



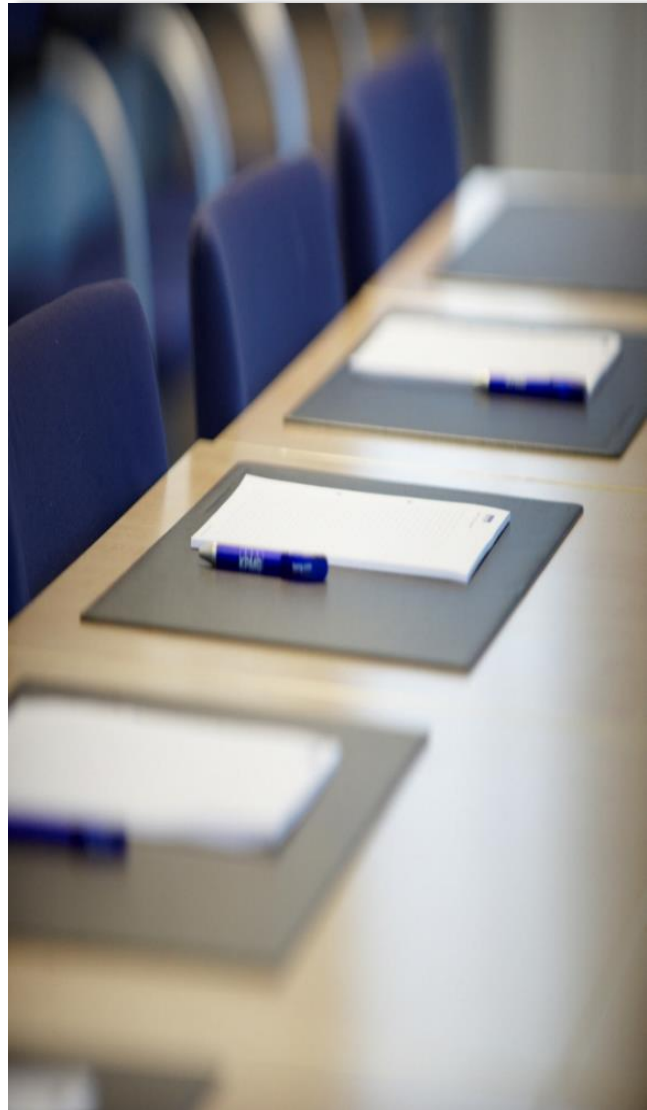
Directorate General of Hydrocarbons



Overview of Open Acreage Licensing Programme (OALP) Under HELP

Sunday, February 10, 2019

Agenda



1 **HELP – A Paradigm Shift for Indian E&P Sector**

2 **India's Hydrocarbon Potential**

5 **Open Acreage Licensing Programme**

6 **Bidding Structure**

8 **NDR, EOI and Bidding Portal Manual**

Transition from NELP to HELP with Open Acreage Licensing

NELP

- ❖ After Pre-NELP rounds, New Exploration and Licensing Policy (NELP) launched in 1999.
- ❖ Production Sharing Contract (PSC) with Pre Tax Investment Multiple (PTIM).
- ❖ System based on Cost Recovery which meant Audit of Cost lead to dispute and larger regulatory burden.
- ❖ Government carved out blocks for bidding, investors had little choice.
- ❖ Nine rounds launched since 1999: 254 blocks awarded till date of 156 discoveries have been made.
- ❖ USD 40 billion invested (till date), further USD 25 billion in the pipeline.

HELP and OALP

- ❖ Hydrocarbon Exploration Licensing Policy (HELP) launched in 2016.
- ❖ Single License for both conventional and unconventional Hydrocarbons.
- ❖ Freedom to carve out blocks, Eols can be made round the year with bidding rounds in 6 months cycles.
- ❖ Transition from Cost Recovery mechanism to Revenue Sharing mechanism.
- ❖ Full Marketing & Pricing Freedom.
- ❖ Fiscal Incentives-Low graded royalty rates.
- ❖ Low regulatory burden.
- ❖ Exploration rights on all retained area for full contract life.
- ❖ 100% PI allowed for foreign / private players.
- ❖ USD 5-6 billion in exploration activities and another USD 20-30 billion for development activities is expected.
- ❖ OALP launched in 2017:
 - Round-I: 55 blocks awarded (59,000 Sq km.)
 - Round-II: 14 blocks (29,000 Sq km.)
 - Round-III: 18 Eols (~30,000 Sq km.), 5 CBM Blocks (1,957 Sq km.)
 - Round-IV: Window open till May 15,2019.

Fiscal Incentives to Bidders

Fiscal incentives are provided to investors under the Hydrocarbon Exploration and Licensing Policy (HELP) regime

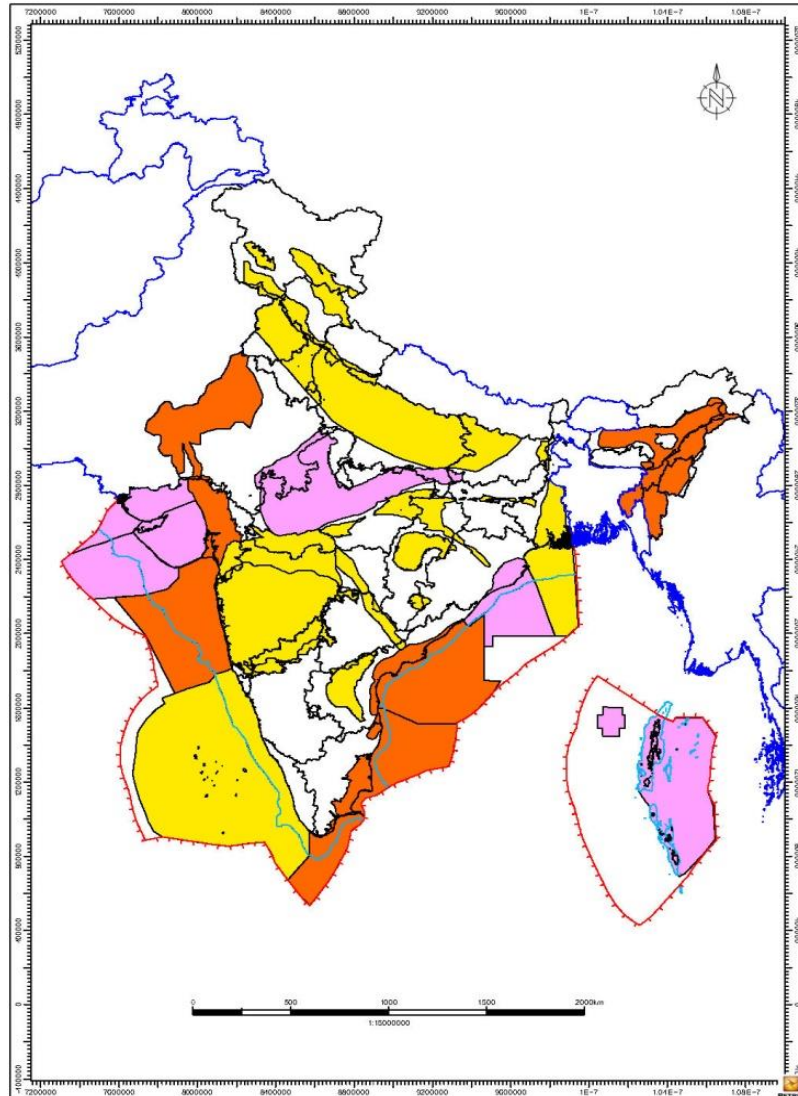
- Low graded Royalty Rates (Deepwater areas, in particular).
- Benefit under Section 42 of Income Tax Act.
- Fiscal incentives of ER/IR policy extended to HELP.

Type of Hydrocarbons	Duration	Royalty Rates (Oil)	Royalty Rates (Natural Gas/CBM)
Onland	Throughout	12.5%	10%
Shallow water	Throughout	7.5%	7.5%
Deep water	First 7 years	Nil	Nil
	After 7 years	5%	5%
Ultra-Deep water	First 7 years	Nil	Nil
	After 7 years	2%	2%

Royalty rates applicable under the HELP are one of the lowest when compared to rates levied by various countries globally

India's Hydrocarbon Potential: Sedimentary Basins

India has 26 sedimentary basins covering an area of 3.36* million square kilometres



Category

Number of Basins

I

Basins where hydrocarbon presence is established and commercially producing

Assam Shelf, Assam-Arakan Fold Belt, Cambay, Cauvery, Krishna-Godavari, Mumbai Offshore and Rajasthan Basin

7

II

Basins where hydrocarbon is established but yet to produce commercially

Andaman, Kutch, Mahanadi, Saurashtra and Vindhyan

5

III

Basins where hydrocarbon presence is yet to established

Himalyan Foreland, Ganga-Punjab, Kerala-Konkan, Bengal-Purnea, Karewa, Spiti-Zanskar, Satpura-South Rewa-Damodar, Narmada, Deccan Syncline, Bhima-Kaladgi, Cuddapah, Pranhita-Godavari, Bastar, Chhattisgarh

14

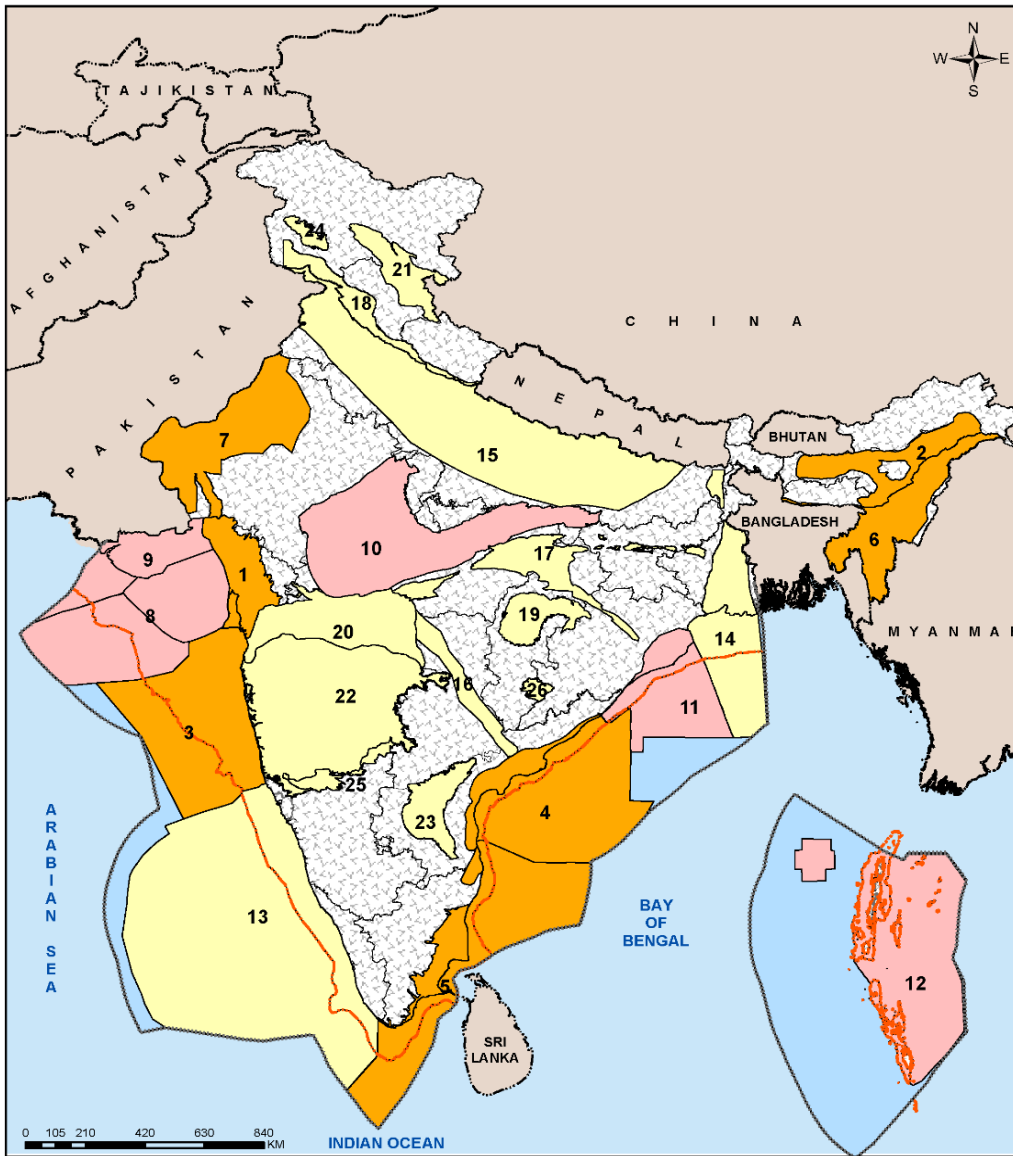
India's Hydrocarbon Potential: Resource Reassessment

