



सत्यमेव जयते

Ministry of Petroleum & 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

Revenue Sharing Model**



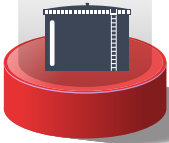
Low Royalty Rates



Pricing and Marketing freedom



Single license for all types of hydrocarbons



Freedom to carve out blocks through EoI*



Submission of EoI* throughout the year



Exploration rights for full contract life



*EoI-Expression of Interest,

**No Revenue Share based bidding for Category-II and III blocks

SUBMISSION OF EXPRESSION OF INTEREST (EOI)



FIXED FEE FOR EOI APPLICATION/
TENDER - INR 75,000



EOI SHOULD FALL WITHIN SINGLE
CATEGORY OF BASIN

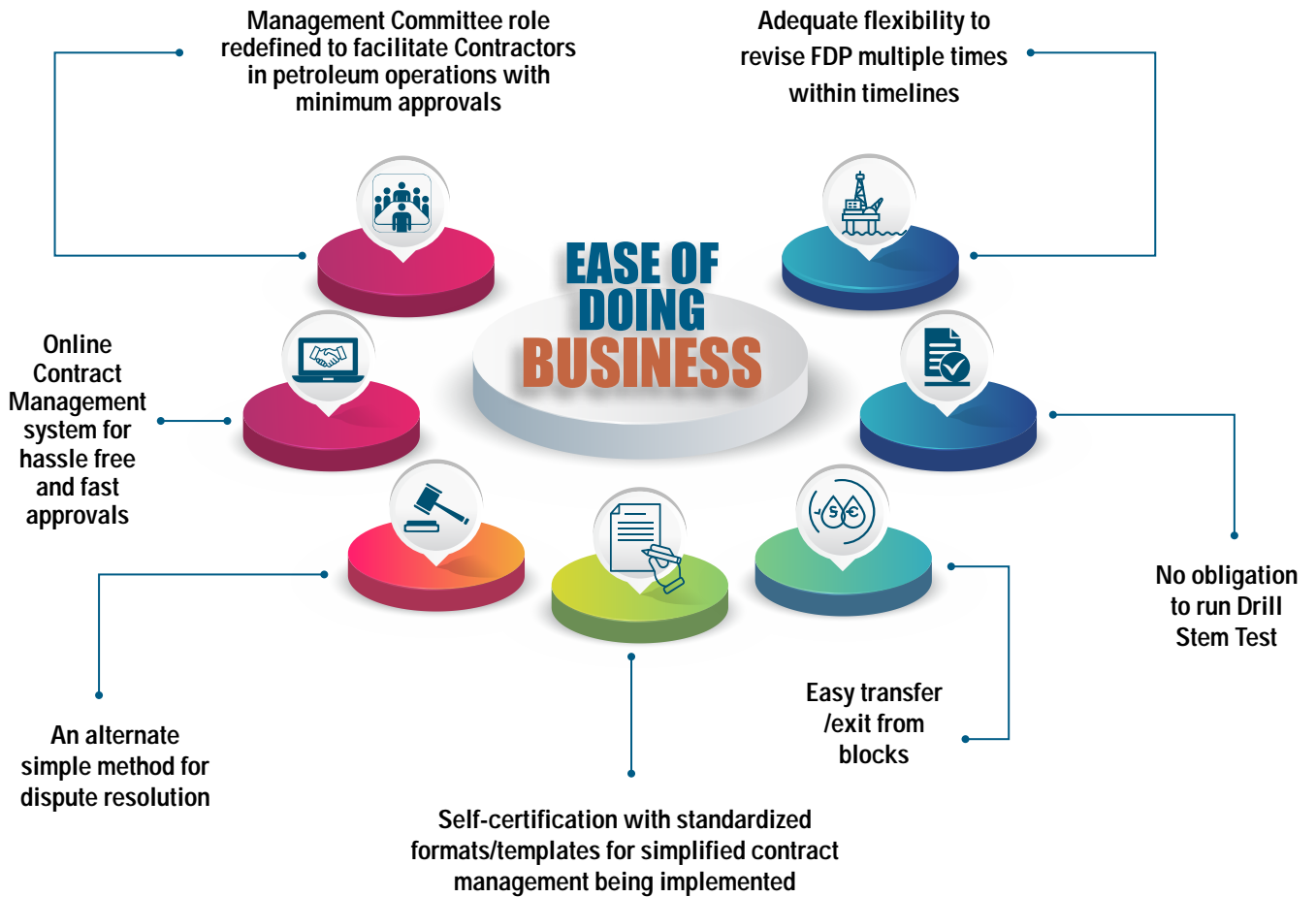
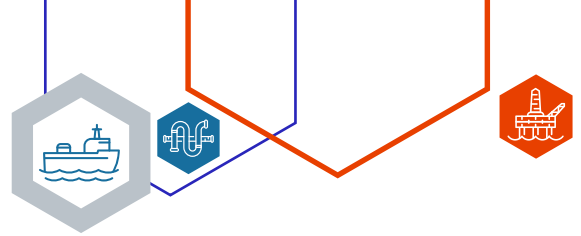


