

**LOK SABHA  
STARRED QUESTION NO. \*306  
TO BE ANSWERED ON 24<sup>th</sup> MARCH 2022**

**Hydrocarbon Exploration Licensing Policy**

**\*306. SHRI ANIL FIROJIYA:**

**पेट्रोलियम और प्राकृतिक गैस मंत्री**

**Will the Minister of PETROLEUM & NATURAL GAS be pleased to state:**

- (a) whether there has been any change in the auction methods of blocks discovered after the implementation of flexible Hydrocarbon Exploration Licensing Policy in the country;
- (b) if so, the details thereof;
- (c) whether any scheme has been formulated to strengthen the developing energy sector in the country; and
- (d) if so, the details there of ?

**ANSWER**

**पेट्रोलियम और प्राकृतिक गैस मंत्रालय में मंत्री  
( श्री हरदीप सिंह पुरी )**

**MINISTER IN THE MINISTRY OF PETROLEUM & NATURAL GAS  
(SHRI HARDEEP SINGH PURI)**

(a) to (d) A statement is laid on the table of the house.

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA STARRED QUESTION NO. 306 BY SHRI ANIL FIROJIYA TO BE ANSWERED ON 24.03.2022 REGARDING HYDROCARBON EXPLORATION LICENSING POLICY.**

(a) & (b): Government notified a transformative policy namely Hydrocarbon Exploration and Licensing Policy (HELP) on 30<sup>th</sup> March, 2016 to increase investment in domestic exploration and production sector. The major thrust of the policy was ease of doing business with minimal Government intervention. Deepening the reforms further, Government on 28<sup>th</sup> February, 2019 notified further reforms in HELP, inter alia, bringing changes in auction methodology. With the introduction of these reforms, Government moved from 'Maximisation of Revenue to Government' to 'Maximisation of Production'. The major changes, inter alia, include:

- i. Indian Sedimentary basins were classified into three categories, namely Category-I, II and III, based on hydrocarbon prospectivity and commerciality. In Category-II and Category-III basins, where prospectivity is low, the areas are to be awarded exclusively based on Work Program which bidder commits to undertake without any Revenue Share to Government. Revenue is to be shared with Government in case of windfall gain i.e. when revenue exceeds USD 2.5 billion in a financial year.
- ii. In Category-I basins, where commercial reserves are established, for awarding the blocks, emphasis was shifted to Work Programme by enhancing its weightage to 70%. Remaining 30% weightage was allocated to Revenue to the Government. This was 50% each earlier. Further, to prevent speculative bidding, upper ceiling of 50% was also imposed on Revenue Share to Government.
- iii. To provide more opportunities to bidders, Expression of Interest submission cycle was increased from twice to thrice in a year.

(c) & (d): In addition to reforms under HELP, several other policy initiatives to strengthen the energy sector in the country have been taken which, inter alia, include:

- I. A National Data Repository (NDR) was established in 2017 where entire E&P Data of the country is available for potential bidders to help carve out blocks of interest.

- II. Appraisal of un-appraised areas in sedimentary basins under National Seismic Programme, 2017 to enhance availability of E&P Data to potential bidders.
- III. Discovered Small Field (DSF) Policy, 2015: This allowed starting/restarting production from unmonetised discoveries of ONGC/OIL, which could not be put on production due to various reasons.
- IV. Gas reforms to incentivise production of gas.
- V. In addition, a large number of reforms were undertaken to resolve the pending issues in the existing Contracts, streamlining processes for ease of doing business etc. A list of Reforms is attached at **Annexure**.

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**ANNEXURE REFERRED TO IN REPLY OF PARTS (c) AND (d) OF THE LOK SABHA STARRED QUESTION NO. 306 BY SHRI ANIL FIROJIYA TO BE ANSWERED ON 24.03.2022 REGARDING HYDROCARBON EXPLORATION LICENSING POLICY.**

**Policy initiatives undertaken by Government to boost exploration and production activities in the country.**

- i. Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract (PSC) regime for early monetization of hydrocarbon discoveries, 2014.
- ii. Policy for Extension of Production Sharing Contracts, 2016 and 2017.
- iii. Policy for early monetization of Coal Bed Methane 2017
- iv. Appraisal of Un-appraised areas in Sedimentary Basins under National Seismic Programme, 2017
- v. Re-assessment of Hydrocarbon Resources 2017
- vi. Policy framework to streamline the working of Production Sharing Contracts (PSC) in Pre- NELP and NELP Blocks, 2018.
- vii. Policy to Promote and Incentivize Enhanced Recovery Methods for Oil and Gas, 2018.
- viii. Policy framework for Exploration and exploitation of Coal Bed Methane (CBM) from areas under Coal Mining Lease allotted to Coal India Limited (CIL) and its subsidiaries 2018.
- ix. Policy Framework for Exploration and Exploitation of Unconventional Hydrocarbons under Existing Production Sharing Contracts (PSCs) Coal Bed Methane (CBM) Contracts and Nomination Fields, 2018.
- x. Natural Gas Marketing Reforms 2014 - 2021 to inter alia provide mechanism for discovery of market price of natural gas.
- xi. Policy for extension of Production Sharing Contracts, 2016 and 2017- Ensuring continuation of production from already operating fields, whose PSC terms were ending.
- xii. Policy in Oct'2018 to promote and incentivize Enhanced Recovery Methods for oil and gas, to enhance production from matured fields.
- xiii. Policy reforms in February, 2019 to increase exploration activities, attracting domestic and foreign investment in unexplored/unallocated areas.