3.36 Million Sq. Km. of area spread across 26 sedimentary basin

Latest Study indicates **hydrocarbon prognosticated resources of 41,872 MMTOE** for 26 sedimentary basins and Offshore areas

Discovered HC resources: **12,076 MMTOE**
Undiscovered HC resources estimate
29,796 MMTOE

About **49.1 % Increase** in HC Resources estimates as compared to the earlier study undertaken in 1995-96



Category-I
(Proven commercial productivity)

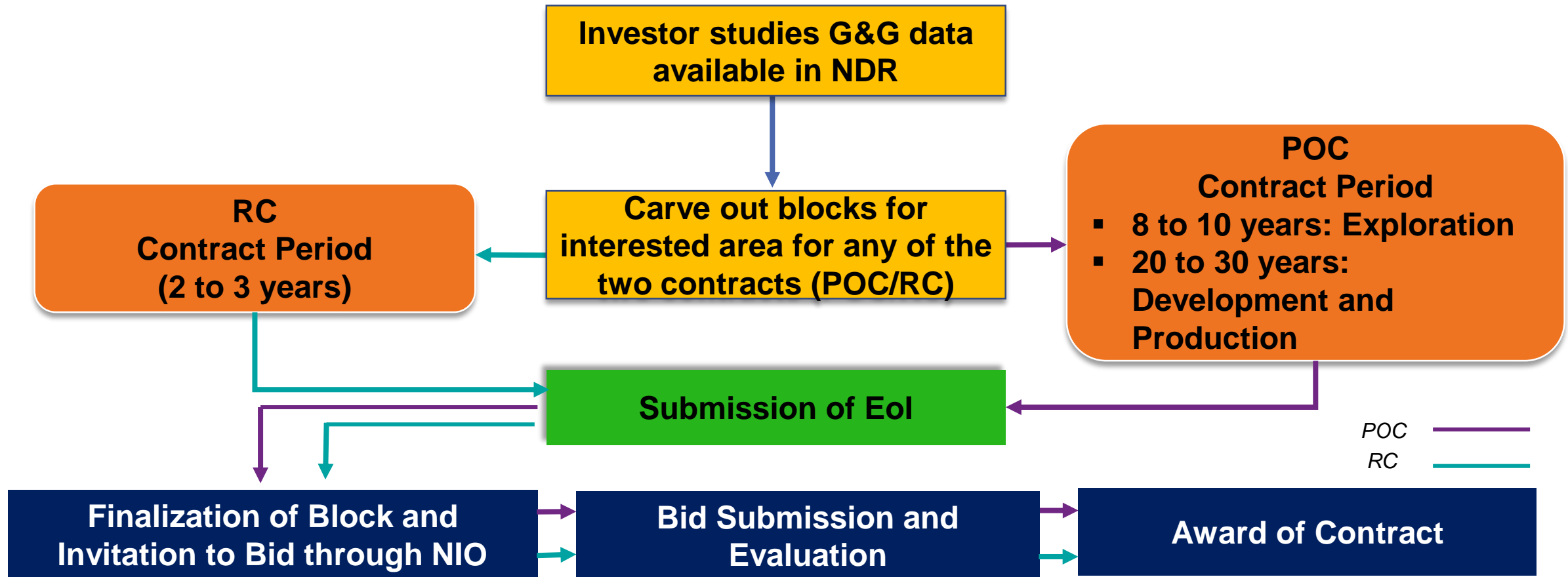
Category-III
(Prospective Basins)

Category-II
(Identified prospectivity)

**Pre-Cambrian Basement/
Tectonic Sediments**

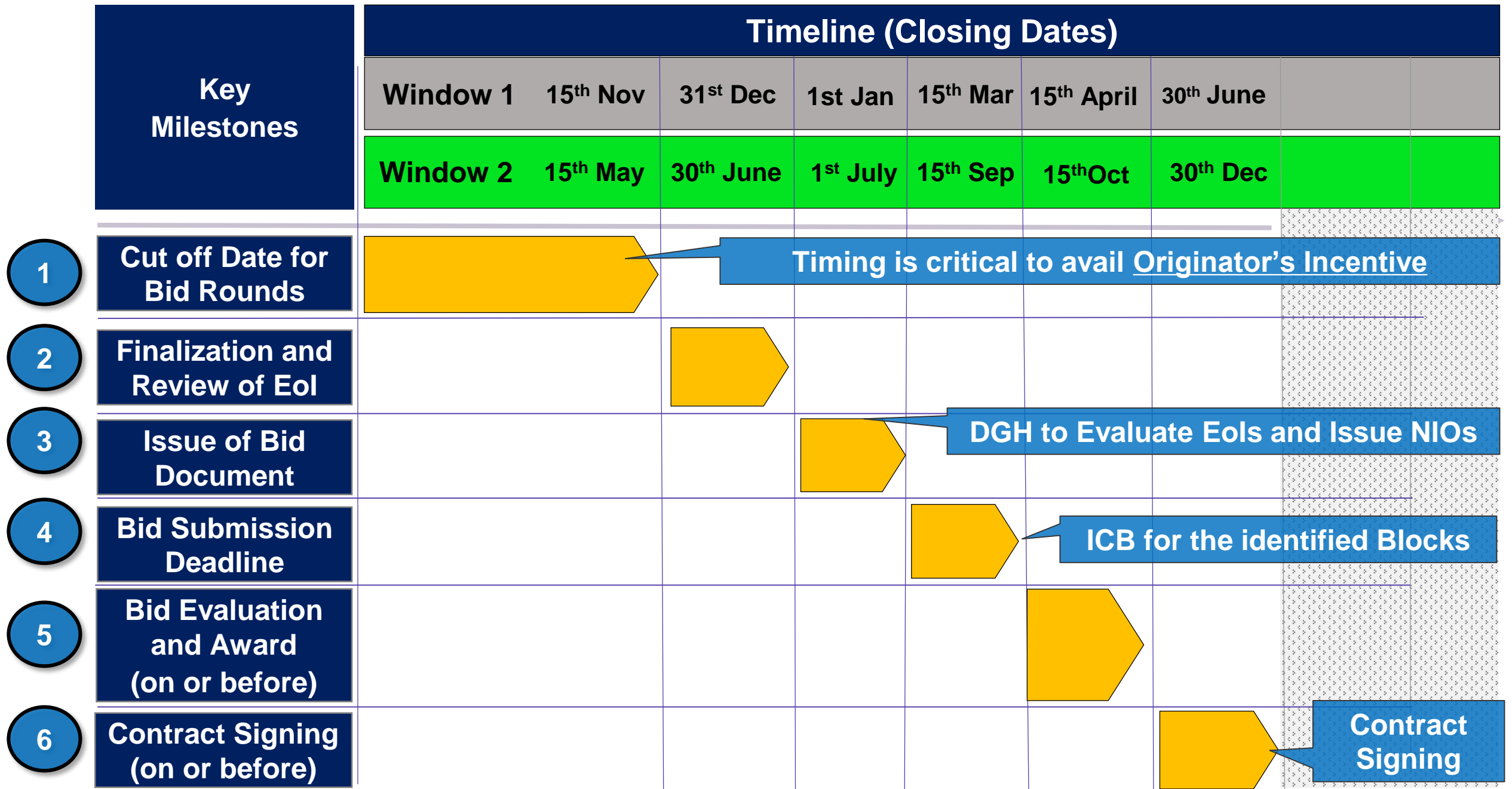
Source: DGH, study is under finalization, HC estimates indicated are subject to approval

Open Acreage Licensing Programme: The Process



- 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 twice a year (continuous Eol submission, pooled every 6 months)
- Bidding through **fully secured e-bidding platform**
- Eol for **POC would be preferred over RC** for same area.

Key OALP Cycle Timelines for Investors

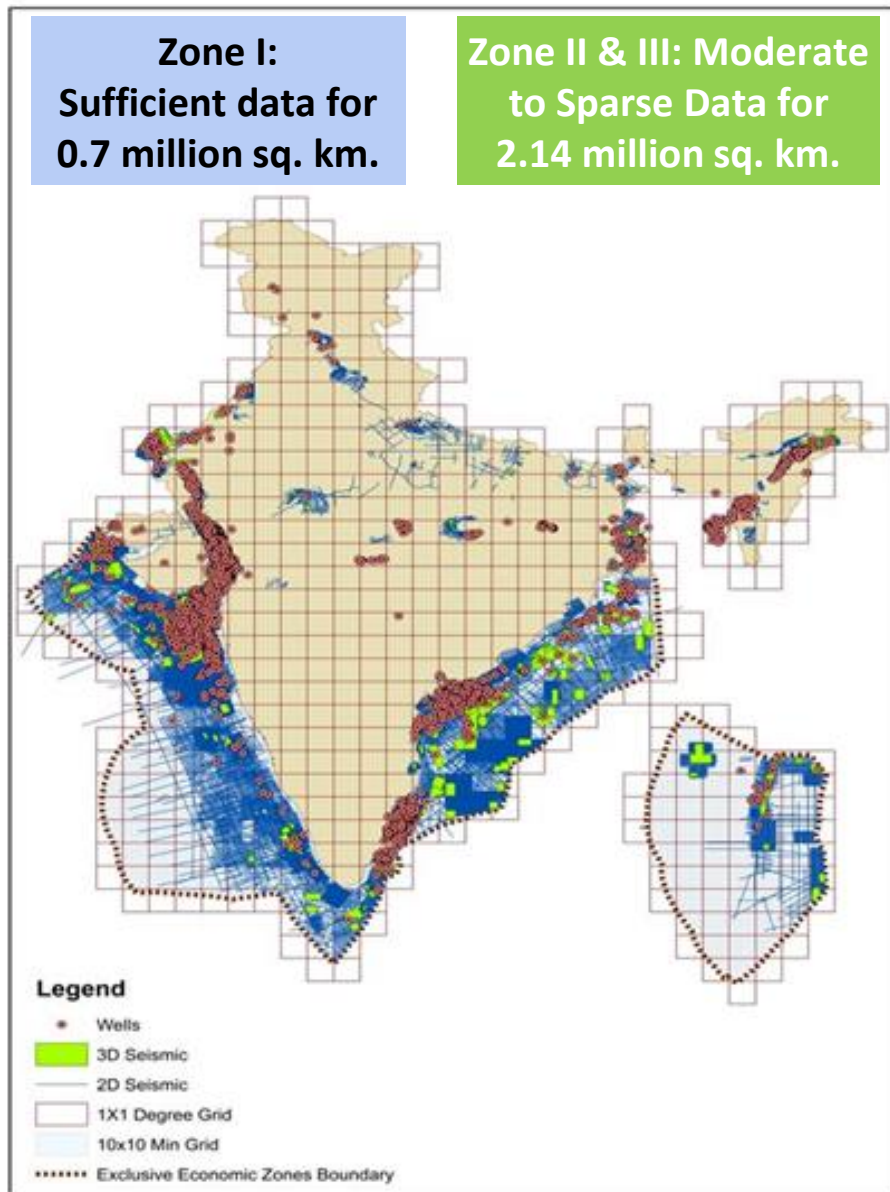


Current Bidding Timelines

Bidding	Launch	Bid Closing	Contract Award
Round-II	January 2019	March 2019	May 2019
Round-III	February 2019	April 2019	June 2019
Round-IV	July 2019*	September 2019*	November 2019*

*Tentative

Open Acreage Licensing Programme: Area and Data



Bidders can carve out their own blocks
(min 10' by 10' Grid, ~336 Sq. Km)

