



Ministry of Petroleum and Natural Gas  
Government of India



Directorate General of Hydrocarbons

# Salient Features of Policy Reforms in HYDROCARBON EXPLORATION & LICENSING POLICY (HELP)

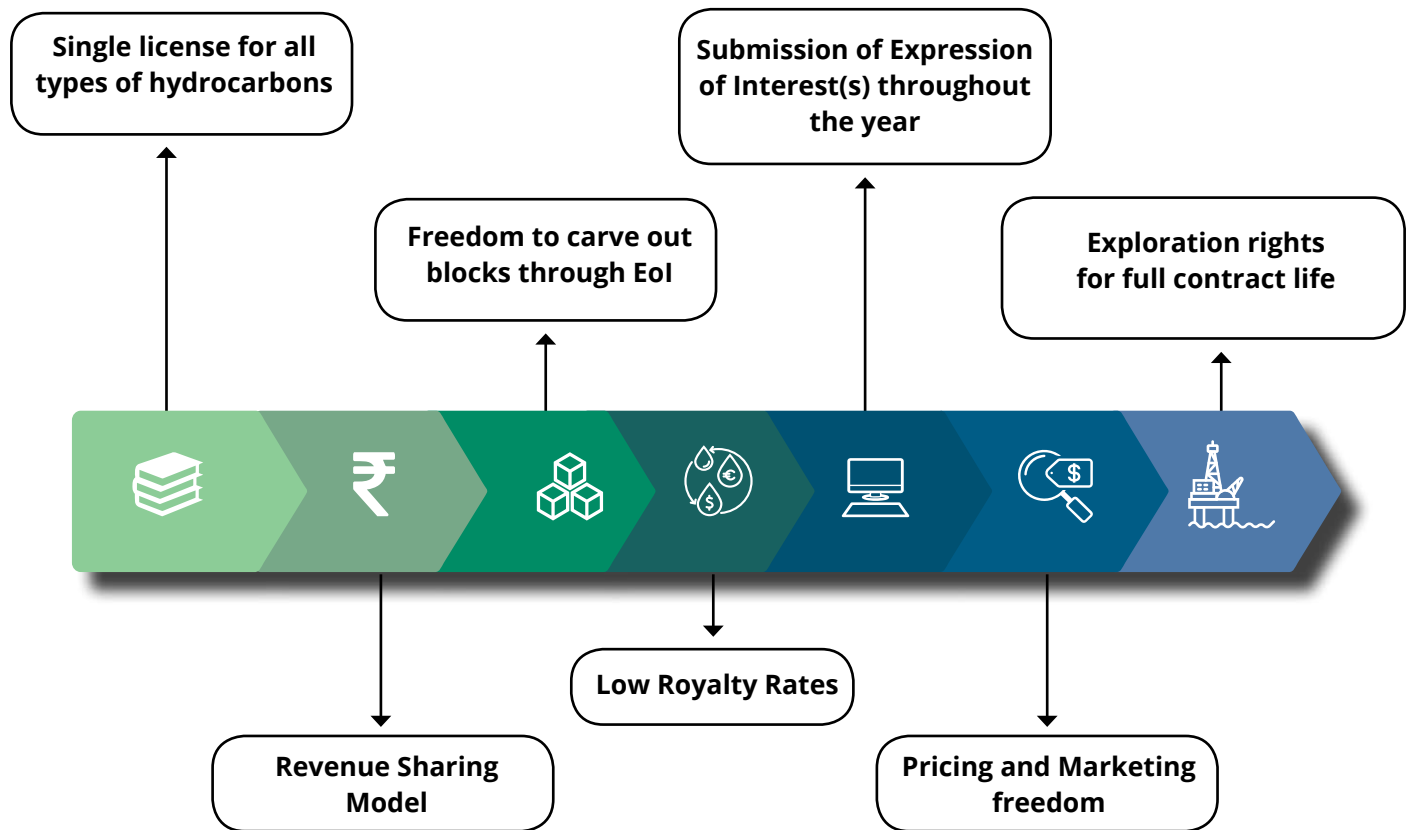


**Intensifying Exploration and  
Production Activities in  
