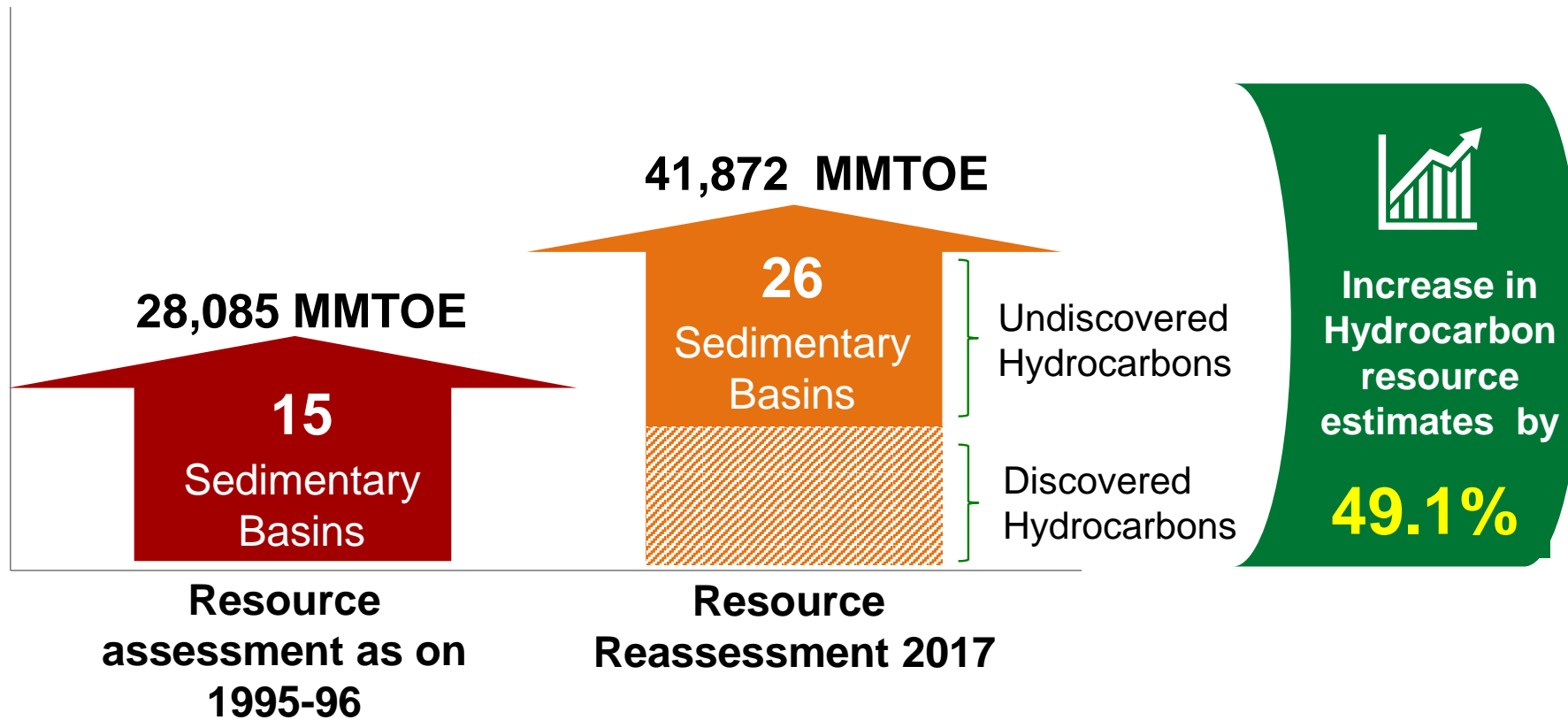
- Policy Reforms are applicable from OALP Bid Round-IV onwards
- 26 Sedimentary Basins of India classified into 3 Categories
- EoI windows now thrice in a Financial Year starting from first April
- Bidding Parameters made specific to Category of Sedimentary Basins
- Category-I Basins – Bidding on Revenue Sharing and Work Programme. More weightage to Work Programme (70%). Revenue Share at HRP capped at 50%
- Category-II and Category-III Basins - No Revenue Share in up to USD 2.5 billion in a Financial Year (Windfall Gain)
- Concessional Royalty Rates for early Commercial Production (10%, 20%, 30%)
- Shorter Exploration Period (3 yrs+9 months/4yrs +18 months)
- New Dispute Resolution Mechanism

OALP PROCESS : FREEDOM TO CARVE OUT BLOCKS



- ❖ Party submitting Eol for an area shall be '**Originator**' and eligible for **Originator Incentive**
- ❖ Sedimentary basins gridded into **sector of 10' x 10' (1' x 1' for existing PEL/PML)**
- ❖ Bidding cycle thrice a year (continuous Eol submission, pooled every 4 months)
- ❖ Bidding through **fully secured e-bidding platform**
- ❖ Blocks can be carved out in **single category of Basins**

A Quantum Leap in the Prognosticated Hydrocarbon Resources



- Total Hydrocarbon reassessed resources (in place) estimated for **26 Sedimentary Basins** across Onland, Shallow Water and Deep Water areas in the present study is 41,872 MMTOE
- Discovered Hydrocarbons is **12,076 MMTOE**
- Undiscovered Hydrocarbons is **29,796 MMTOE**