2.84 million sq. km. Area is offered across 26
Sedimentary Basin under OALP

Two types of Investment Opportunities available under OAL

**Petroleum Operations Contract
(All zones)**

**Reconnaissance Contract
(only in Zone II & III)**

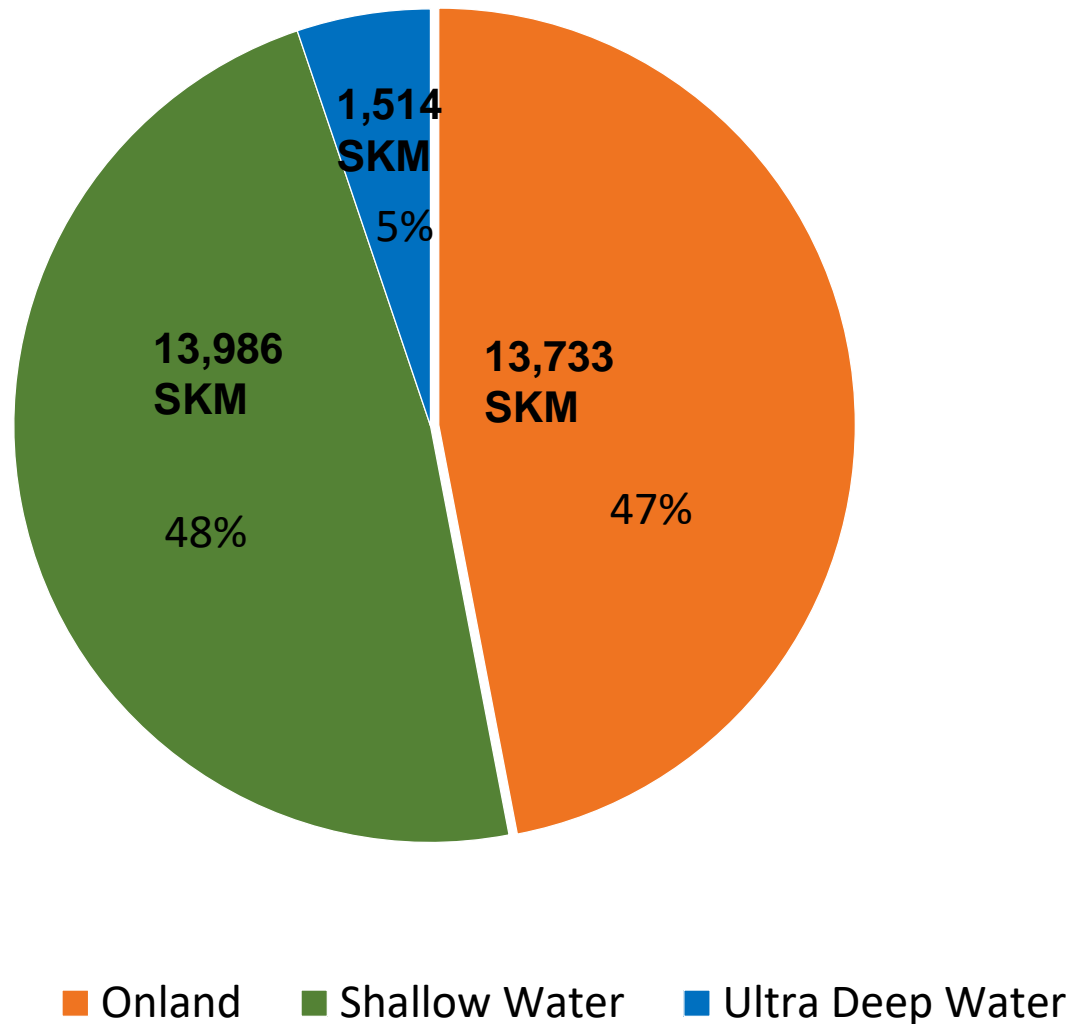
Data available on NDR

- 1.99 million LKM of 2D seismic data
- 0.70 million SKM of 3D seismic data
- 15,712 well log data

Note – Min. 1'X1' Grid allowed for adjoining areas to existing blocks and areas where it is not possible to carve 10'X10' Grid

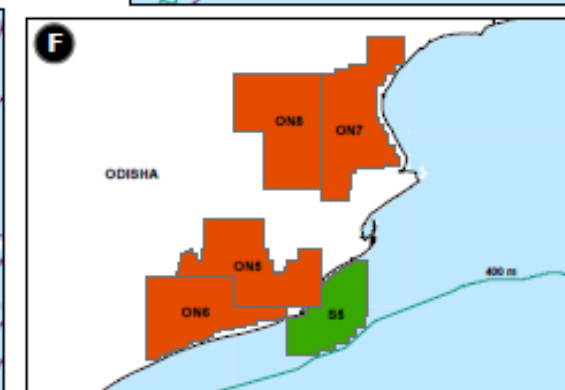
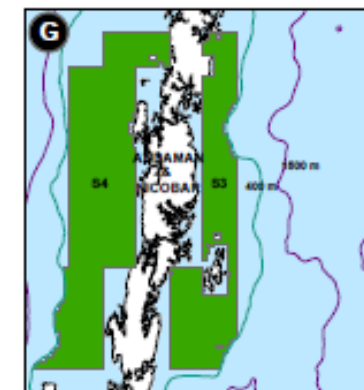
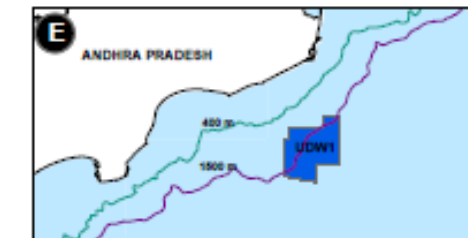
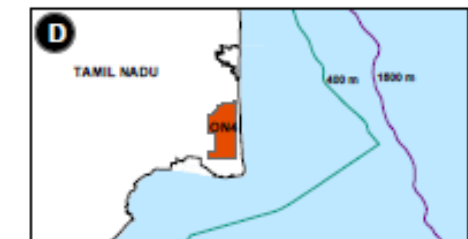
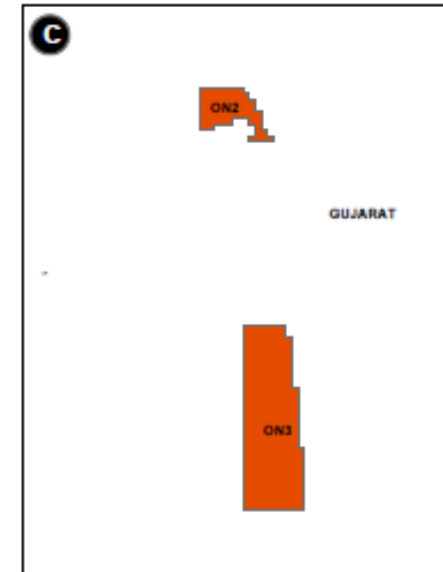
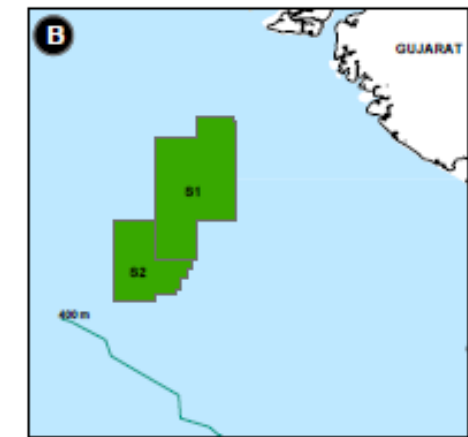
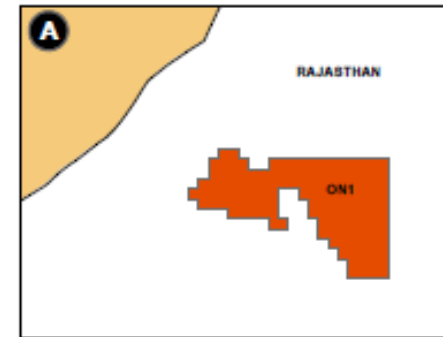
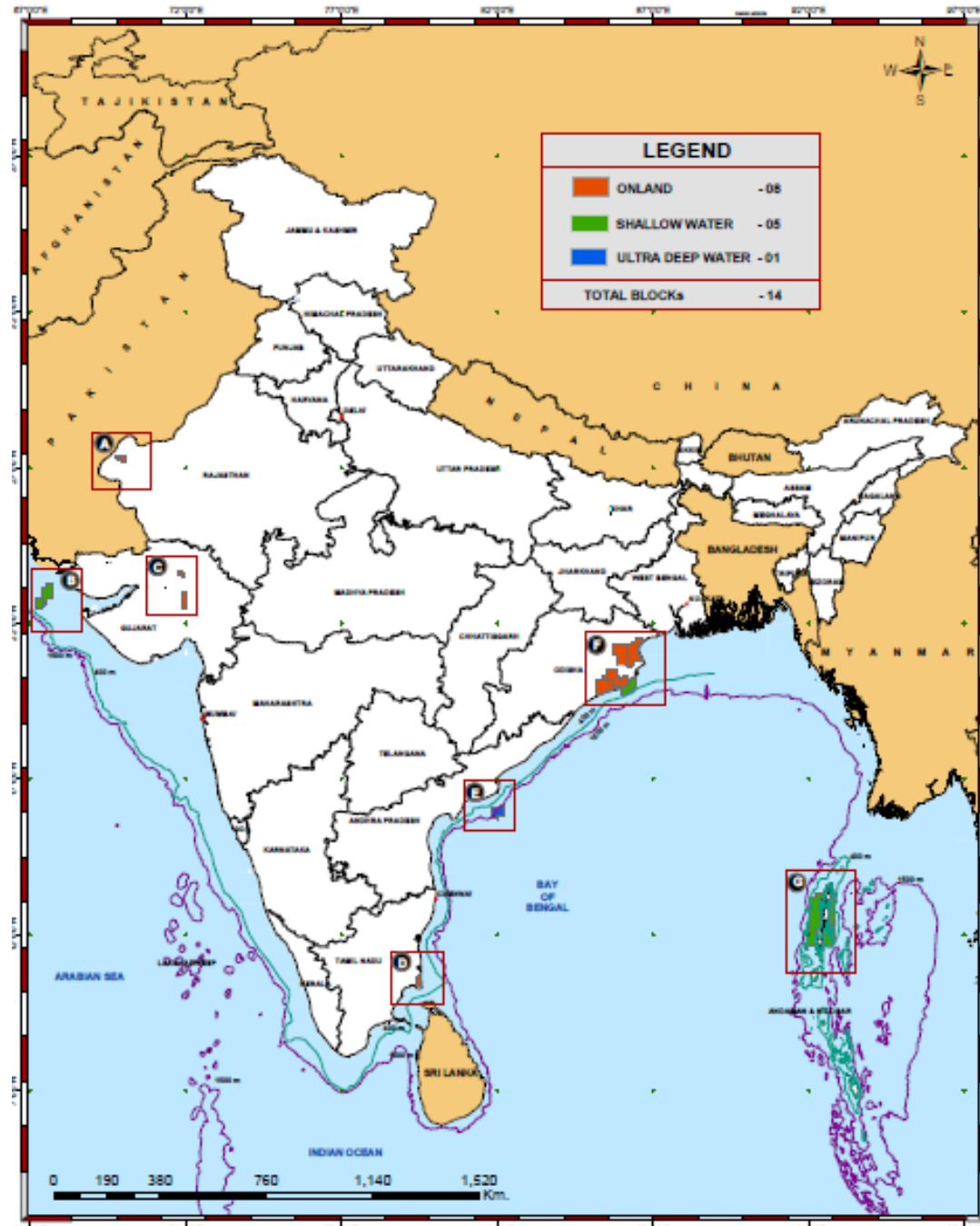
Sedimentary Basin-wise Distribution of offered Blocks under OALP-II