Less Explored Areas**

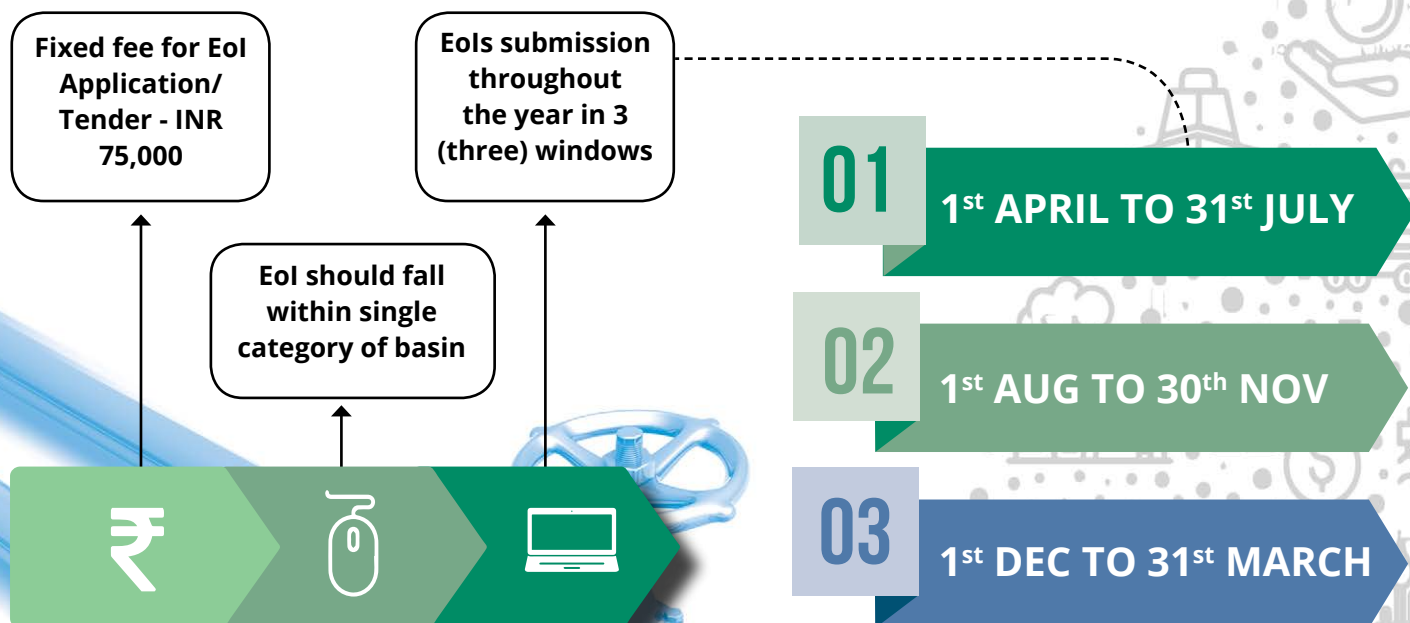




## Salient Features of HELP under OALP

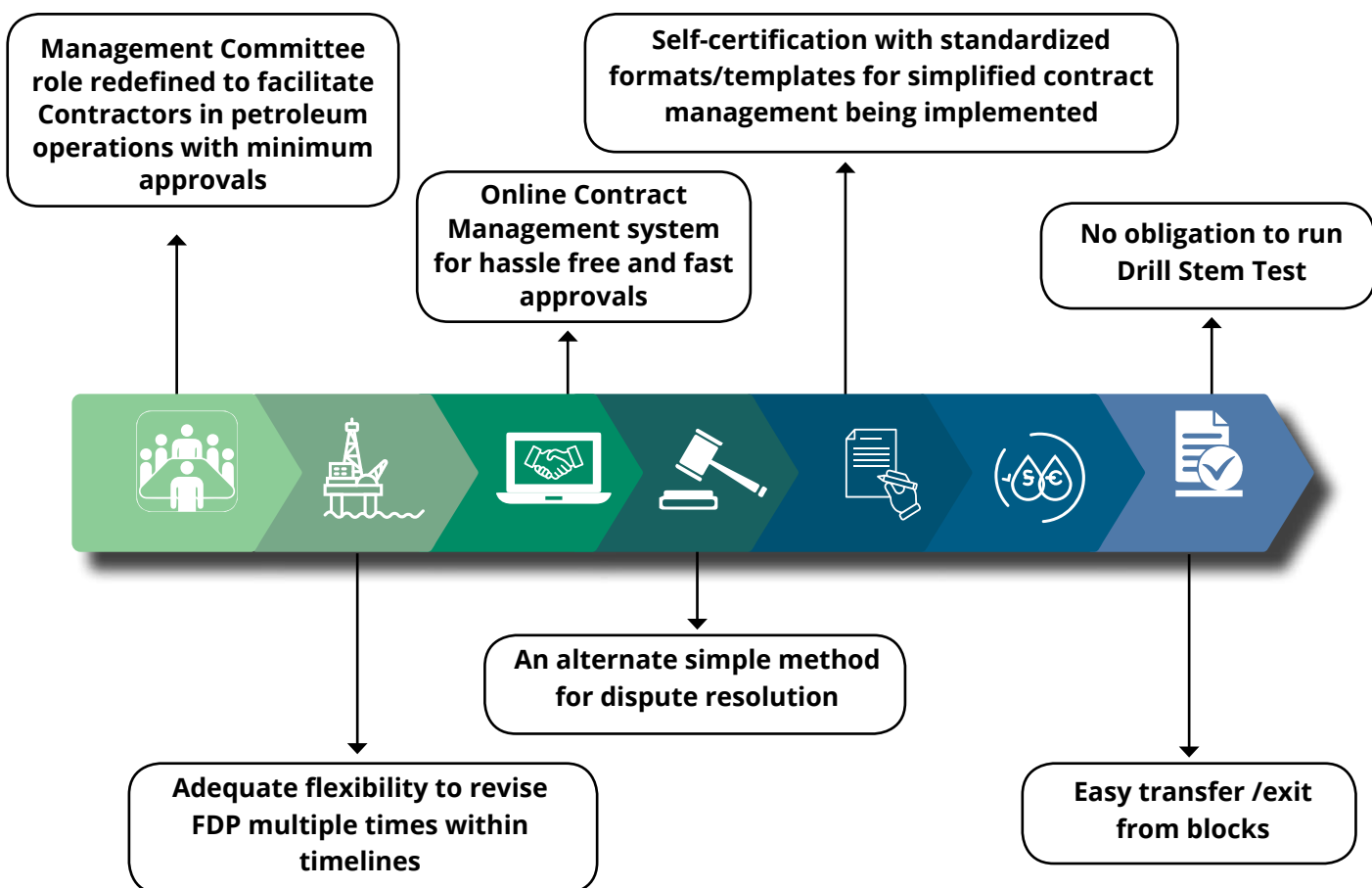


## Submission of Expression of Interest (Eoi)





## Ease of Doing Business



## Low Regulatory Burden

Liberalized 'Environment Clearance' for conducting exploratory drilling (Notified: January 16, 2020)

No restrictions on Monetization of Discovery at an early stage (Notified: June 25, 2020)

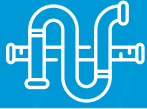
Issuance of single Essentiality Certificate for multiple blocks