EoI SUBMISSION PROCESS

Pre-requisite for EoI Application

1. Unique Identification Numbers of the sectors (available in NDR site)

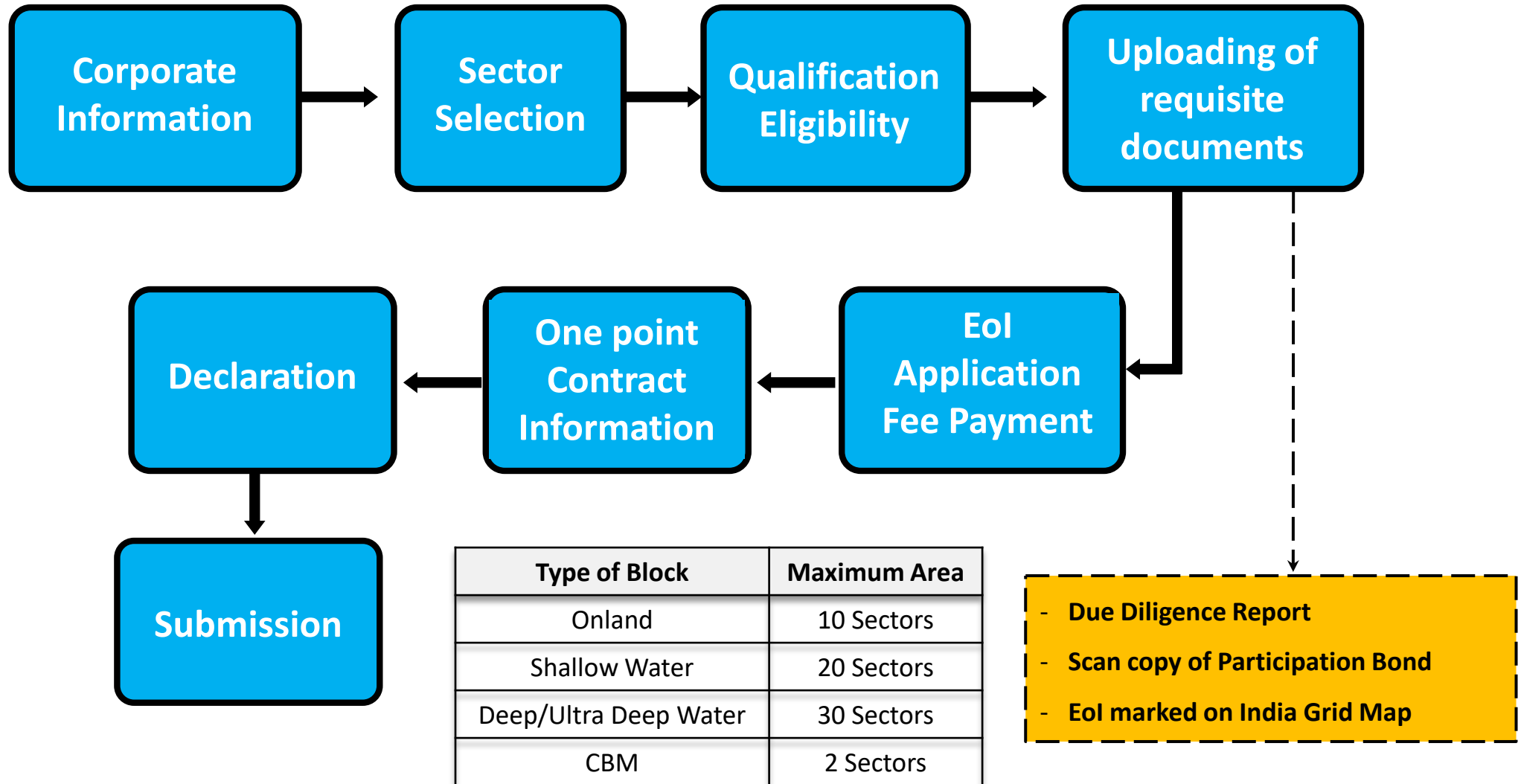
2. Online payment of INR 75,000 towards Application Fee

3. Participation Bond of requisite amount



4. Due-Diligence Report of Prospectivity

PROCESS FLOW FOR EoI SUBMISSION



BIDDING STRUCTURE UNDER OALP

1

Qualification Criteria

- Financial (Net Worth) and Technical (Operatorship Experience and Acreage Holding/Average Annual Production) as specified in NIO



Net Worth Computation

2

Bid Evaluation Criteria

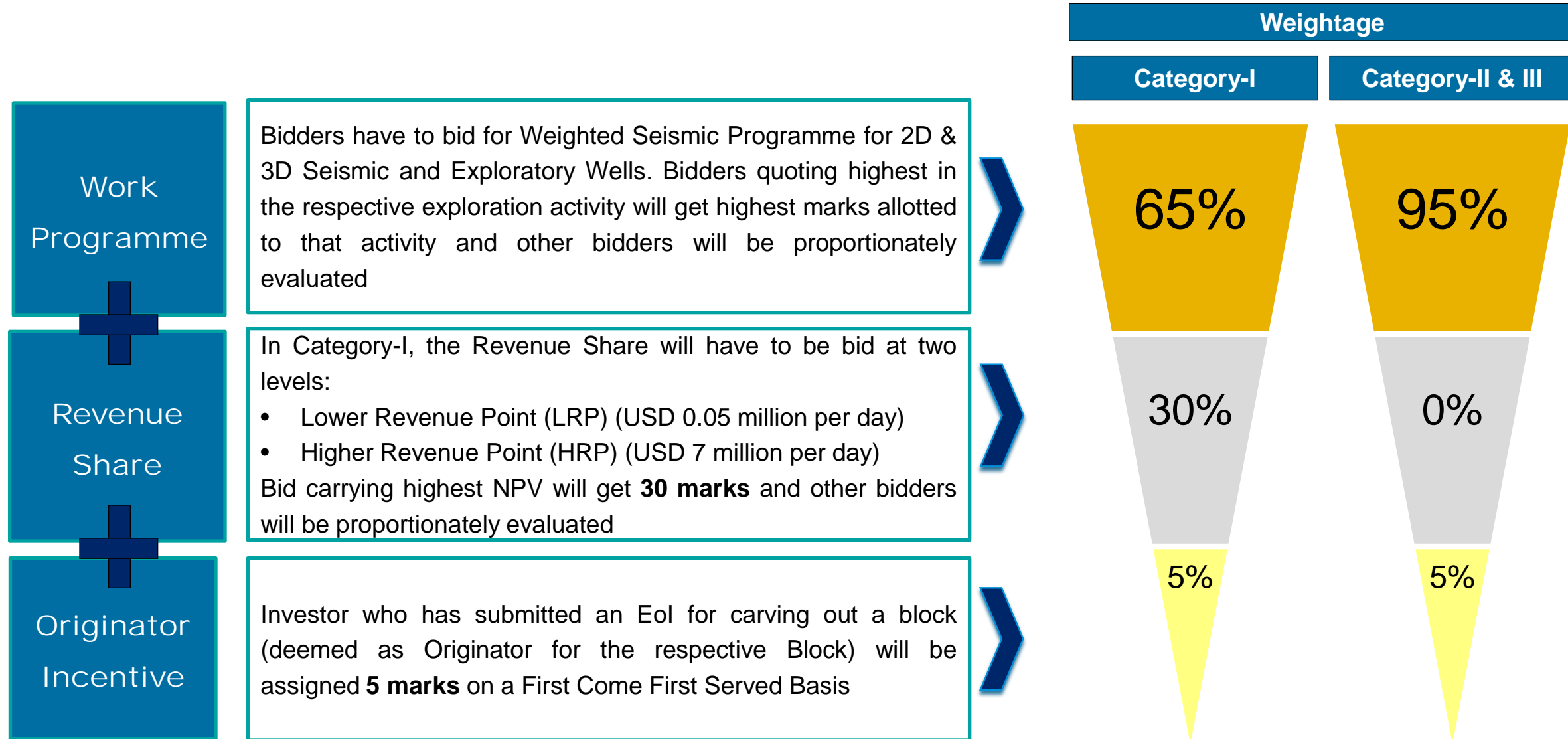
Category-I Basins

- Work Programme (65) + Originator Incentive (05)
- Fiscal parameters (30)