14 Blocks with a total area of 29,233 Sq. km.

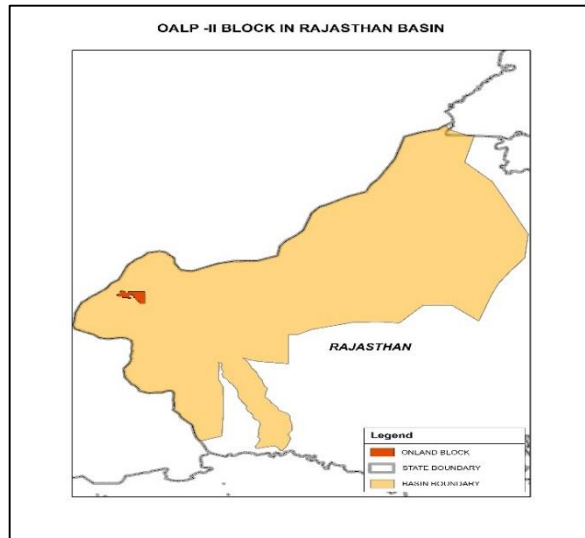


Sedimentary Basin	Number	Area (Sq km.)
Ultra deep Water		
Krishna Godavari	1	1,514
Onland		
Mahanadi	4	11,809
Cauvery	1	474
Rajasthan	1	418
Cambay	2	1,032
Shallow Water		
Andaman Basin	2	9,617
Kutch Basin	2	2,544
Mahanadi	1	1,825
Total	14	29,233

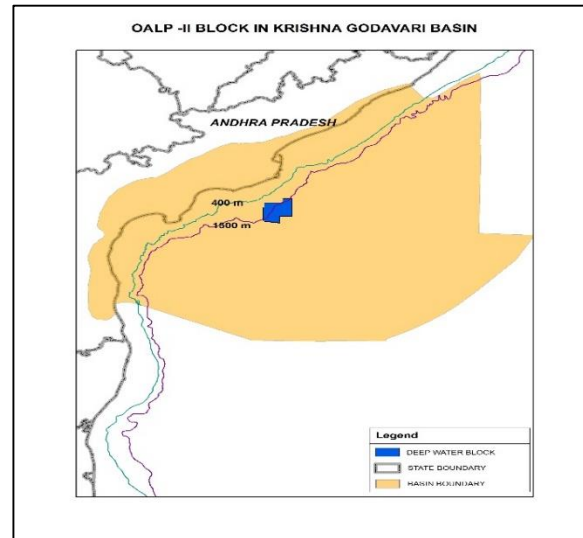
Final Maps with distribution of Blocks on Offer under OALP Bid Round-II



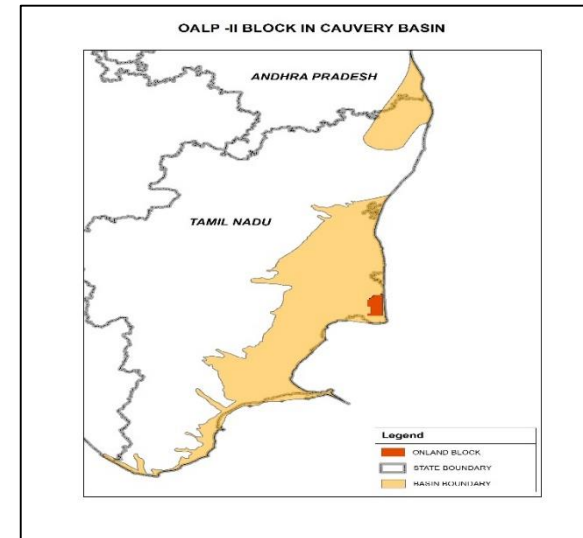
OALP-II Blocks on Offer



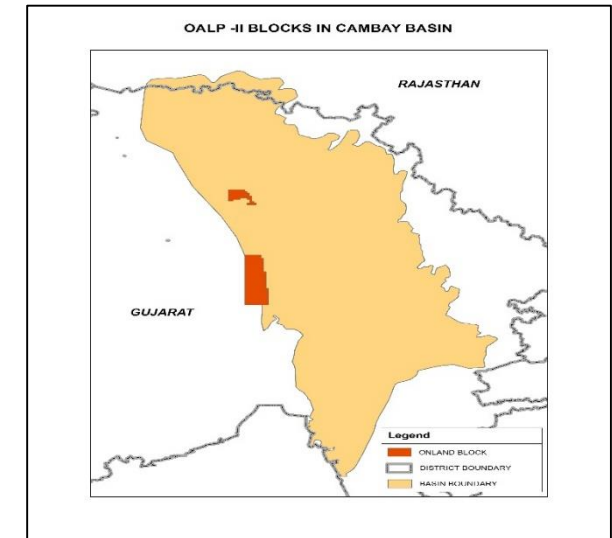
RAJASTHAN BASIN



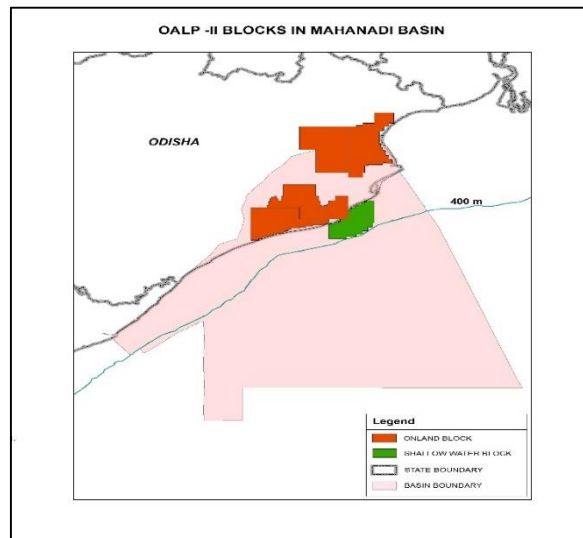
KG BASIN



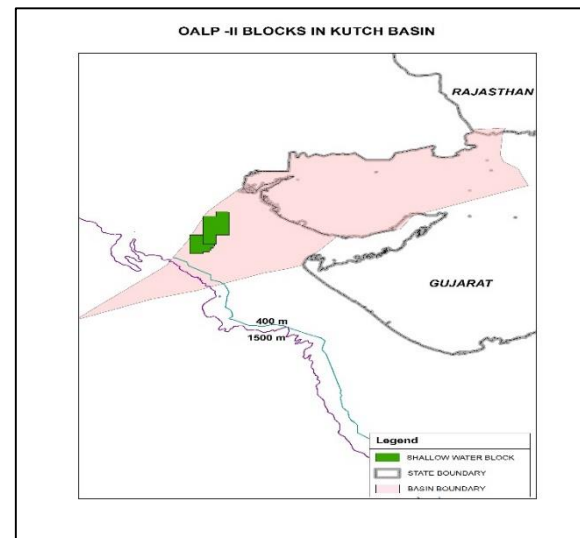
CAUVERY BASIN



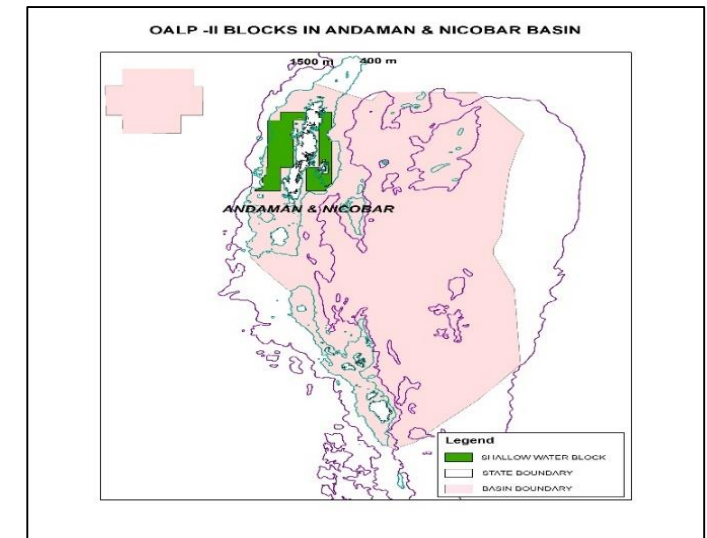
CAMBAY BASIN



MAHANADI BASIN



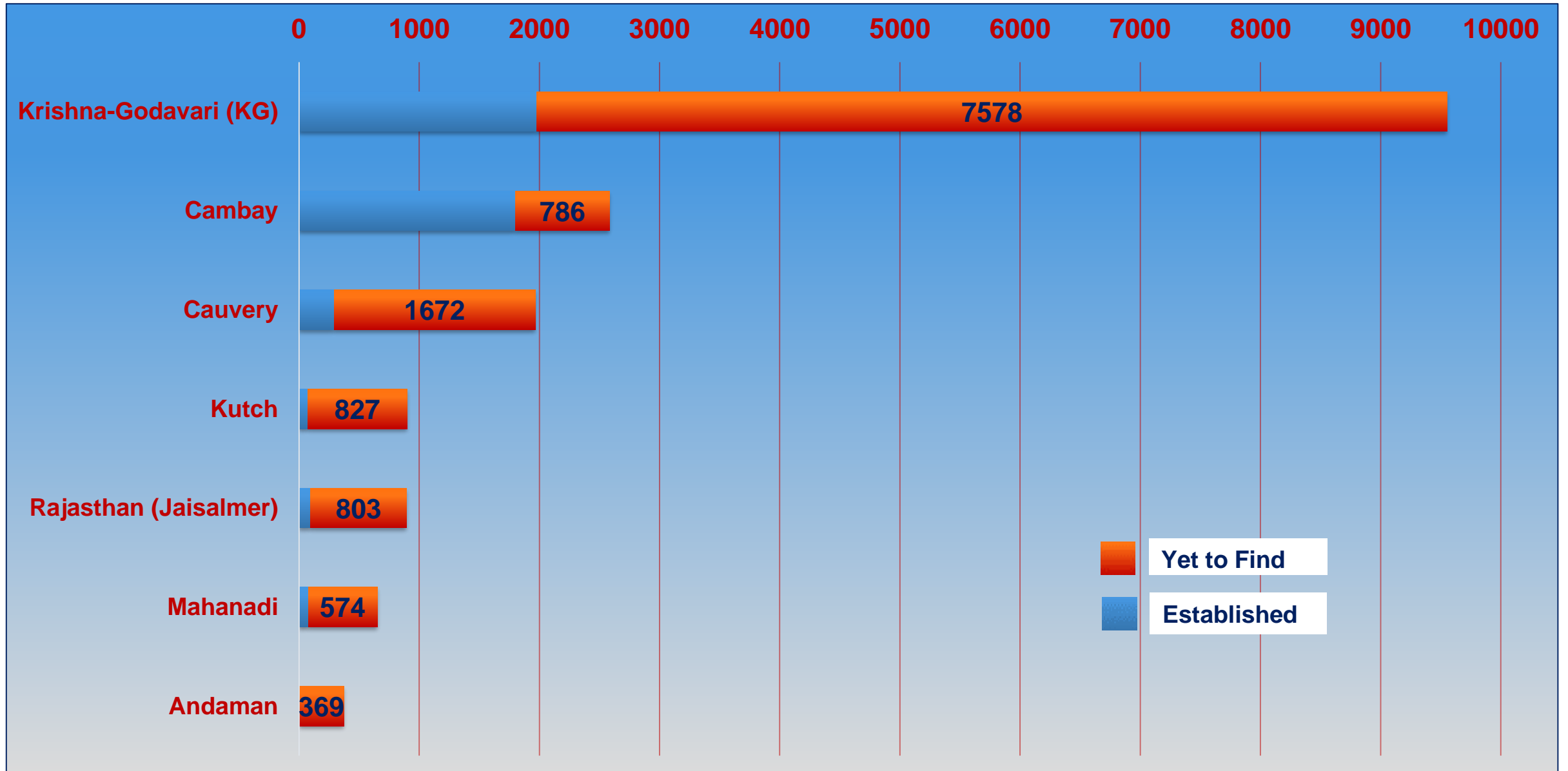
KUTCH BASIN



ANDMAN & NIKOBAR BASIN

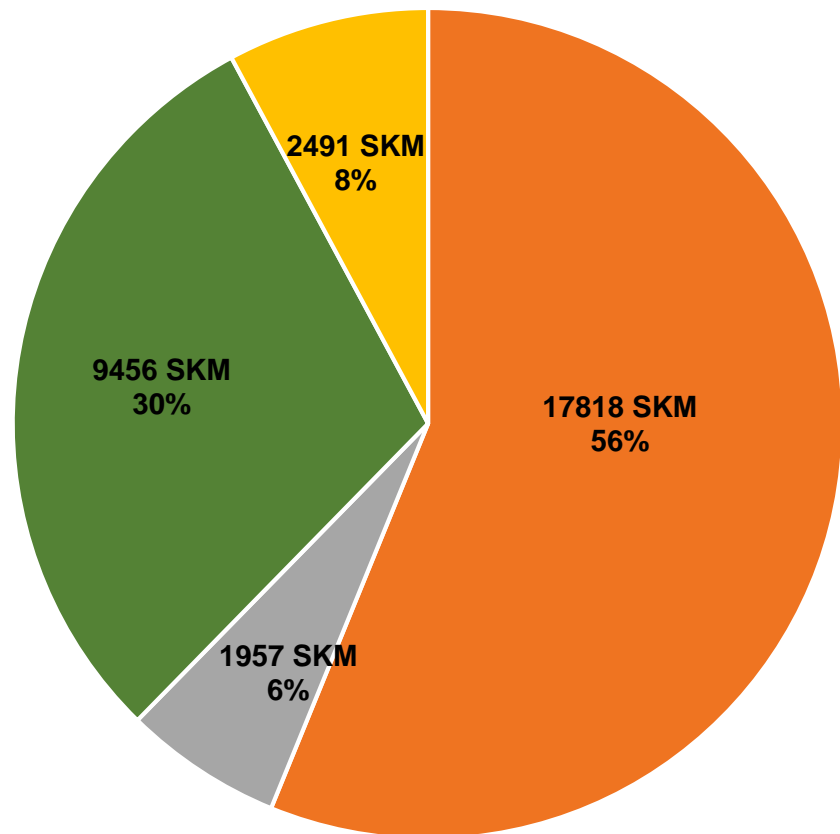
Resource Potential across Offered Basins under OALP-II

