



(ACT NO 53 OF 1948)

1

LIST OF AMENDING ACTS

1. The Repealing and Amending Act, 1949 (40 of 1949).
2. The Part B States (Laws) Act, 1951 (3 of 1951).
3. The Mines and Minerals (Regulation and Development) Act, 1957 (67 of 1957).
4. The Oilfields (Regulation and Development) Amendment Act, 1969 (39 of 1969).
5. The Oilfields (Regulation and Development) Amendment Act, 1984 (20 of 1984).
6. The Oilfields (Regulation and Development) Amendment Act, 1993 (4 of 1993).
7. The Oilfields (Regulation and Development) Amendment Act, 1998 (29 of 1998).
8. The Oilfields (Regulation and Development) Amendment Act, 2025 (6 of 2025).

LIST OF ABBREVIATIONS USED

Cl., cls.	.	.	.	.	.	<i>for</i>	Clause, clauses.
Ins.	.	.	.	.	.	„	Inserted.
Notifn.	.	.	.	.	.	„	Notification.
S., ss.	.	.	.	.	.	„	Section, sections.
Sch.	.	.	.	.	.	„	Schedule.
Subs.	.	.	.	.	.	„	Substituted.
w.e.f.	.	.	.	.	.	„	with effect from.

THE OILFIELDS (REGULATION AND DEVELOPMENT) ACT, 1948

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title, extent and commencement.
2. [*Omitted.*]
3. Definitions.
4. No petroleum lease to be valid unless it is in accordance with this Act.
- 4A. prospecting, etc., of mineral oils.
5. Power to make rules as respects petroleum leases.
6. Power to make rules as respects mineral oils development.
- 6A. Royalties in respect of mineral oils.
7. Power to make rules for modification of existing leases.
8. Delegation.
9. Penalties.
- 9A. Adjudication.
- 9B. Appeal.
10. Laying of rules and notifications.
11. Power of inspection.
12. Relaxation of rules in special cases.
13. Act to be binding on the Government.
- 13A. Validity of leases and licenses.
14. Protection of action taken in good faith.

THE SCHEDULE.

¹[(f) “petroleum lease” means a lease granted on or after the commencement of the Oilfields (Regulation and Development) Amendment Act, 2025, for the purpose of prospecting, exploration, development, production, making merchantable, carrying away or disposing of mineral oils or for purposes connected therewith, and includes a mining lease granted before the commencement of the said Act.]

4. No ²[petroleum lease] to be valid unless it is in accordance with this Act.—(1) No ²[petroleum lease] shall be granted after the commencement of this act otherwise than in accordance with the rules made under this Act.

(2) Any ²[petroleum lease] granted contrary to the provisions of sub-section (1) shall be void and of no effect.

³[4A. Prospecting, etc., of mineral oils.]—No person shall undertake any operation in any part of India or in its territorial waters, continental shelf and exclusive economic zone for the purposes of prospecting, exploration, development or production, making merchantable, carrying away or disposing of mineral oils, except under a valid lease granted under this Act and the rules made thereunder:

Provided that nothing in this section shall affect any operation undertaken in any area in accordance with the terms and conditions of a license or lease granted before the commencement of the Oilfields (Regulation and Development) Amendment Act, 2025.]

5. Power to make rules as respects ⁴[petroleum leases].—(1) The Central Government may, by notification in the Official Gazette, make rules for regulating the ⁵[grant or extension or renewal of petroleum leases or for prohibiting the grant or extension or renewal] of such leases in respect of any ⁶[mineral oil] or in any area.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: —

(a) the manner in which, the ⁶[mineral oils] or areas in respect of which and the persons by whom, applications for ⁷[petroleum leases] may be made and the fees to be paid on any such application;

(b) the authority by which, the terms on which, and the conditions subject to which, ⁸[petroleum leases may be granted or extended or renewed];

⁹[(c) the maximum or minimum area of the petroleum leases;

(ca) the period for which any petroleum lease may be granted or extended or renewed;

(cb) the terms on which petroleum leases may be merged or combined;]

(d) the fixing of the maximum and minimum rent payable by a lessee, whether the ¹⁰[oilfield] is worked or not.

¹¹[(e) the mechanism to enable resolution of disputes arising out of, or in relation to the petroleum leases or any authorisation granted by the Central Government for working of an oilfield through alternative dispute resolution methods under any law for the time being in force, in a place within India or outside India;

1. Ins. by Act 6 of 2025, s. 2 (w.e.f. 15-4-2025).

2. Subs. by s. 3, *ibid.*, for “mining lease” (w.e.f. 15-4-2025).

3. Ins. by s. 4, *ibid.* (w.e.f. 15-4-2025).

4. Subs. by s. 5, *ibid.*, for “mining leases” (w.e.f. 15-4-2025).

5. Subs. by s. 5, *ibid.*, for certain words (w.e.f. 15-4-2025).

6. Subs. by Act 67 of 1957, s. 32 and the Third Sch., for “minerals” (w.e.f. 1-6-1958).

7. Subs. by Act 6 of 2025, s. 5, for “mining leases” (w.e.f. 15-4-2025).

8. Subs. by s. 5, *ibid.*, for “mining leases may be granted” (w.e.f. 15-4-2025).

9. Subs. by s. 5, *ibid.*, for cl. (c) (w.e.f. 15-4-2025).

10. Subs. by s. 5, *ibid.*, for “mine” (w.e.f. 15-4-2025).

11. Ins. by s. 5, *ibid.* (w.e.f. 15-4-2025).

(f) any other matter which is required to be, or may be made by rules or in respect of which provision is to be made under this section.]

¹[(3) The terms and conditions of a petroleum lease shall remain stable during the period of the lease for expeditious and efficient development of oilfields or production of mineral oils and shall not be altered to the disadvantage of the lessee during the period of the lease.]