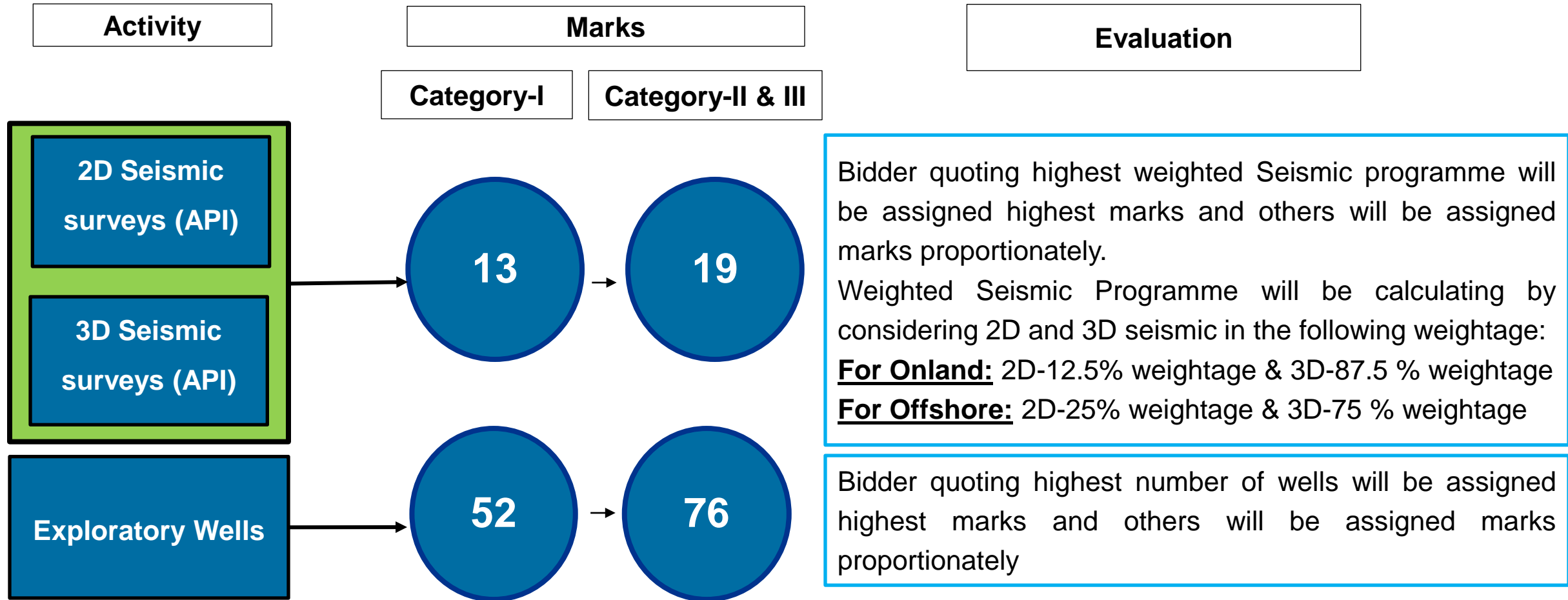
Category-II & III Basins

- Work Programme (95) + Originator Incentive (05)

BID EVALUATION CRITERIA

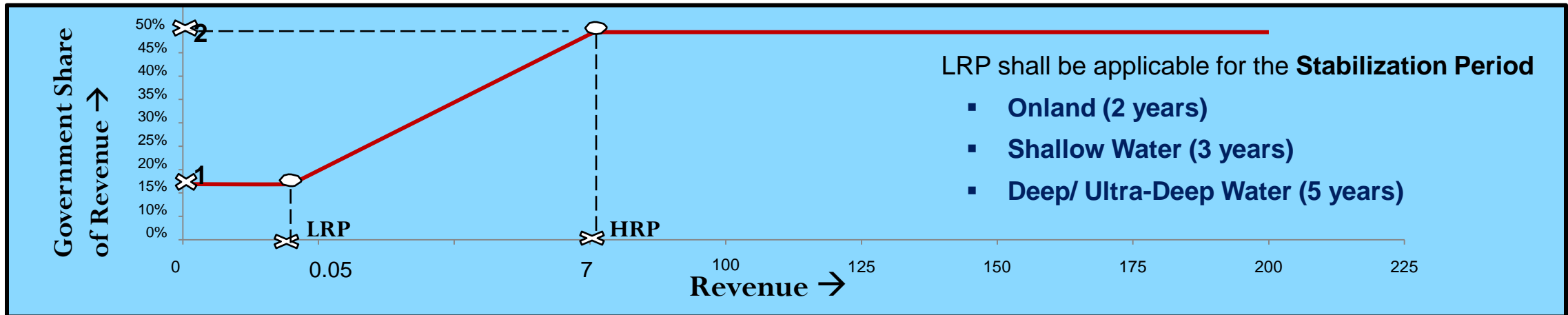


SCORING PATTERN FOR COMMITTED WORK PROGRAMME



CATEGORY – I BASINS

FISCAL BID : LRP AND HRP



The Revenue Share will have to be bid at two levels: “Lower Revenue Point (LRP)” and “Higher Revenue Point (HRP)”. The Revenue Share for intermediate points will be calculated by linear interpolation. The bidder offering the highest NPV of the Revenue Share to the Government will score the maximum on this parameter. Rate at HRP can not exceed 50%