MMTOE



Sedimentary Basin-wise Distribution of Eols under OALP-III

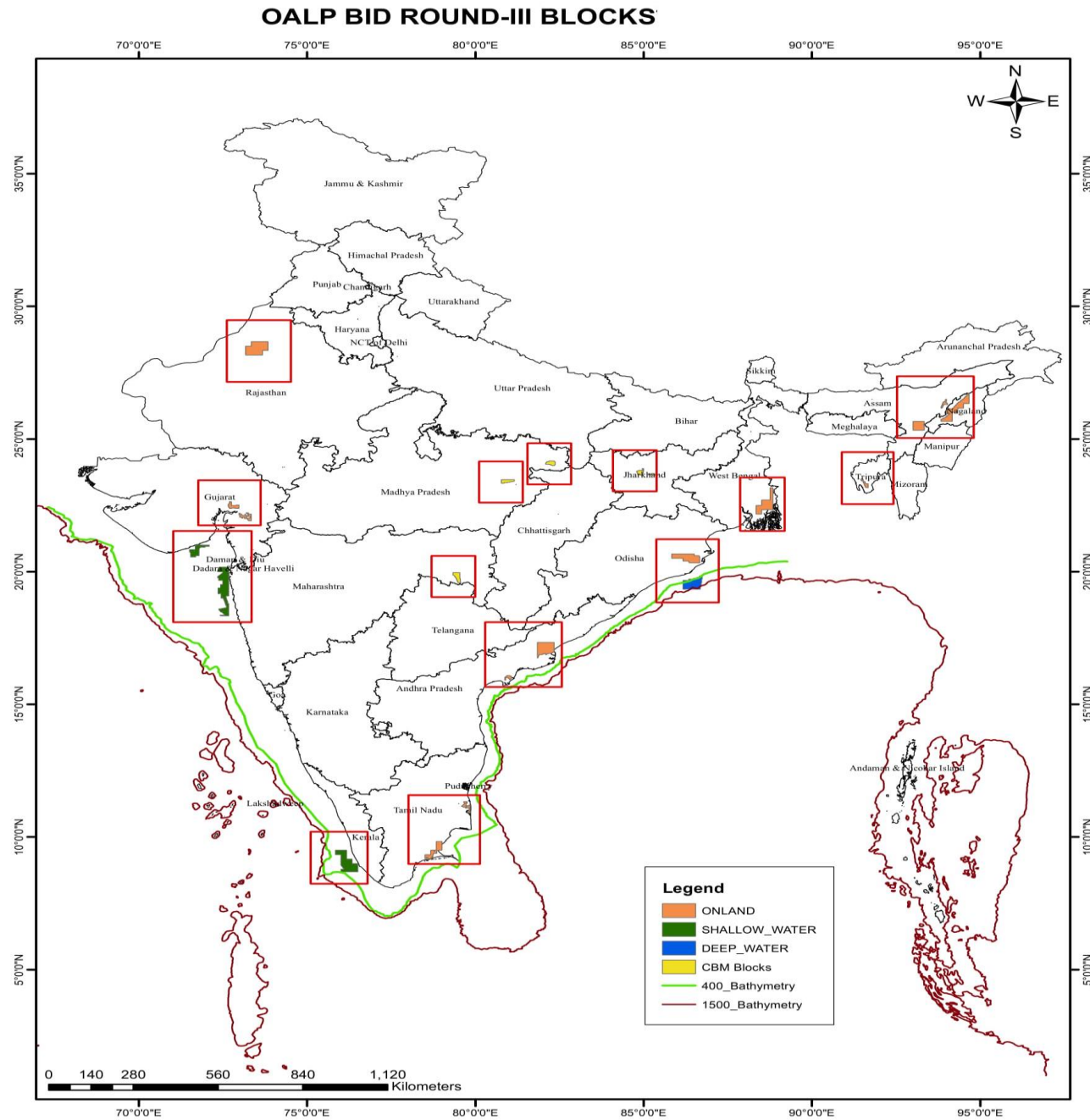
23 Blocks with an area of 31,722 Sq.Km.



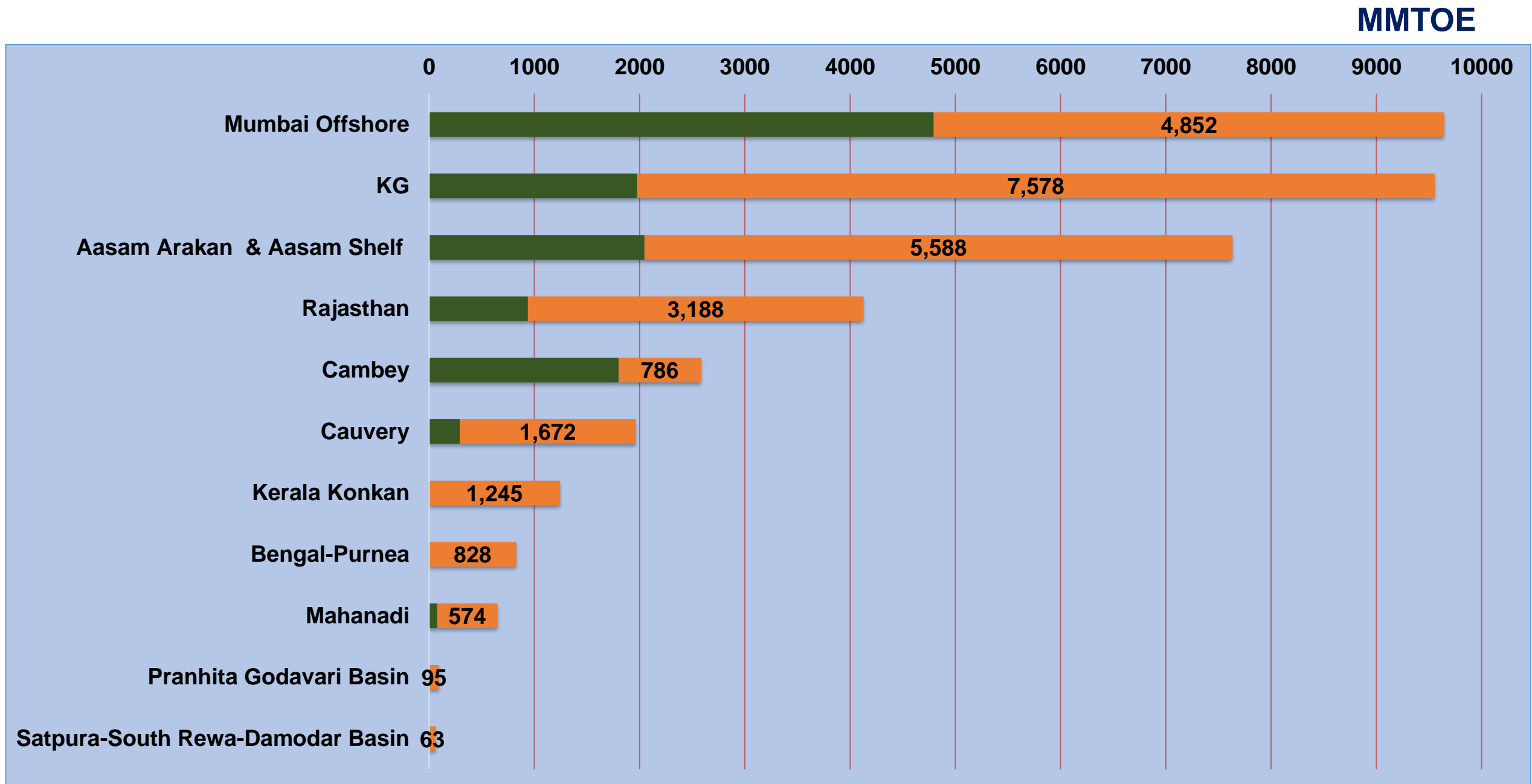
■ Onland-Other than CBM ■ Onland-CBM ■ Shallow ■ Deep

Sedimentary Basin	Number	Area (Sq km.)
Deep Water		
Mahanadi	1	2,491
Onland (other than CBM)		
Mahanadi	1	2,300
Assam Arakan & Assam Shelf	5	4,262
Rajasthan	1	3,016
KG	2	2,831
Bengal-Purnea	1	2,468
Cambay	2	1,078
Cauvery	2	1,863
Shallow Water		
Kerla Konkan	1	3,520
Mumbai Offshore	2	5,936
Total (A)	18	29,765
Onland (CBM)		
Satpura-South Rewa-Damodar Basin	4	1,332
Pranhita-Godavari Basin	1	625
Total (B)	5	1,957
Total	23	31,722

Final Map of Blocks on Offer under OALP-III

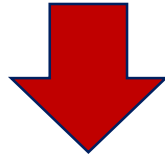


Resource Potential across Offered Basins under OALP-III



Bidding Structure: Petroleum Operation Contract

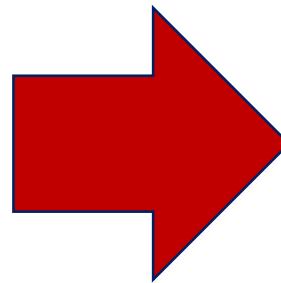
Two Part Single Stage Bidding



Part – I

Submission of Technical and Financial Qualification information

- Networth for each consortium member as per participating interest and technical qualification only for operator.
- Submission of Bid Bond.



Part – II

Submission of Work Programme and Fiscal Bids.

- Bank Guarantee in lieu of Deficit Networth.
- No marks to be awarded for Technical Evaluation after Part-I.
- Bids compliant after Part-I are evaluated based on combined score of Bid made at Part-II.

Pre-Qualifications to participate in OALP Bidding

Technical Qualifications

Petroleum Operation Contract

- ❖ One (1) Year Operatorship Experience in last 10 consecutive Years;
- ❖ Positive Acreage Holding in last 10 consecutive 10 years; or
- ❖ Positive Average Annual production (MMBoe) for any previous 5 years in last consecutive 10 years.

Reconnaissance Contract

- ❖ 1000 LKM of 2D seismic API experience, or
- ❖ 300 SKM of 3D seismic API, or
- ❖ Drilling experience of at least 5 wells.
- ❖ Others surveys like CSEM, Gravity, Magnetic, MT etc for at least 1000 sq km.

Financial Qualifications

Petroleum Operation Contract

Stage I: EoI/Bidding

- ❖ Originator or /and Bidder required to meet minimum Net Worth Criteria prescribed in OALP Procedure/NIO

Stage II: Bid Evaluation

- ❖ Furnish Bank Guarantee for any shortfall in Net Worth vis-à-vis LD Value of Work Programme/estimated cost of CWP.