### Approvals not required for the following\*

- Notification of Discovery
- Field Development Plan
- Program Quantity (3 years projection figures for production)
- Determination of area within the Contract area to be relinquished
- Methodology for measurement of Petroleum\*\*
- Abandonment plan/site restoration\*\*
- Automatic extensions in Exploration/ Development period on payment of requisite fee

\*Submission required only for information, MC comments if any to be provided within 7 days

\*\*Government guidelines to be followed



POLICY REFORMS  
NOTIFIED ON  
FEBRUARY 28, 2019



Aims at increasing exploration activities and attracting domestic and foreign investment in unexplored / unallocated areas of sedimentary basins

## Bid Evaluation Criteria - Category I Basins & CBM Blocks

### More Weightage to Work Programme

#### PARAMETER



Originator Incentive\*



Work Programme

%

Revenue Share

#### SCORE

5

65

30

#### DESCRIPTION

Available to the EoI submitting party

#### Blocks in Category I Basins

Seismic Survey  
20% (13 Marks)

No. of  
Exploratory Wells  
80% (52 Marks)

Revenue share to the Government at LRP and HRP<sup>#</sup> (Lower/Higher Revenue Point)

#### CBM Blocks

No. of Core  
Holes 35 Marks

No. of Test Wells  
30 Marks

<sup>#</sup>Quote at HRP capped at 50%

\*On first come first serve basis



## Bid Evaluation Criteria - Category II & III Basins

### Exclusive Work Programme based Bidding

#### PARAMETER



Originator Incentive\*



Work Programme

#### SCORE

5

95

#### DESCRIPTION

Available to the EoI submitting party

Seismic Survey

20% (19 Marks)

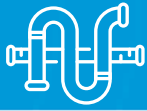
No. of Exploratory Wells

80% (76 Marks)

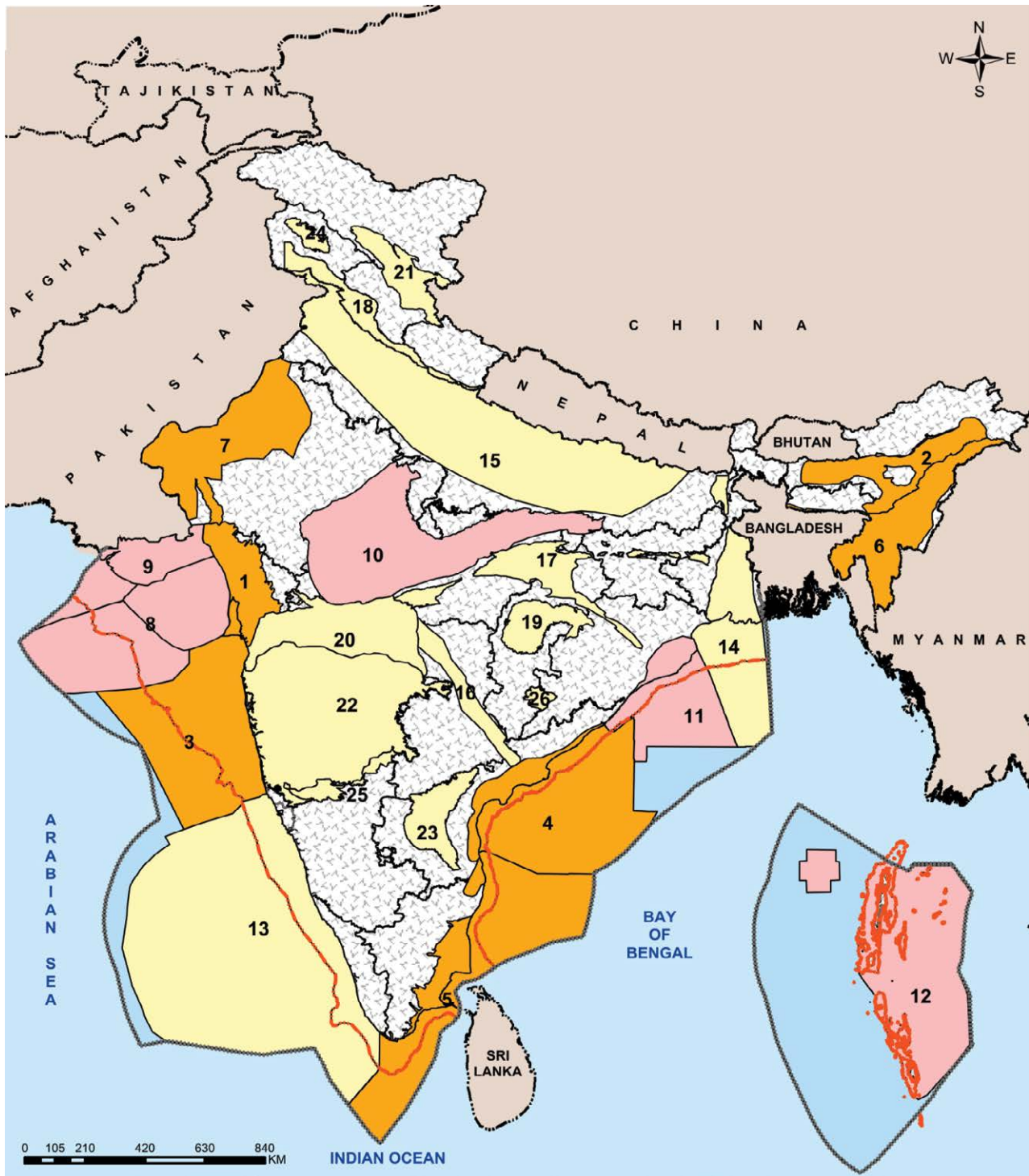
Revenue Sharing at predetermined rates if annual revenue crosses **USD 2.50 billion** i.e. "Windfall Gain"