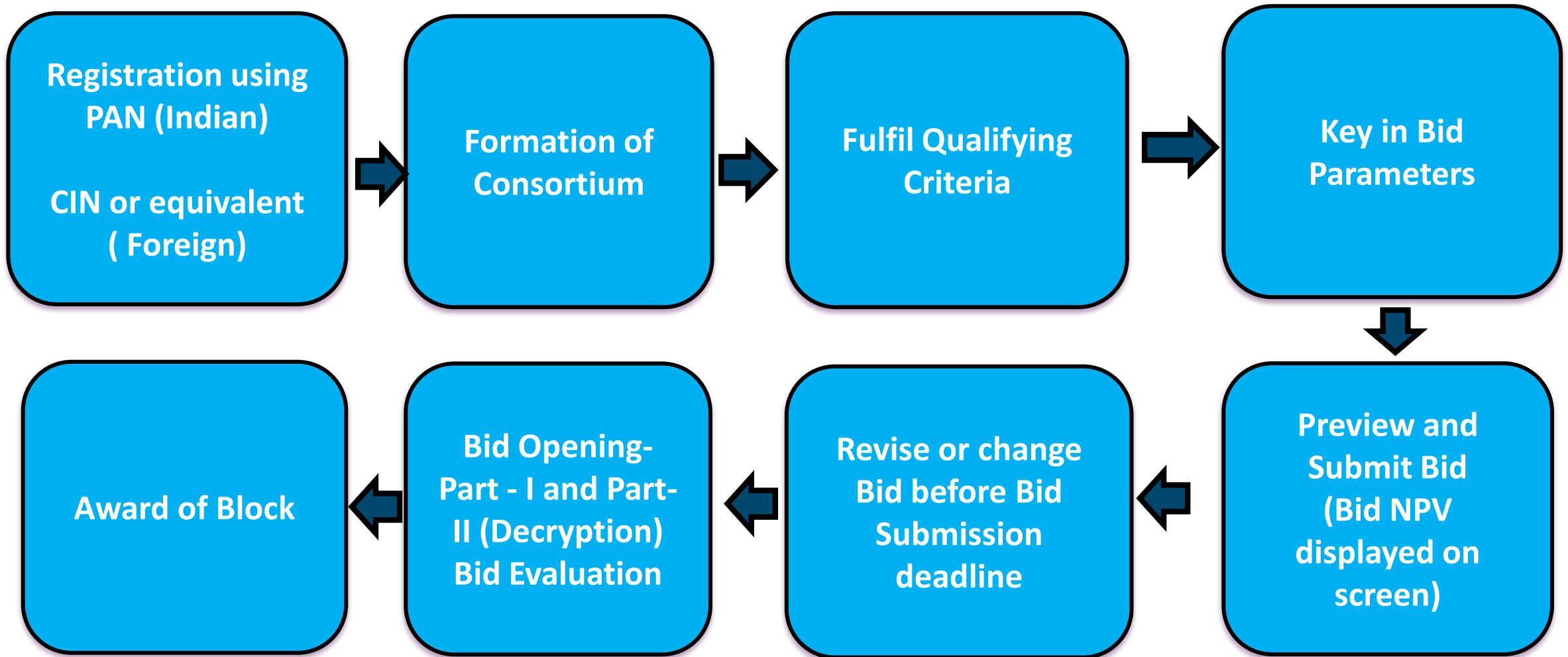
| | |
|----------------------------|--------------------------|
| Lower Revenue Point (LRP) | USD 0.05 million per day |
| Higher Revenue Point (HRP) | USD 7 million per day |

REVENUE SHARE FOR CATEGORY-II & III BASINS

- No Revenue Share is to be quoted at the time of bidding.
- Revenue Sharing at predetermined rates if annual revenue crosses USD 2.5 billion i.e. “Windfall Gain”. Financial year (April to March) will be considered for calculation of annual Revenue.
- Rates of Revenue Share will be as under:

| Revenue (Net of Royalty & taxes on sales) (in billion USD) in a Financial Year | GoI Share (%) |
|---|---------------|
| Up to 2.5 | Nil |
| >2.5 <=5.00 | 10% |
| >5.00 <=10.00 | 30% |
| >10 | 50% |

