

	<b>THE OILFIELDS (REGULATION AND DEVELOPMENT) AMENDMENT BILL, 2021</b>	
	A BILL	
	<i>further to amend the Oilfields (Regulation and Development) Act, 1948.</i>	
	BE it enacted by Parliament in the Seventy-second Year of the Republic of India as follows: —	
	<p>1. (1) This Act may be called the Oilfields (Regulation and Development) Amendment Act, 2021.</p> <p>(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.</p>	Short title and commencement.
	<p>2. In the Oilfields (Regulation and Development) Act, 1948 (hereinafter referred to as the principal Act), in section 3, -</p> <p>(i) for clauses (b) to (d), the following clauses shall be substituted, namely: -</p> <p>‘(b) “mineral oils” means any naturally occurring hydrocarbon, whether in the form of natural gas or in a liquid, viscous or solid form, or a mixture thereof, and includes crude oil, natural gas, petroleum, well-head</p>	Amendment of section 3.

condensate, coal bed methane, shale gas, shale oil, gas hydrate in their usual industrial connotation and other gases capable of being used as fuels occurring in association with mineral oils, or which can be produced from mineral oils such as hydrogen, but does not include coal, lignite and helium occurring in association with petroleum or coal or shale;

(c) “mineral oil resources” means resources containing mineral oils;

(d) “mineral oil resource lease” means a lease granted after the commencement of the Oilfields (Regulation and Development) Amendment Act, 2021, for the purpose of prospecting, exploration, development, production, making merchantable, carrying away or disposing of mineral oils or mineral oil resource or for purposes, incidental thereto and includes a mining lease and licence for exploring and prospecting granted before the commencement of the said Act;

(da) “mining lease” means a lease granted for the purpose of searching for, winning, working, getting, making merchantable, carrying away or disposing of mineral oils or for purposes connected therewith, and includes an exploring or a prospecting licence granted before the commencement of the Oilfields (Regulation and Development) Amendment Act, 2021.’

	(ii) in clause (e), after the word “obtaining”, the words “mineral oil” shall be inserted;	
	<p><b>3.</b> In section 4 of the principal Act,-</p> <p>(a) in the marginal heading, for the words “mining lease”, the words “mineral oil resource lease” shall be substituted;</p> <p>(b) for the words “mining lease”, at both the places where they occur, the words “mineral oil resource lease” shall be substituted.</p>	Amendment of section 4.
Prospecting, etc., of mineral oils or mineral oil resources.	<p><b>4.</b> After section 4 of the principal Act, the following section shall be inserted, namely: -</p> <p>“4A. No person shall undertake any operation in any part of India or in its territorial waters, continental shelf and exclusive economic zone of India for the purpose of prospecting, exploration, development or production, making merchantable, carrying away or disposing of mineral oils or mineral oil resources, except under a valid lease granted under this Act and the rules made thereunder:</p> <p>Provided that nothing in this section shall affect any operation undertaken in any area in accordance with the terms and conditions of a licence or lease granted</p>	Insertion of new section 4A.

	before the commencement of the Oilfields (Regulation and Development) Amendment Act, 2021.”.	
	<p><b>5.</b> In section 5 of the principal Act, -</p> <p>(A) in the marginal heading, for the words “mining leases”, the words “mineral oil resource leases” shall be substituted;</p> <p>(B) in sub-section (1), for the words “mining leases”, the words “mineral oil resource leases” shall be substituted;</p> <p>(C) in sub-section (2), -</p> <p>(i) in clauses (a) and (b), for the words “mining leases”, the words “mineral oil resource leases” shall be substituted;</p> <p>(ii) in clause (b), after the word “granted”, the words “including extension of the period of lease, with due regard to the stability of the terms and conditions of lease” shall be inserted;</p> <p>(iii) for clause (c), the following clauses shall be substituted, namely: -</p> <p>“(c) the maximum or minimum area of the mineral oil resource leases;</p> <p>(ca) the period for which any mineral oil resource lease may be granted consistent with the economic life of the oilfield and the mechanism to determine the economic</p>	Amendment of section 5.



	<p>life of the oilfield;</p> <p>(cb) the terms on which leases may be merged or combined;”;</p> <p>(iv) in clause (d), for the word “mine”, the word “oilfield” shall be substituted;</p> <p>(v) after clause (d), the following clauses shall be inserted, namely: -</p> <p>“(e) resolution of disputes arising out of, or in relation to, such leases including through, arbitration, conciliation and mediation;</p> <p>(f) mechanism for determination and payment of compensation in case of suspension, revocation or cancellation of lease or part thereof or restriction of access to any leased area or part thereof”.</p> <p>(D) after sub-section (2), the following sub-section shall be inserted, namely: -</p> <p>“(3) The terms and conditions of lease shall remain stable during the period of the lease, for expeditious and efficient development of mineral oil resources, and shall not be altered to the disadvantage of the lessee during the period of the lease:</p> <p>Provided that the Central Government may, make rules by notification in the Official Gazette, to suspend, revoke or cancel the lease in respect of any part of the</p>	
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	<p>area under lease or impose restrictions on access to any part of the area under lease in national interest and for reasons to be recorded in writing:</p> <p>Provided further that in case of suspension, revocation or cancellation of lease in respect of any part of the area under lease or restriction of access in respect of any part of the area under lease, the lessee shall be compensated by the Central Government as provided by rules by notification in the Official Gazette.”.</p>	
	<p><b>6.</b> In section 6 of the principal Act,-</p> <p>(A) in the marginal heading, for the word “mineral”, the words “mineral oil” shall be substituted;</p> <p>(B) in sub-section (1), for the words “conservation and development”, the words “exploration, development and production” shall be substituted;</p> <p>(C) in sub-section (2), -</p> <p>(i) in clause (d),-</p> <p>(a) for the words “oilwells”, the words “mineral oil wells” shall be substituted;</p> <p>(b) for the word “oil”, the words “mineral oil resource” shall be substituted;</p> <p>(ii) in clause (e), for the word “oil”, the words “mineral oil” shall be substituted;</p> <p>(iii) in clause (g), for the word “mines”, the word “oilfields” shall be substituted;</p>	<p>Amendment of section 6.</p>