EOI SUBMISSION THROUGHOUT
THE YEAR IN 3 (THREE) WINDOWS

1st APRIL TO
31st JULY

1st AUGUST TO
30th NOVEMBER

1st DECEMBER TO
31st MARCH



LOW REGULATORY BURDEN

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

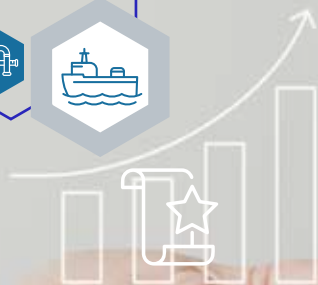
No restrictions on Monetization of Discovery at an early stage (Notified: June 25, 2020)

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

Aim 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

Work Programme



Revenue Share

%

Originator Incentive*



DESCRIPTION



SCORE

30

5

65

Originator
Incentive*

Work Programme

Revenue Share

Blocks in Category I Basins

Seismic Survey
20% (13 Marks)

No. of
Exploratory Wells
80% (52 Marks)

Available
to the EoI
submitting
party

CBM Blocks

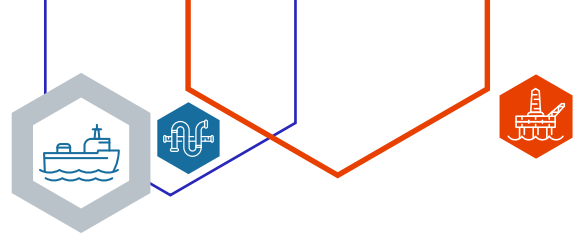
No. of Core
Holes 35 Marks

No. of Test Wells
30 Marks

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

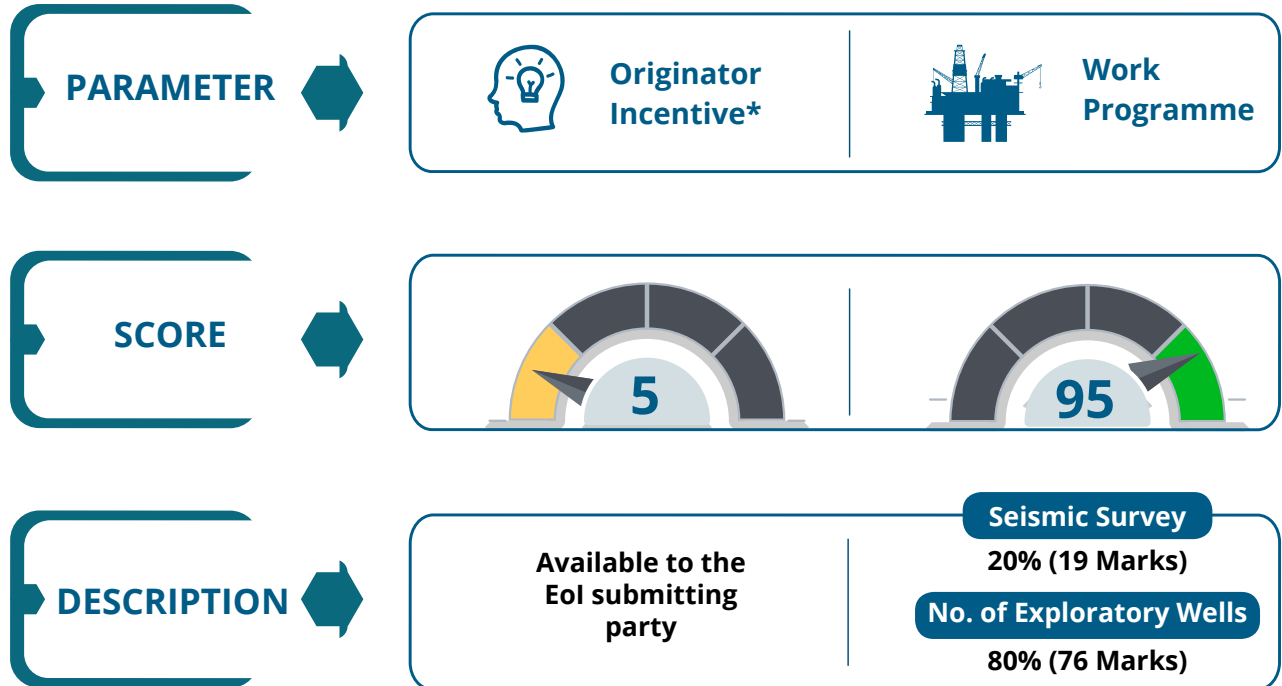
*Quote at HRP capped at 50%

*On first come first serve basis



BID EVALUATION CRITERIA - CATEGORY II & III BASINS

Exclusive Work Programme based Bidding



Revenue Sharing at predetermined rates if annual revenue crosses

USD 2.5 billion

i.e. "Windfall Gain"

Revenue (Net of Royalty & taxes on sales) (in billion USD) in a Financial Year

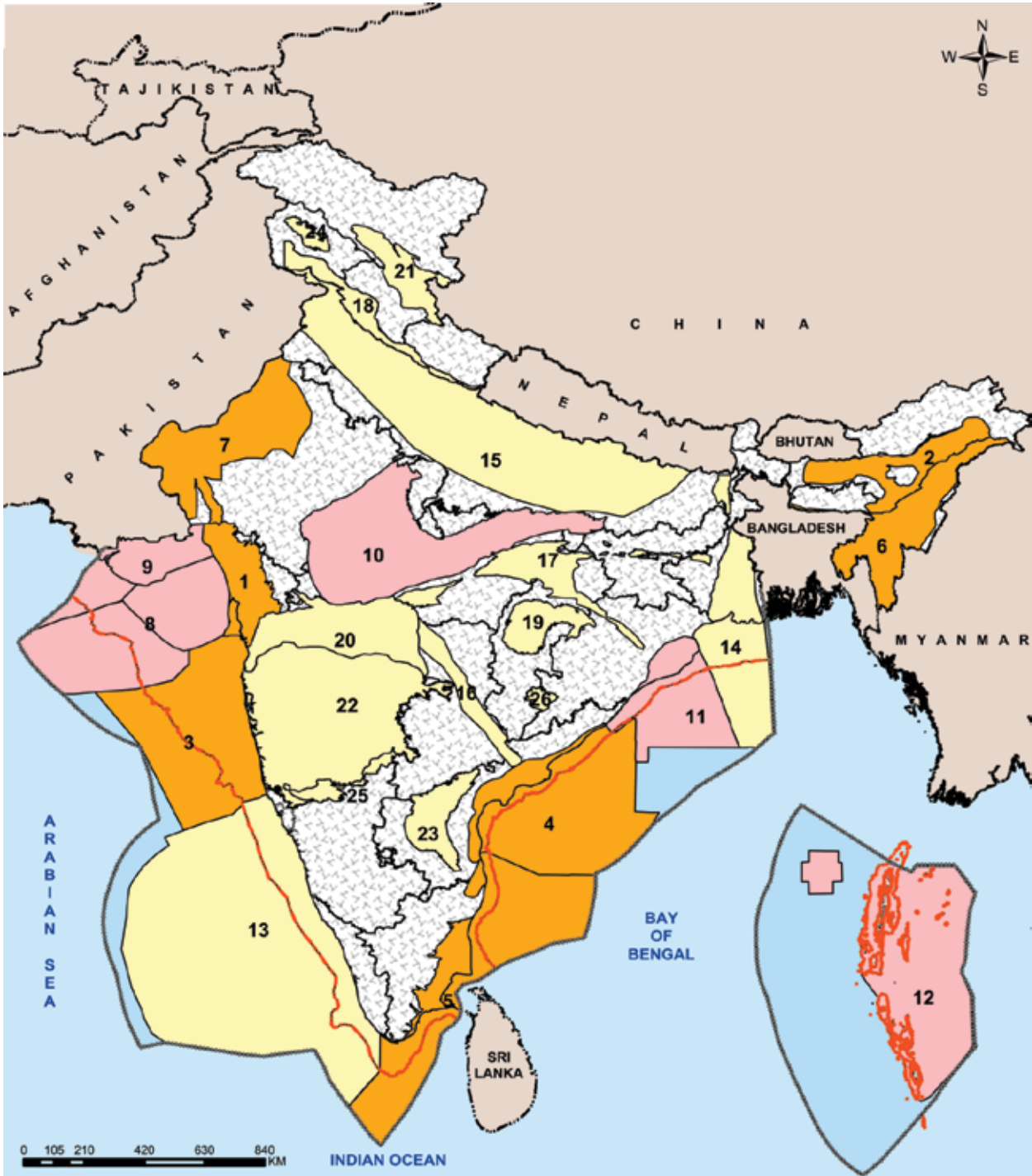
GoI Share (%)