BIDDING PROCESS ON e-BIDDING PORTAL

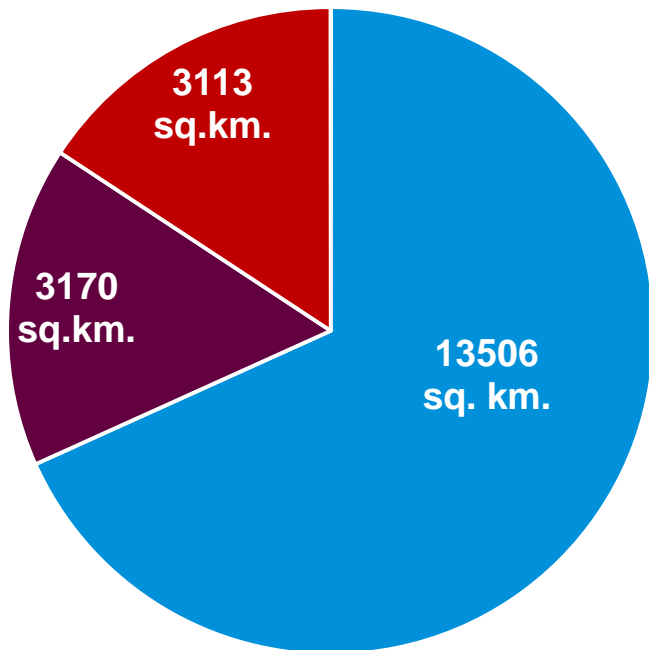


BLOCKS ON OFFER UNDER OALP BID ROUND-V

11 Blocks with an area of 19,789 sq. km.

8 Onland, 2 Shallow Water and 1 in Ultra Deep Water

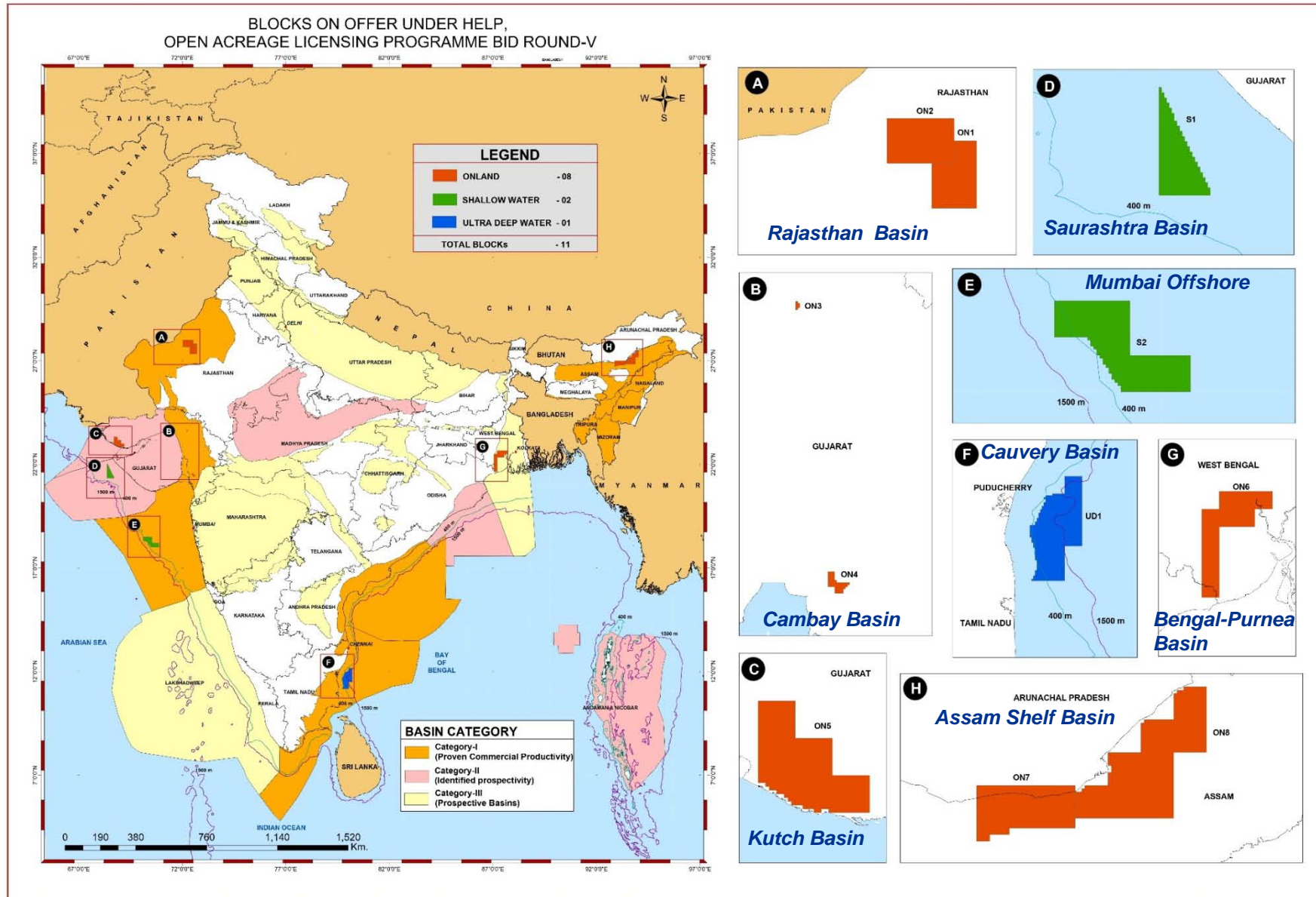
Category of Sedimentary Basin



■ Category-I ■ Category-III ■ Category-II

| S. No. | Sedimentary Basin | Block Type | Number of Block (s) | Area (sq km.) |
|----------------|-------------------|---------------|---------------------|---------------|
| Category-I | | | | |
| 1 | Cauvery | Ultra Deep | 1 | 4,064 |
| 2 | Assam Shelf | Onland | 2 | 3,683 |
| 3 | Cambay | Onland | 2 | 172 |
| 4 | Rajasthan | Onland | 2 | 3,340 |
| 5 | Mumbai Offshore | Shallow Water | 1 | 2,247 |
| Sub-Total (A) | | | 8 | 13,506 |
| Category-II | | | | |
| 6 | Kutch | Onland | 1 | 1,693 |
| 7 | Saurashtra | Shallow Water | 1 | 1,420 |
| Sub-Total (B) | | | 2 | 3,113 |
| Category-III | | | | |
| 8 | Bengal-Purnea | Onland | 1 | 3,170 |
| Sub- Total (C) | | | 1 | 3,170 |
| Total (A+B+C) | | | 11 | 19,789 |