	<p>(iv) in clause (i), for the words “mined, quarried, excavated or collected”, the word “produced” shall be substituted;</p> <p>(v) in clause (j), for the words “owners or lessees of mines”, the words “lessees of oilfields” shall be substituted and for the word “forms”, the word “formats” shall be substituted;</p> <p>(vi) after clause (j), the following clauses shall be inserted, namely:-</p> <p>“(k) the sharing of production and processing facilities and other infrastructure, both on land and offshore, by two or more lessees for more efficient development of mineral oil resources;</p> <p>(l) the safety in mineral oil operations, including safety and protection of terminals, installations and other structures and devices;</p> <p>(m) the sound management of mineral oil resources in accordance with good international petroleum industry practices including obligations of lessees towards protection of environment during operations and while abandoning, decommissioning and undertaking site restoration activities;</p> <p>(n) the unitisation of leases across States, Union</p>	
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	territories and offshore leases where there is reservoir continuity or connectivity or for efficient exploration, development or production of mineral oil resources.”.	
	<p>7. In section 6A of the principal Act, -</p> <p>(a) for the words, “mined, quarried, excavated”, wherever they occur, the word “produced” shall be substituted;</p> <p>(b) in sub-section (2), after the words “mining lease”, the words “or mineral oil resource lease” shall be inserted;</p> <p>(c) in sub-section (4), for the words “mining leases”, the words “mineral oil resource leases” shall be substituted.</p>	Amendment of section 6A.
Power of Central Government to direct submission of data or sample.	<p>8. After section 6A of the principal Act, the following section shall be inserted, namely: -</p> <p>“6B. (1) The Central Government may, for public purpose, direct any party to submit any data or sample related to any mineral oil resource, mineral oils or mineral oil resource lease in such manner as it may determine.</p> <p>(2) The Central Government may, by notification in the Official Gazette, make rules for the collection, aggregation, dissemination, use or sharing of the data and samples related to the specified mineral oil resources, mineral oils and mineral oil resource leases by or with</p>	Insertion of new section 6B.



	the Government or any other party nominated by the Central Government, for the purposes of economic development, academic research and public welfare. ” .	
Regulation of safety of mineral oil resource operations and make rules for use and sharing of data.	<p><b>9.</b> After section 8 of the principal Act, the following section shall be inserted, namely: -</p> <p>“8A. The Central Government may, by notification, designate an authority to formulate standards, procedures and guidelines for the safety of mineral oil resource operations, conduct audits and seek compliance of safety standards and perform such other duties as may be specified in the notification.”.</p>	Insertion of new section 8A.
Penalty.	<p><b>10.</b> For section 9 of the principal Act, the following section shall be substituted, namely: -</p> <p>“9. (1) Any rule made under any of the provisions of this Act may provide that any contravention thereof shall be punishable with fine which may extend up to one crore rupees.</p> <p>(2) Whoever, after having been fined as referred to in sub-section (1), continues to contravene any of the provisions of this Act or rules made thereunder shall be liable to pay a fine which may extend to ten lakh rupees per day for the entire duration during which the contravention continues commencing from the date of</p>	Substitution of new section for section 9.

	imposition of the first fine.”	
	<b>11.</b> In section 10 of the principal Act, after the words, figure and letter “of section 6A”, the words, figures and letters “or section 8 or section 8A or section 14A” shall be inserted.	Amendment of section 10.
	<b>12.</b> In section 11 of the principal Act, for the word “mine”, wherever it occurs, the word “oilfield” shall be substituted.	Amendment of section 11.
	<b>13.</b> In section 12 of the principal Act, -  (a) for the words “mining lease”, the words “mineral oil resource lease” shall be substituted;  (b) for the word “mine”, the word “oilfield” shall be substituted.	Amendment of section 12.
Validity of leases and licences.	<b>14.</b> After section 13 of the principal Act, the following section shall be inserted, namely: -  “13A. All mining leases and licences granted before commencement of the Oilfields (Regulation and Development) Amendment Act, 2021, shall continue to be valid for their respective terms subject to the terms and conditions governing the grant of such leases and licences.”.	Insertion of new section 13A.
Power of Central	<b>15.</b> After section 14 of the principal Act, the following section shall be inserted, namely: -	Insertion of new section 14A.

<p>Central Government to Recover Certain Amounts as Arrears of Land Revenue.</p>	<p>section shall be inserted, namely: -</p> <p>“14A (1) Any rent, royalty, tax, cess, fee, penalty or interest due to the Government under this Act or the Rules framed thereunder, or any other sum or contractual payment due to the Government relating to mineral oil resource operations or the interest thereon may, on a certificate of such officer as may be specified by the Central Government in this behalf by general or special order, be recovered in the same manner as an arrear of land revenue.</p> <p>(2) Such Officer, may, without prejudice to any other mode of recovery under any other law for the time being in force, send a certificate to the Collector, specifying the sum due from such person and requesting that such sum together with costs of the proceedings be recovered as if it were an arrear of land revenue.</p> <p>(3) The Collector on receiving the certificate shall proceed to recover the amount stated therein as an arrear of land revenue.”</p>	
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