Reconnaissance Contract

- ❖ Positive Net Worth at Stage-I
- ❖ Net worth to match cost of Work Programme.
- ❖ Furnish BG in lieu of Net Worth at Stage-II

Net Worth requirement under Financial Qualification Criteria

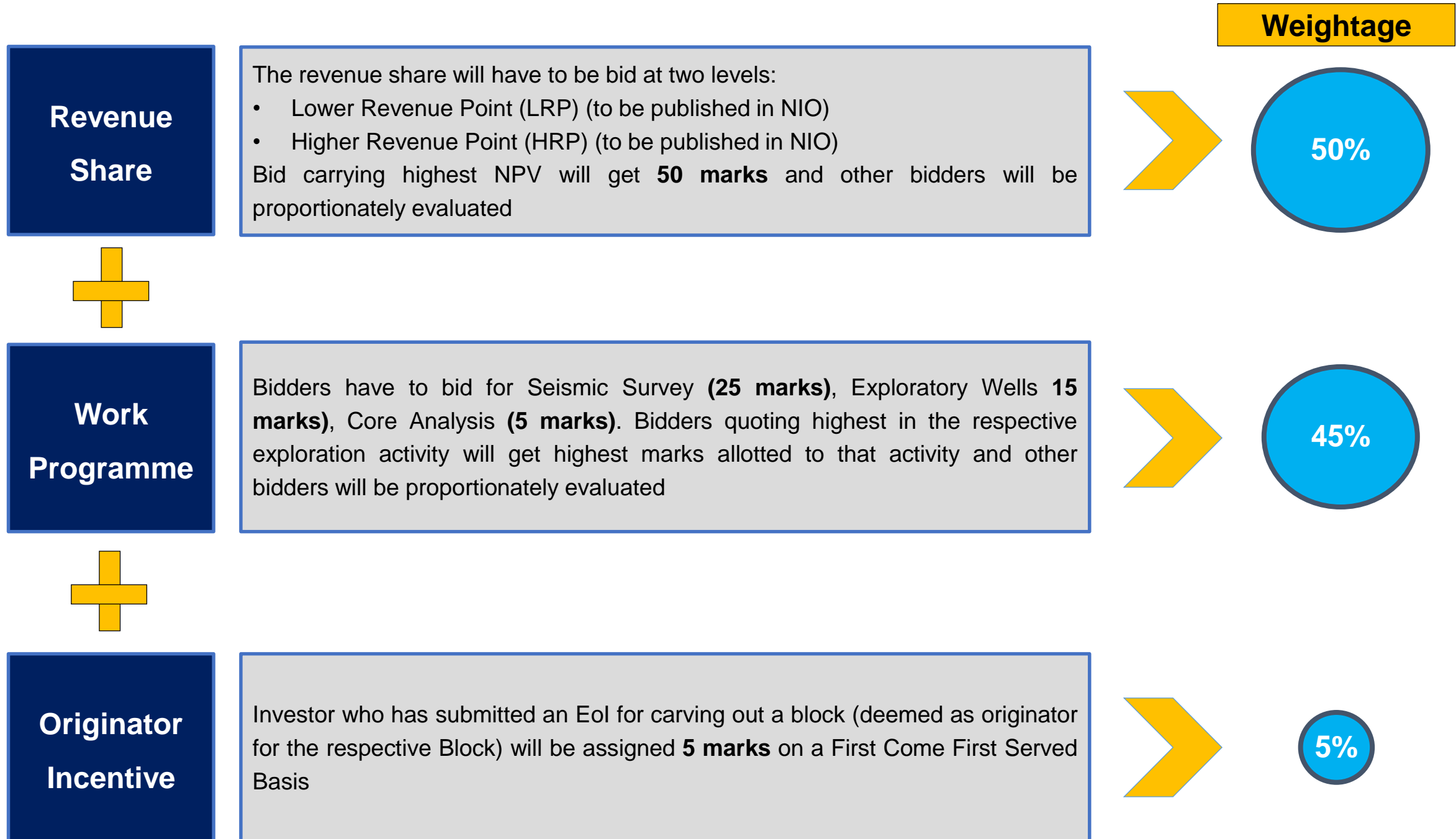
Petroleum Operation Contract

Type of bock	Net-worth for one sector (10'x10') (US\$ mn)	Net worth for additional sectors (US\$ mn/ sector)	Requisite Net worth for maximum no of sectors (US\$ mn)
Onland	5	1	14
Shallow water	20	2	58
Deep water	60	2.5	132.5
Ultra-Deep water	90	3	177
CBM	2.5	0.5	3

At Bid Evaluation stage, shortfall in Net Worth should be supported by equivalent Bank Guarantee

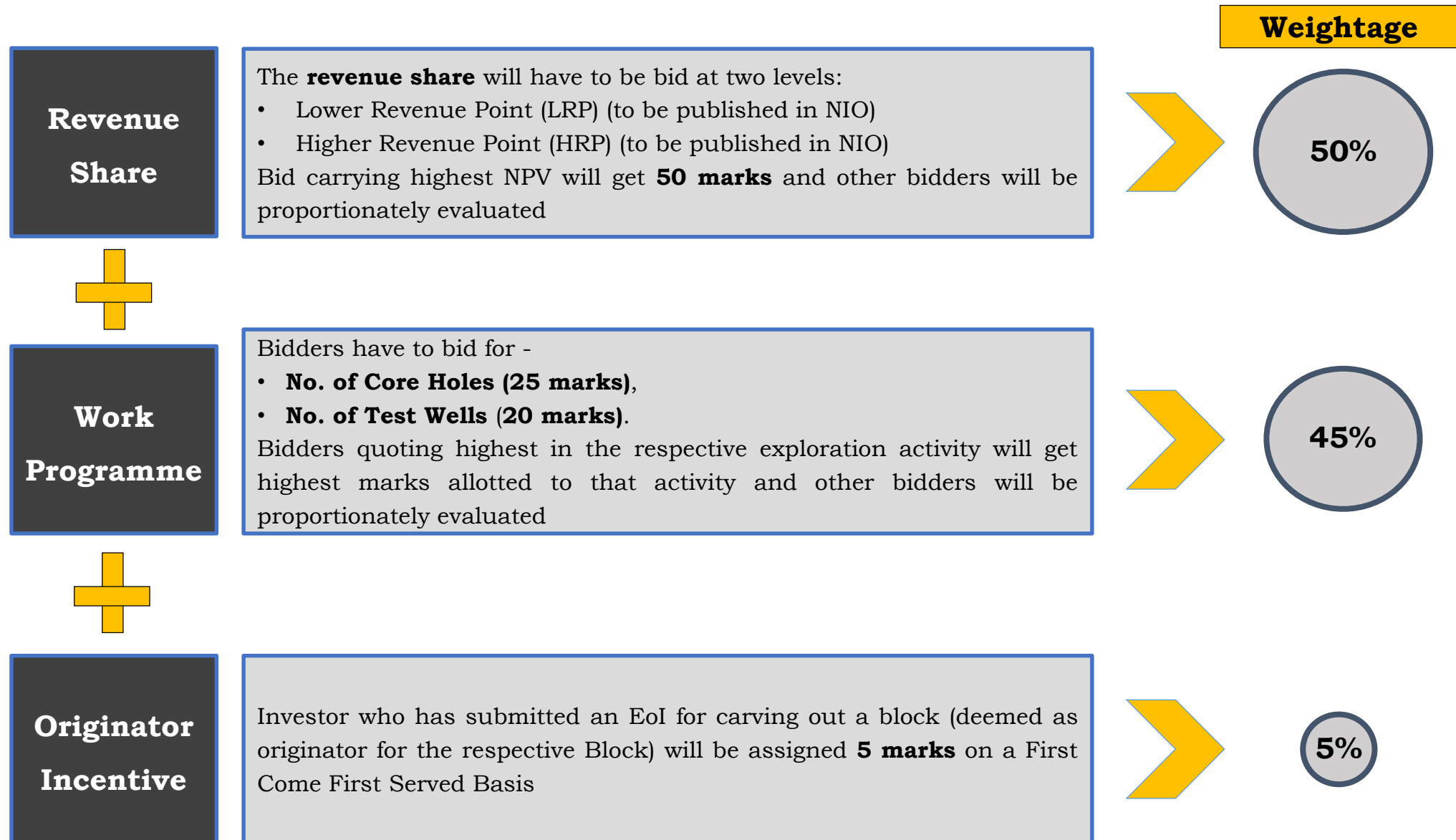
Bid Evaluation Criteria

Parameters for Petroleum Operations Contract (POC)

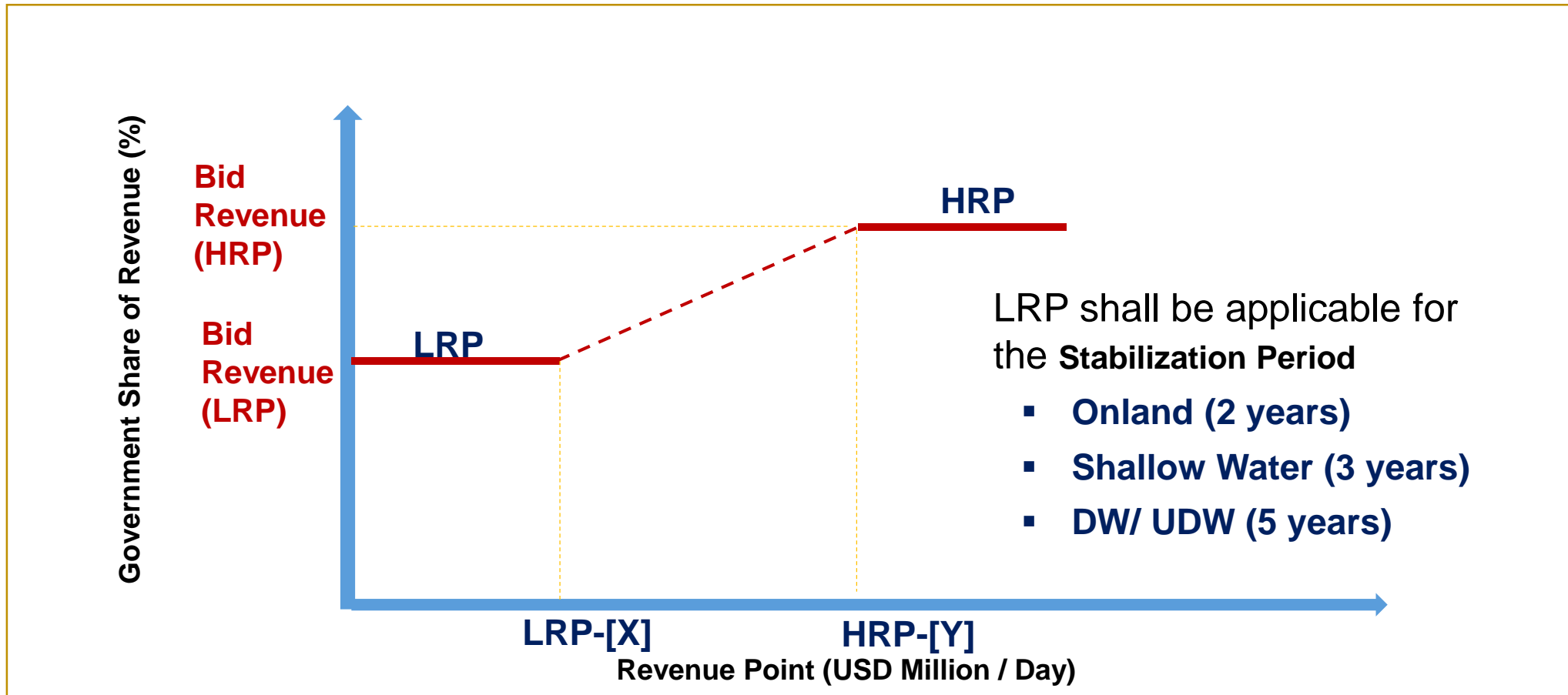


Bid Evaluation Criteria for CBM Blocks

Parameters for Petroleum Operations Contract (POC)



Fiscal Bid-Revenue Share at LRP and HRP



- Bidders to bid the Government Share of revenue (%) against Lower Revenue Point (LRP) \leq US\$ [X] mn/day & Higher Revenue Point (HRP) \geq US\$ [Y] mn/day {For POC other than CBM X=.05 mmusd and Y= 7.00 MMUSD} For POC where CBM is primary target X=0.01 mmusd and Y=0.5 mmusd}
- Bidder with highest average NPV of the revenue share (calculated based on four notional revenue profile) scores the highest

Bid Evaluation Criteria

Parameters for Reconnaissance Contract (RC)

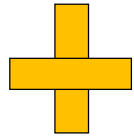
Weightage

Work Programme

Bidders have to bid for Seismic Survey (55 marks), Exploratory Wells (15marks), Core Analysis (5 marks). Bidders quoting highest in the respective exploration activity will get highest marks allotted to that activity and other bidders will be proportionately evaluated



70%

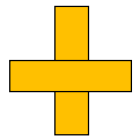


Price of Data

Bidders have to bid for 2D Seismic Survey (8 marks), 3D Seismic Survey (10 marks) and Wells (7 marks). Bidder quoting lowest price will get maximum marks and other bidders will be proportionately evaluated.