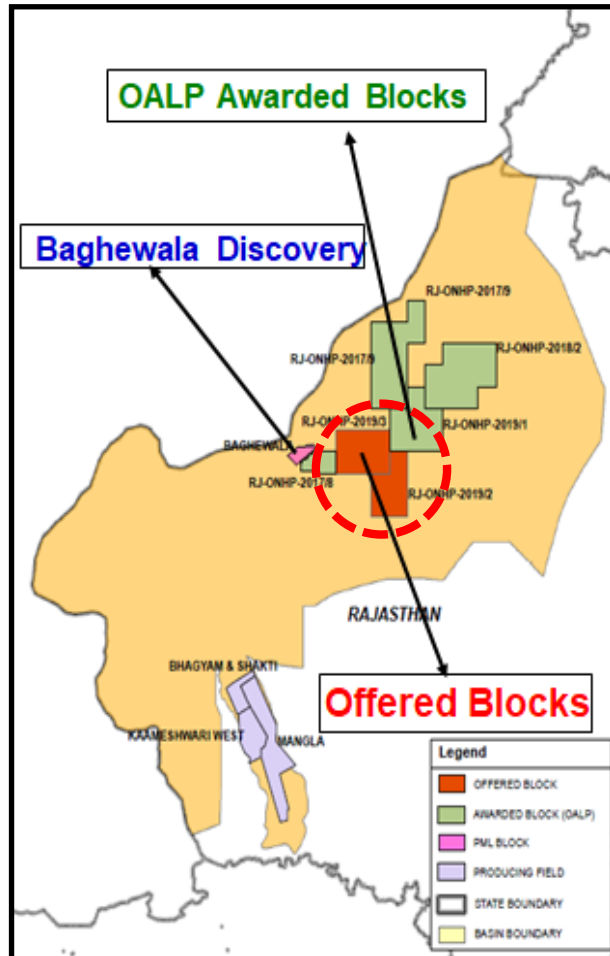
MAP OF BLOCKS ON OFFER UNDER OALP-V



LOCATION OF BLOCKS ON OFFER UNDER OALP-V

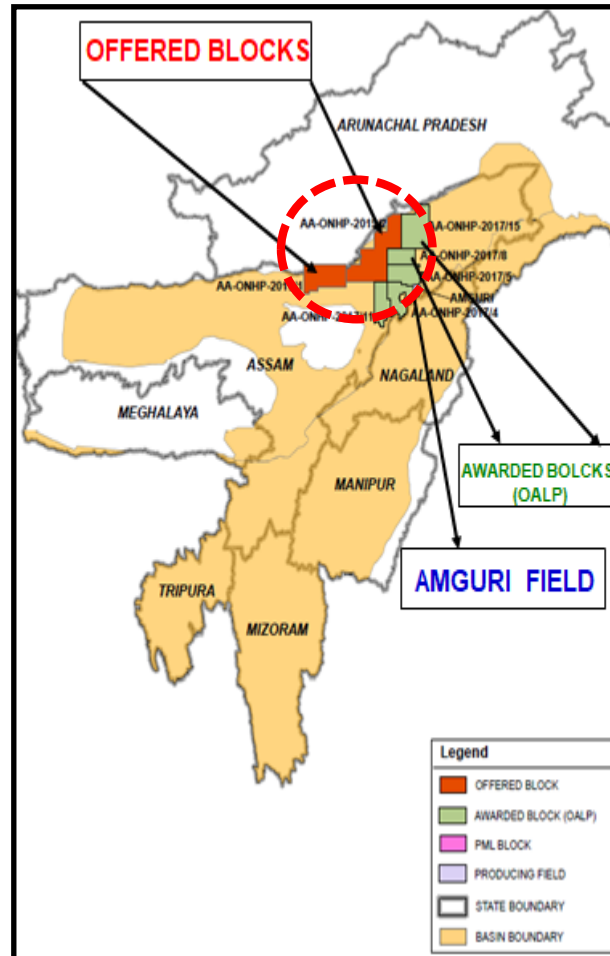
RAJASTHAN BASIN (Basin Category – I)

Blocks on Offer : 2



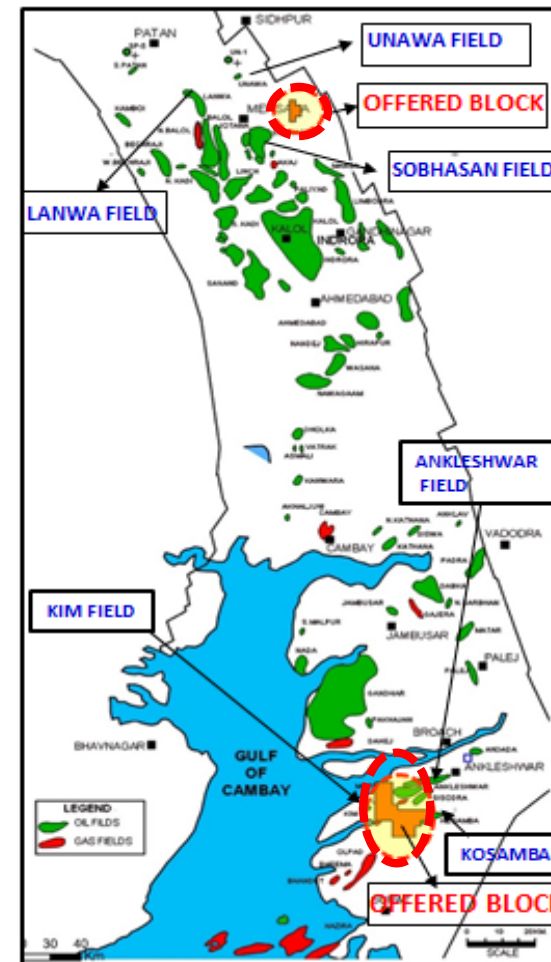
ASSAM SHELF BASIN (Basin Category – I)

Blocks on Offer : 2



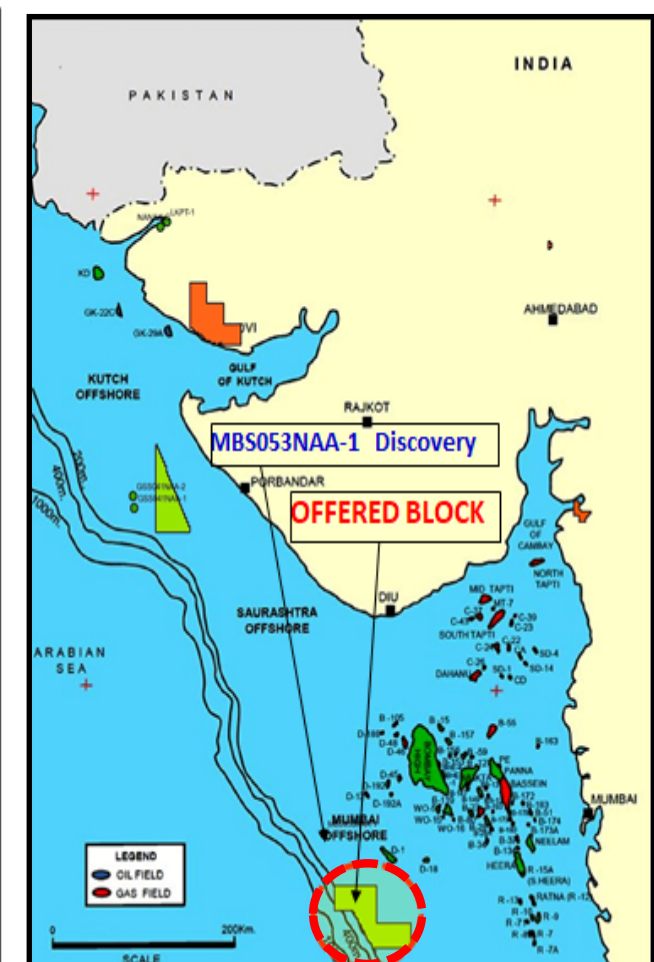
CAMBAY BASIN (Basin Category – I)

Blocks on Offer : 2



MUMBAI OFFSHORE BASIN (Basin Category – I)