Up to 2.5	Nil
>2.5 <=5.0	10%
>5.0 <=10.0	30%
>10.0	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

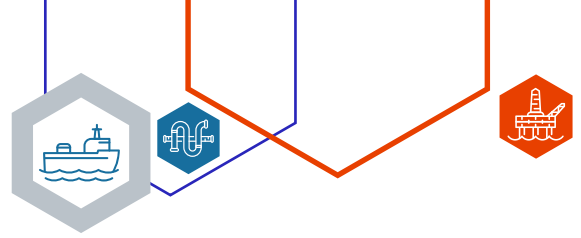
- 1 Cambay
- 2 Assam-Shelf
- 3 Mumbai Offshore
- 4 Krishna-Godavari
- 5 Cauvery
- 6 Assam-Arakan Fold Belt
- 7 Rajasthan

Category - II Basins

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

Category - III Basins

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

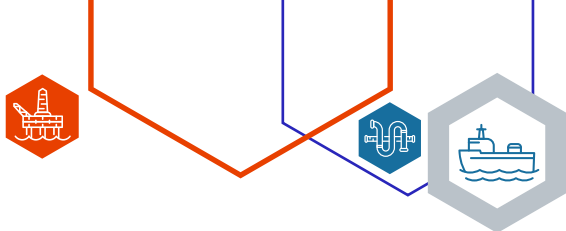
*Automatic extension, Government approval not required

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"> ➤ Four (4) years for Onland and Shallow Water blocks ➤ Five (5) years for Deep Water and Ultra Deep Water blocks from the effective date of contract 	<ul style="list-style-type: none"> ➤ 10% for Category-I Basins ➤ 20% for Category-II Basins ➤ 30% for Category-III Basins

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"> ➤ Onland/Shallow Water Blocks : 6 Months ➤ Deep/Ultra Deep Water Blocks: 12 Months
Appraisal Period and FDP submission timelines combined	<ul style="list-style-type: none"> ➤ Petroleum other than CBM- <ul style="list-style-type: none"> • Onland blocks: within 36 months of PCI Notice + 6 months extension • Offshore blocks: within 48 months of PCI Notice+12 months extension ➤ CBM: 60 days prior to expiry of Assessment Period
Provision for extension in FDP submission	Automatic extension on payment of extension fee @USD 15000 per month or part thereof
FDP Submission	<ul style="list-style-type: none"> ➤ Submit Part A, Part B and Part C of FDP to Government for information. Approval not required ➤ Approval of Development Area required for grant of PML
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"> ➔ Begins with FDP submission ➔ Ends with commencement of Commercial Production
Commencement of Development Operations	<ul style="list-style-type: none"> ➔ Within 1 year from grant of PML ➔ LD - If commencement after 1year of PML <ul style="list-style-type: none"> • Onland blocks = USD 1 million + USD 250 per day • Offshore blocks = USD 5 million + USD 250 per day ➔ No commencement up to 2 years of grant of PML <ul style="list-style-type: none"> • Relinquish rights to develop Discovery Area + such area to be excluded from Contract Area
Commencement of Commercial Production	<ul style="list-style-type: none"> ➔ From grant of PML <ul style="list-style-type: none"> • Onland blocks: 2 years • Shallow Water blocks: 3 years • Deep Water / Ultra Deep-Water blocks: 5 years ➔ LD up to 2 years of delay <ul style="list-style-type: none"> • Onland blocks = USD 2 million + USD 2000 per day • Offshore blocks = USD 10 million + USD 2000 per day ➔ If delay more than 2 years <ul style="list-style-type: none"> • Material breach of Contract & Contract is liable to be terminated



Directorate General of Hydrocarbons

Ministry of Petroleum & Natural Gas (Government of India)

+91-120-2472000
 +91-120-2472049
 facilitationoal@dghindia.gov.in

DGH India

www.dghindia.gov.in

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