25%



Originator Incentive

Investor who has submitted an Eol for carving out a block (deemed as originator for the respective Block) will be assigned 5 marks on a First Come First Served Basis



5%

OALP Facilitators

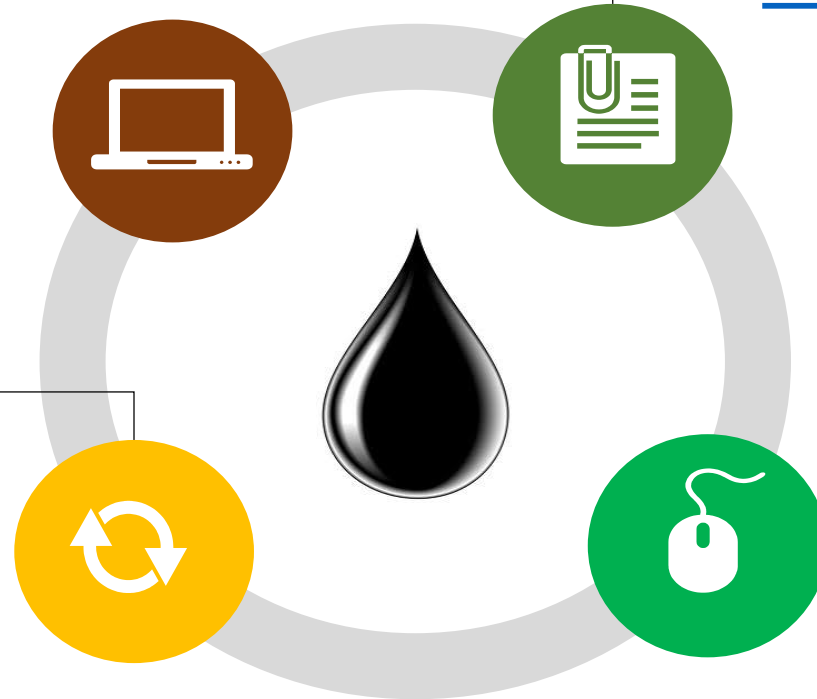
NDR

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

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

EOI Portal

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



E-bidding Portal

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

Facilitation Desk

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

Email: Facilitationoal@dghindia.gov.in

Thank you

Directorate General of Hydrocarbons

(Ministry of Petroleum & Natural Gas)

Phone: 0120-2472000, Fax: 0120-2472049

Email: dg@dghindia.gov.in

Website: dghindia.gov.in

Listing

Qualification and Bid Evaluation Criteria

Technical Qualifying Criteria -Petroleum Operations Contract

Sl.	Criteria	Onland	Shallow Water	Deep water/ Ultra-deep Water	CBM
1	Minimum Operatorship Experience (Experience of operatorship in oil and gas exploration and / or development and / or production in the last consecutive 10 years)	1 year Experience is Mandatory	1 year Experience is Mandatory	1 year Experience is Mandatory	1 year Experience is Mandatory
2	Minimum Acreage Holding (sq. Km.): (for Onland, Shallow water, Deep water/ Ultra-deep water and CBM)	Positive Optional if Point 3 is fulfilled			
3	Minimum Average Annual production (MMBoe) for the previous 5 years: (for Onland, Shallow water, Deep water/ Ultra-deep water)	Positive Optional if Point 2 is fulfilled			

Operatorship Experience in respective category of block is required for which bidder is applying, subject to:

- Operatorship experience in Deep Water/Ultra Deep Water block would be recognized as relevant for all type of blocks.
- Operatorship experience in Shallow Water block would be recognized as relevant for Deep Water, Shallow Water and On-land blocks
- Operatorship experience in On-land block would be recognized as relevant for On-land and Shallow Water blocks
- Operatorship experience in CBM block would be recognized as relevant for On-land blocks

Technical Qualifying Criteria-ReconnaissanceContract

The bidder for Reconnaissance or EOI submitting party must have any one of the following experience:

- 1000 LKM of 2D seismic API experience, or
- 300 SKM of 3D seismic API, or
- Drilling experience of at least 5 wells.
- Others surveys like CSEM, Gravity, Magnetic, MT etc for at least 1000 sq km.

Bids/Eols which do not meet the above PQ requirement would be rejected.



Financial Pre-Qualification

Financial Pre-Qualification Criteria and a two stage evaluation of Net worth criteria has been introduced

For Petroleum Operations: At Eol stage/Bidding State, Originator is required to meet the following minimum Net worth criteria

Type of bock	Net-worth for one sector (10'x10') (\$ mn)	Net worth for additional sectors (\$ mn/ sector)	Requisite Net worth for maximum no of sectors
Onland	5	1	14/34
Shallow water	20	2	58
Deep water	60	2.5	132.5
Ultra-Deep water	90	3	177
CBM	2.5	0.5	3

Bids that do not meet the above PQ criteria shall not be processed further for Bid Evaluation.

At the Bid Evaluation Stage Networth of the bidder would be reassessed at the time of technical bid opening. At this stage, Net worth of the bidder should be equal to or more than the higher of:

- a) Estimated expenditure for the Committed Work Programme
- b) LD equivalent value of the Committed Work Programme

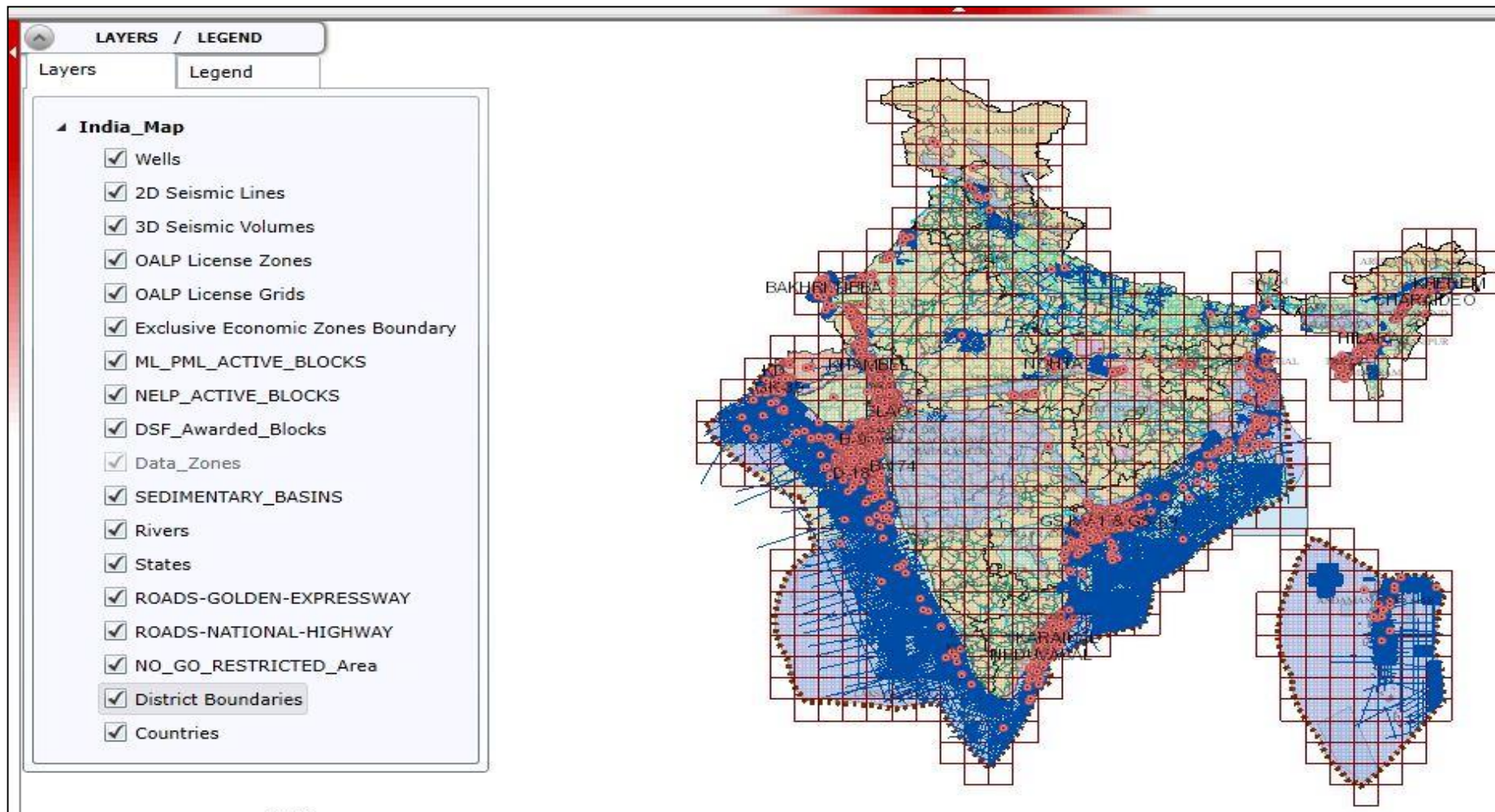
Any shortfall in Networth is allowed to be supported by an equivalent Bank Guarantee.

For Reconnaissance Contract: requirement is positive Networth at Eol stage and Networth to match Work Programme cost at bidding stage (deficit can be met by Bank Guarantee)



Accessing Geoscientific Data from NDR

- 1 Register at NDR site <https://www.ndrdgh.gov.in>
- 2 Login with your NDR credentials and the Landing Page will be as given below:
- 3 Exploring NDR Database



National Data Repository- Physical Data View Room

Available for the offered
Blocks at DGH Office Noida

Data Rooms at other
locations to be announced.

For Booking, please visit
<http://online.dghindia.org/oa/dataroombooking>

PAN (Indian Users) / CIN
(Foreign Users) Number of
the Company is mandatory .

Payment to be made online
as per the number of days.
After payment, an automated
confirmation receipt will be
sent to the users email.

Confirmation Receipt
required during visit to the
Data Room



Eoi Submission Portal

1

Register at HELP Eoi Submission Portal
www.dghindia.gov.in/help

2

An automated email on your registered email will be provided with your login credentials

3

After Login, applicant will land up on the below page and can submit Expression of Interest (EOI)

The screenshot shows the user interface of the HELP Eoi Submission Portal. The top navigation bar includes the DGH logo and the text 'HYDROCARBON LICENSING AND EXPLORATION POLICY EOI SUBMISSION'. The user is logged in as 'Baroda OPERATOR' with a 'View Profile' link. The main content area is divided into several sections:

- Home Overview:** A notification states 'Submission of Eois will be entered'. Below it is a 'Welcome Baroda' message.
- Your Eoi Submission Status:** A table with columns 'EOI NO.', 'SECTORS', 'TYPE OF EOI', and 'STATUS'. One entry is shown with EOI NO. '2017062610283156' and status 'Saved as Draft'. A 'Search Box' is located to the right of the table. Below the table, it says 'Showing 1 to 1 of 1 entries'.
- List Of Eois Submitted By Other Parties:** A section with a warning: 'PLEASE CHECK THE STATUS OF ALREADY SUBMITTED EOIS BELOW. IN CASE ANY OF THE ALREADY SUBMITTED EOIS CONTAINS THE AREA WHICH YOU ARE INTENDING TO SUBMIT, YOUR EOI WILL BE REJECTED AND APPLICATION FEE SUBMITTED BY YOU WILL NOT BE REFUNDED.' It includes a 'Show 10 entries' dropdown and a search field. Below is a table with columns 'LIST OF EOIS SUBMITTED BY OTHER PARTIES' and 'STATUS'. The table lists several EOI numbers and their corresponding statuses (Approved, Under Process).