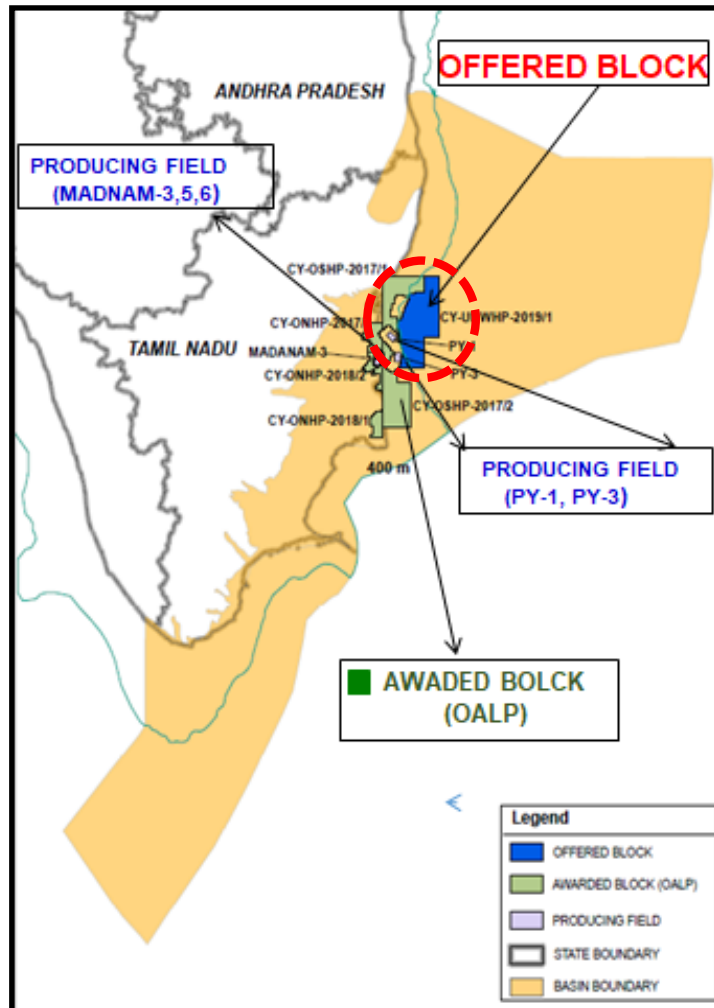
Block on Offer : 1



LOCATION OF BLOCKS ON OFFER UNDER OALP-V

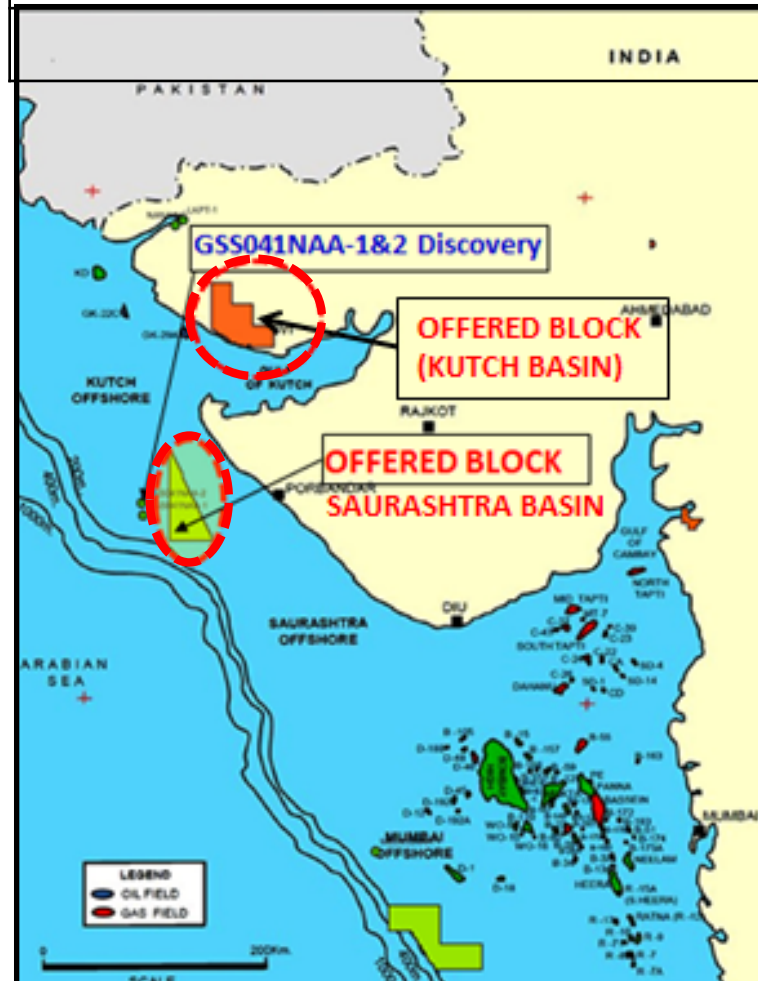
CAUVERY BASIN (Basin Category – I)

Block on Offer : 1



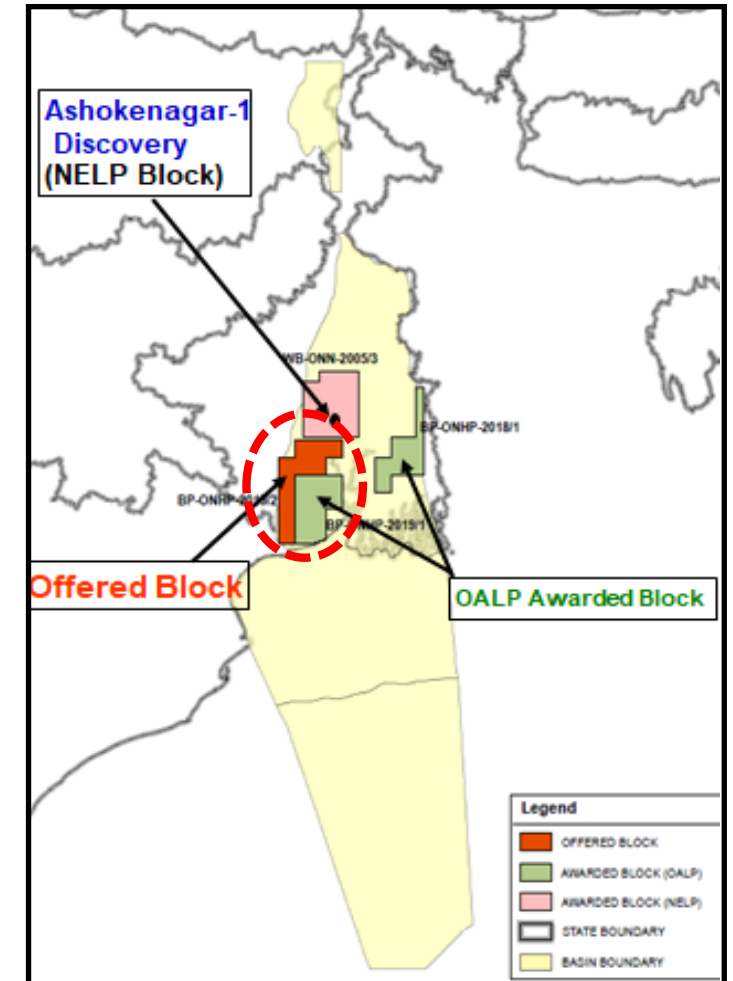
KUTCH & SAURASHTRA BASIN (Basin Category – II)