Revenue (Net of Royalty & taxes on sales) (in billion USD) in a Financial Year	GoI Share (%)
Up to 2.50	Nil
>2.50 <=5.00	10%
>5.00 <=10.00	30%
>10.00	50%

\*On first come first serve basis



# Categorization of Indian Sedimentary Basins



- Category-I  
(Proven commercial productivity)
- Category-II  
(Identified prospectivity)
- Category-III  
(Prospective Basins)
- Pre-Cambrian Basement/  
Tectonic Sediments
- Water Areas Within EEZ
- 400m Bathymetry
- EEZ Boundary

## Category - I Basins

- 1 Cambay
- 2 Assam-Shelf
- 3 Mumbai Offshore
- 4 Krishna-Godavari
- 5 Cauvery
- 6 Assam-Arakan Fold Belt
- 7 Rajasthan

## Category - II Basins

- 8 Saurashtra
- 9 Kutch
- 10 Vindhyan
- 11 Mahanadi
- 12 Andaman

## Category - III Basins

- 13 Kerala-Konkan
- 14 Bengal - Purnea
- 15 Ganga - Punjab
- 16 Pranhita - Godavari
- 17 Satpura - South Rewa - Damodar
- 18 Himalyan Foreland
- 19 Chhattisgarh
- 20 Narmada
- 21 Spiti - Zaskar
- 22 Deccan Syncline
- 23 Cuddapah
- 24 Karewa
- 25 Bhima-Kaladgi
- 26 Bastar



## Exploration Period with Single Phase

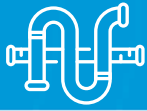
Type of Block	Exploration Period as per Revised Policy	
	Exploration Period	Extension Provision* (To complete CWP only)
Onland/Shallow Water/CBM	3 Years	Maximum 9 months extension (Extension fee: USD 25,000 per month or part thereof)
Deep Water/Ultra Deep Water	4 Years	Maximum 18 months extension (Extension fee: USD 50,000 per month or part thereof)