Annotations in the image include:

- A box labeled 'List of Eois submitted by applicant' pointing to the 'Your Eoi Submission Status' table.
- A box labeled 'List of Eois submitted by other applicants other applicant' pointing to the 'List Of Eois Submitted By Other Parties' table.
- A box labeled 'Search Box' pointing to the search field in the 'Your Eoi Submission Status' section.
- A box labeled 'List of Eois submitted by applicant' pointing to the 'Showing 1 to 1 of 1 entries' text.
- A box labeled 'Search Box' pointing to the search field in the 'List Of Eois Submitted By Other Parties' section.



E-Bidding Portal for RC and POC

Home Page (E-Bidding Portal)

Registration and Login Credentials Generation

Home About DGH Downloads Manuals DSC Guide Web Link Other Details Contact DGH Friday, Nov 10, 2017 3:02:05 PM

The Search Begins In India

In 1866, the first well in India was drilled by Mr. Goodenough of McKillop, Stewart and Co, following clue of oil show detected in the feet of an elephant carrying logs.

In 1889, Digboi well No. 1 started by W.L. Lake of Assam Railways and Trading Co.

Lake urged his boys 'Dig boy, dig' giving birth to Digboi.

User ID

Password

Directorate General of Hyd...

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Open Tender

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SR NO	TENDER NO.	Bid Submission Start Date	Bid Due Date	Description	Corrigendum Issued (Y/N)
Directorate General of Hydrocarbons (DGH)					
1	225	2017-11-01 11:52:39 AM	2017-11-03 11:47:39 AM	dfgsdfgsdfgsd	YES
2	233	2017-11-02 3:35:18 PM	2017-11-03 1:00:18 PM	DSF 1	YES
3	226	2017-11-01 1:07:10 PM	2017-11-03 1:02:43 PM	df	NO
4	227	2017-11-01 1:11:10 PM	2017-11-03 1:06:46 PM	sd	NO

Bids submitted for various offered areas

Ministry of Petroleum & Natural Gas) OIDB Bhawan, Plot No 2, Sector 73, Noida, Phone: 0120-2472000, Fax: 0120-2472049

Areas on Offer for Bidding



Requirement for bidding through E-Bidding Portal

1 Class 3 Digital Signature – Bids are signed and encrypted using Class 3 Digital Signature.

2 Requisite Documents as per NIO – Pre-qualification, Technical Details and other Documents (including Operatorship Experience, Acreage Holding and average annual production, Net Worth Certificate, Incorporation Certificate, Audited Financial Statements and Other Relevant Documents) need to be submitted online and in hard copy.

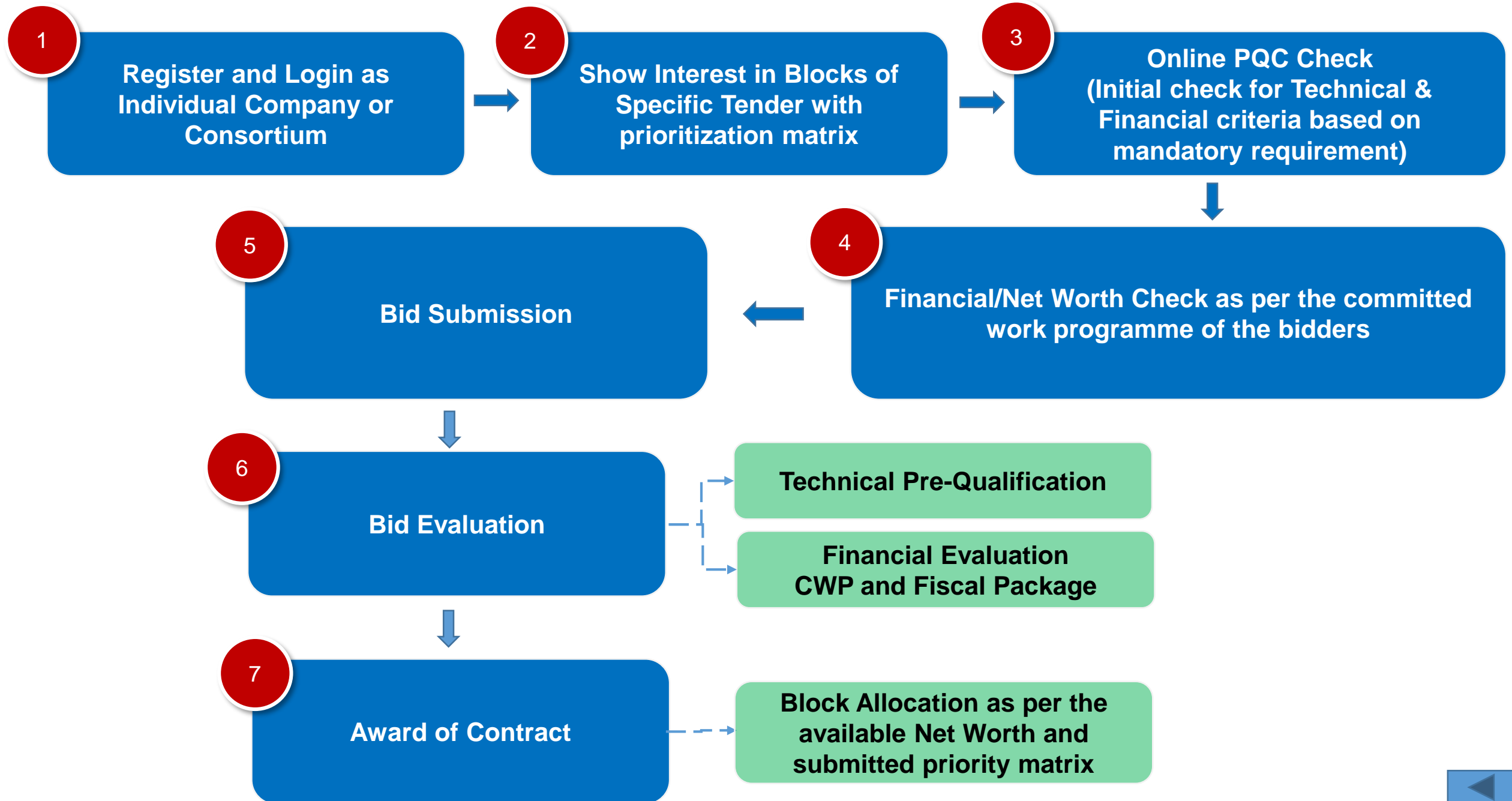
3 Bid Components – Bid components (CWP & revenue share) to be furnished online.

4 Tender Fee – Tender Fee shall be paid through online payment gateway.

5 Bank Guarantee – Scanned copy of Bank Guarantee of requisite amount needs to be submitted online and in hard copy.



Flow Chart for submitting bid on E-Portal



Hydrocarbon Resource Reassessment 2017

Resources of 1995-96

Total Hydrocarbon assessed resources (in place) estimated for **15** sedimentary basins across onland, shallow water and deep water areas in 1995-96

28,085 MMTOE

Reassessed Resources of 2017

Total Hydrocarbon reassessed resources (in place) estimated for **26 sedimentary basins** across onland, shallow water and deep water areas in the present study

41,872 MMTOE

Discovered Resources

Discovered
Hydrocarbons

12,076 MMTOE

Undiscovered Resources

Undiscovered Hydrocarbons

29,796 MMTOE

Increase of
Hydrocarbon
resource estimates
by

49.1%

FISCAL INCENTIVIZATION POLICY FOR ADOPTING ER/IR/UHC METHODS

Policy to promote and Incentivize Enhanced Recovery Methods for Oil and Gas

- Policy notified on 10th October, 2018;
 - Applicable to all oil & gas fields of all contractual regimes and Nomination Acreage.
 - Objective is to provide **fiscal incentives** to adopt-
 1. **Enhanced Recovery(ER) Methods** includes EOR and EGR. Methods e.g. Hot water Injection, Polymer Flooding, CO₂ Injection, Microbial Flooding etc. given in Annexure II to policy;
 2. **Improved Recovery(IR) Methods**-Any efforts made to increase production beyond **current recovery** (ratio of cumulative production of oil/gas at the end of last fiscal year to “**in place volume**”)of-
 - a. 60%-Oil Fields
 - b. 80%-Gas Fields;
 3. **Unconventional Hydrocarbon (UHC) Production Methods** which includes Shale oil/gas production, tight gas production, Production from Oil shale or gas hydrates etc.
 4. Policy effective for 10 Years from the date of notification in official gazette.
-

Policy to promote and Incentivize Enhanced Recovery Methods for Oil and Gas

- Fiscal incentive will be available for a period of 120 months (10 Years) from—
 - 1.In case of ER/UHC Projects-** the date of commencement of commercial production
 - 2.In case of IR Projects-** the date of achievement of prescribed benchmark of recovery rate.
 - Fiscal incentive will be provided on-
 - 1.In case of ER Projects-** incremental production.
 - 2.In case of IR Projects-** entire production beyond benchmark
 - 3.In case of UHC Projects-** entire production
 - Screening of fields for implementing ER Methods would be mandatory.
 - Pilot should be initiated immediately after the approval of ER screening report. It is not mandatory for small size oil fields.
-

Policy to promote and Incentivize Enhanced Recovery Methods for Oil and Gas

- Submit application to avail fiscal incentive-
 1. **In case of ER Projects-** within 12 months of pilot review
 2. **In case of IR/UHC Projects-** within 7 years from the date of notification of policy.
 - Eligibility of fields to avail fiscal incentives-
 - A. Fields currently not producing oil and gas using ER Techniques-
 1. **In case of ER Projects-** having a minimum 3 years of commercial production
 2. **In case of IR Projects-** on crossing the benchmark of increasing production beyond current recovery of 60% or 80% as the case may be.
 3. **In case of UHC Projects-** from the start of commercial production
 - B. Fields currently producing oil and gas using ER Techniques- Not Eligible, however, eligible for future ER
 - Constitution of ER Committee to approve ER Pilot and ER/IR/UHC Projects. It will develop criteria for measuring the incremental production.
-

Fiscal Incentives

Fiscal Incentive Parameters	Oil Production Projects	Gas Production Projects (Incentive ceiling USD 0.4/ mmbtu-Offshore and USD 0.3/mmbtu-onshore fields)
A-OID Cess Applicable -OID Cess Waiver*/ Royalty Waiver in case of gas production projects except nomination fields		
ER Projects	50% of Cess on incremental production of crude oil from designated wells.	75% of applicable royalty on incremental production of gas from designated wells.
IR Projects	50% cess on entire production after crossing the prescribed recovery rate	75% of applicable royalty on entire production after crossing the prescribed benchmark recovery rate.
UHC Projects	50% cess on entire commercial production of unconventional oil production	75% of applicable royalty on entire commercial production.
Oil Cess waiver in case of Gas Production Projects of Nomination Fields	NA	Equivalent to 75% of royalty against OID cess payable on crude oil from any field of NOCs, preferable from on land crude production.
B-OID Cess Not Applicable (For Oil Projects)** / In case of onshore fields where royalty is received by State Government (For Gas Projects)**	Calculate notional cess waiver and reduce equivalent amount from- Profit Petroleum- NELP Blocks GoI revenue share- OALP and DSF Blocks	Set off incentive amount from GoI share of- Profit Petroleum- NELP Blocks GoI revenue share- OALP and DSF Blocks
	**In case there is no profit petroleum or revenue share- carry forward incentive amount for 120 months.	
* Available only when Average crude oil price of Indian Basket declared by PPAC during calendar month BELOW ceiling/ER reference rate initially USD 80/barrel of crude oil. However, this period will not be deducted from overall tenure of incentive period.		
❖ Upper ceiling on fiscal incentive- Cumulative waiver shall not exceed the total CAPEX incurred for undertaking ER/IR/UHC methods.		

Annexures to Policy-

Annexure	Content
I	Definition and meaning of terms used in the policy
II	List of Enhanced Recovery Techniques
III	ER screening report and approval procedure
IV	Approval procedure for ER/IR/UHC Projects
V	Role and Functions of Enhanced Recovery (ER) Committee

ER/IR/UCM Policy-Fiscal Incentives

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