**Blocks on Offer : 2
(Kutch: 1; Saurashtra:1)**

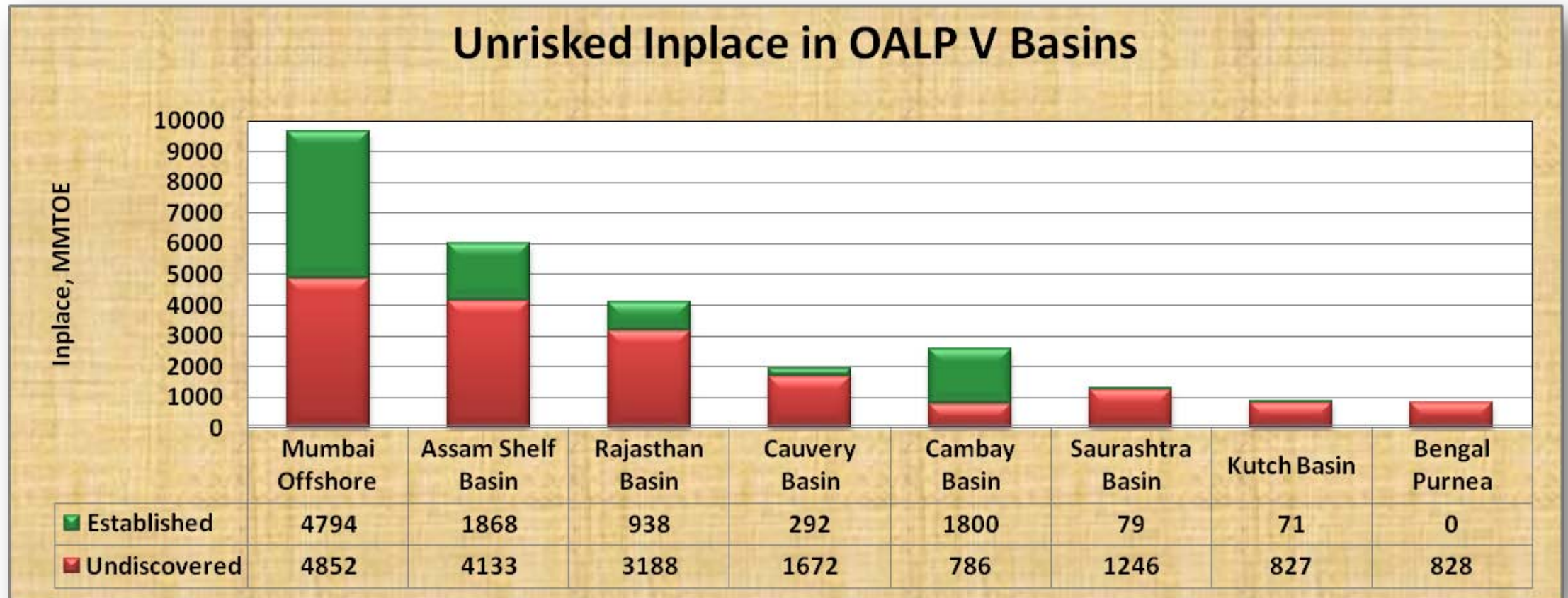


BENGAL-PURNEA BASIN (Basin Category – III)

Block on Offer : 1



BASIN-WISE HYDROCARBON INPLACE



Note: Bengal-Purnea is under category-upgrade with discovered inplace

OALP FACILITATORS

NDR/ Data Room Booking

<https://www.ndrdgh.gov.in/NDR/>

<http://online.dghindia.org/oal/dataroombooking>

E-bidding Portal

<https://ebidding.dghindia.gov.in/>

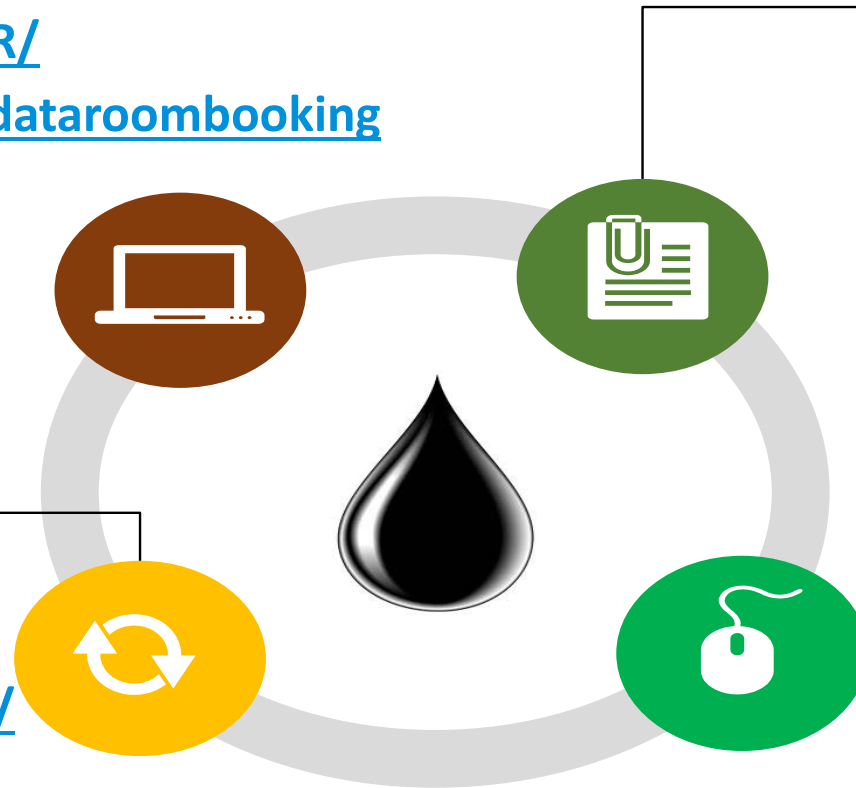
Eol Portal

<http://online.dghindia.org/oalp>

Facilitation Desk

<http://online.dghindia.org/oalp/contact>

Email: facilitationoal@dghindia.gov.in



Thank you