\*Automatic extension, Government approval not required

## Concessional Royalty Rates for Early Commercial Production

Prerequisite: Commercial Production commence within	Concession in existing Royalty Rates for project life
<ul style="list-style-type: none"><li>➤ Four (4) years for Onland and Shallow Water blocks</li><li>➤ Five (5) years for Deep Water and Ultra Deep Water blocks from the effective date of contract</li></ul>	<ul style="list-style-type: none"><li>➤ 10% for Category-I Basins</li><li>➤ 20% for Category-II Basins</li><li>➤ 30% for Category-III Basins</li></ul>





## Field Development Plan Timelines

Parameter	Timelines for Submission of Information
Discovery Related Information	Online Submission in Factsheet
Appraisal Programme submission timelines	From the date of Potential Commercial Interest (PCI): <ul style="list-style-type: none"><li>➔ Onland/Shallow Water Blocks : 6 Months</li><li>➔ Deep/Ultra Deep Water Blocks: 12 Months</li></ul>
Appraisal Period and FDP submission timelines combined	<ul style="list-style-type: none"><li>➔ Petroleum other than CBM-<ul style="list-style-type: none"><li>• Onland blocks: within 36 months of PCI Notice + 6 months extension</li><li>• Offshore blocks: within 48 months of PCI Notice+12 months extension</li></ul></li><li>➔ CBM -60 days prior to expiry of Assessment Period</li></ul>
Provision for extension in FDP submission	<b>Automatic extension</b> on payment of extension fee @USD 15000 per month or part thereof
FDP Submission	<ul style="list-style-type: none"><li>➔ Submit Part A, Part B and Part C of FDP to Government for information. <b>Approval not required</b></li><li>➔ Approval of Development Area required for grant of PML</li></ul>
Revision in FDP	Contractor can revise FDP multiple time within the time limits prescribed for commencement of Commercial Production by submitting information to the Government

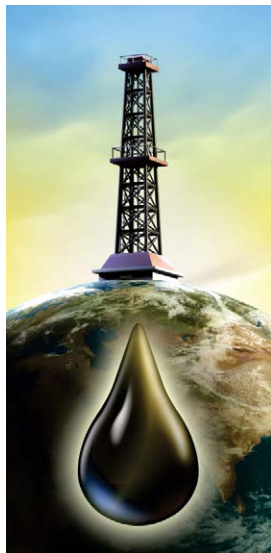




## Development Phase & Commercial Production – Timelines

Parameter	Timelines & Liquidated Damages (LD)
Development Phase	<ul style="list-style-type: none"><li>➔ Begins with FDP submission</li><li>➔ Ends with commencement of Commercial Production</li></ul>
Commencement of Development Operations	<ul style="list-style-type: none"><li>➔ Within 1 year from grant of PML</li><li>➔ LD – Commencement after 1year of PML<ul style="list-style-type: none"><li>• Onland blocks = USD 1 million + USD 250 per day</li><li>• Offshore blocks = USD 5 million + USD 250 per day</li></ul></li><li>➔ No commencement up to 2 years of grant of PML<ul style="list-style-type: none"><li>• Relinquish rights to develop Discovery Area + such area to be excluded from Contract Area</li></ul></li></ul>
Commencement of Commercial Production	<ul style="list-style-type: none"><li>➔ From grant of PML<ul style="list-style-type: none"><li>• Onland blocks: 2 years</li><li>• Shallow Water blocks: 3 years</li><li>• Deep Water / Ultra Deep-Water blocks: 5 years</li></ul></li><li>➔ LD up to 2 years of delay<ul style="list-style-type: none"><li>• Onland blocks = USD 2 million + USD 2000 per day</li><li>• Offshore blocks = USD 10 million + USD 2000 per day</li></ul></li><li>➔ If delay more than 2 years<ul style="list-style-type: none"><li>• Material breach of Contract &amp; Contract is liable to be terminated</li></ul></li></ul>





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