6. Power to make rules as respects ²[mineral oils] development.—(1) The Central Government may, by notification in the Official Gazette, make rules for the ³[exploration, development, production and conservation] of ⁴[mineral oils].

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: —

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(c) the development of any ⁶[mineral oil resources] in any area by prescribing or regulating the use of any engines, machinery or other equipment;

(d) the regulation of drilling, re-drilling, deepening, shutting down, plugging and abandoning of ⁷[mineral oil wells and decommissioning and site restoration activities] in an oilfield and for the limitation or prohibition of such operations and for the taking of remedial measures to prevent waste of or damage to ⁸[mineral oils];

(e) the regulation of the methods of producing ⁸[mineral oils] in any oilfield, and the limitation or prohibition of such methods;

(f) the compulsory notification of all new borings and shaft sinkings, and the preservation of boring records and specimens of cores of all new bore-holes;

(g) the taking of samples from ⁹[oilfields] and new bore-holes;

¹⁰[(ga) the collection, aggregation, dissemination, use or sharing of the data and samples related to mineral oils with the Central Government or any other party nominated by the Central Government, for the purposes of economic development, academic research and public welfare;]

(h) the regulation of the arrangements for the storage of ⁴[mineral oils] and the stocks thereof that may be kept by any person;

¹¹[(i) the collection of royalties, and the levy and collection of fees or taxes, in respect of mineral oils ¹²[produced];]

(j) the submission by the ¹³[lessees of oilfields of special or periodical returns and reports, and the formats] in which and the authorities to whom such returns and reports shall be submitted.

¹⁴[(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 oilfields or production of mineral oils;

1. Ins. by Act 6 of 2025, s. 5 (w.e.f. 15-4-2025).

2. Subs. by s. 6, *ibid.*, for “mineral” (w.e.f. 15-4-2025).

3. Subs. by s. 6, *ibid.*, for “conservation and development” (w.e.f. 15-4-2025).

4. Subs. by Act 67 of 1957, s. 32 and the Third Sch., for “minerals” (w.e.f. 1-6-1958).

5. Cls. (a) and (b) omitted by s. 32 and the Third Sch., *ibid.* (w.e.f. 1-6-1958).

6. Subs. by s. 32 and the Third Sch., *ibid.*, for “mineral resources” (w.e.f. 1-6-1958).

7. Subs. by Act 6 of 2025, s. 6, for “oil wells” (w.e.f. 15-4-2025).

8. Subs. by s. 6, *ibid.*, for “oil” (w.e.f. 15-4-2025).

9. Subs. by s. 6, *ibid.*, for “mines” (w.e.f. 15-4-2025).

10. Ins. by s. 6, *ibid.* (w.e.f. 15-4-2025).

11. Subs. by Act 39 of 1969, s. 2, for cl. (i) (w.e.f. 1-1-1968).

12. Subs. by Act 6 of 2025, s. 6, for “mined, quarried, excavated or collected” (w.e.f. 15-4-2025).

13. Subs. by s. 6, *ibid.*, for certain words (w.e.f. 15-4-2025).

14. Ins. by s. 6, *ibid.* (w.e.f. 15-4-2025).

(l) the safety at oilfields including safety mechanisms, standards and protocols for conduct of mineral oil operations, protection of persons and infrastructure such as terminals, installations, other structures and devices, and mineral oils;

(m) the sound management of mineral oils 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;

(n) the unitisation of leases across States, Union territories and offshore leases, where there is reservoir continuity or connectivity, or for efficient exploration, development or production of mineral oils;

(o) promote and facilitate adoption of measures for reducing carbon and greenhouse gas emissions and decarbonising operations including but not limited to use of oilfields for other purposes, such as, production of hydrogen, carbon capture utilisation and storage or coal gasification;

(p) reporting of carbon and greenhouse gas emissions related to, arising out of, or resulting from, mineral oil operations;

(q) promote and facilitate development of comprehensive energy projects at oilfields, including planning, development, installation, sharing and use of infrastructure for carrying out mineral oil operations and solar, wind or other form of renewable energy projects;

(r) any other matter which is required to be, or may be made by rules, or in respect of which provision is to be made under this section.]

¹[6A. Royalties in respect of mineral oils.—(1) The holders of a mining lease granted before the commencement of the Oilfields (Regulation and Development) Amendment Act, 1969 (39 of 1969) shall, notwithstanding anything contained in the instrument of lease or in any law in force at such commencement, pay royalty in respect of any mineral oil ²[produced] or collected by him from the leased area after such commencement, at the rate for the time being specified in the Schedule in respect of that mineral oil.

(2) The holder of a mining lease ³[or petroleum lease] granted on or after the commencement of the Oilfields (Regulation and Development) Amendment Act, 1969 (39 of 1969) shall pay royalty in respect of any mineral oil ²[produced] or collected by him from the leased area at the rate for the time being specified in the Schedule in respect of that mineral oil.

(3) Notwithstanding anything contained in sub-section (1) or sub-section (2), no royalty shall be payable in respect of any ⁴[mineral oils] which is unavoidably lost or is returned to the reservoir or is used for drilling or other operations relating to the production of ⁵[mineral oils].

⁶[(4) The Central Government may, by notification in the Official Gazette, amend the Schedule so as to enhance or reduce the rate at which royalty shall be payable in respect of any mineral oil with effect from such date as may be specified in the notification and different rates may be notified in respect of same mineral oil ²[produced] or collected from the areas covered by different classes of ⁷[petroleum leases]:

Provided that the Central Government shall not fix the rates of royalty in respect of any mineral oil so as to exceed twenty per cent. of the sale price of the mineral oil at the oilfields or the oil well-head, as the case may be.

1. Ins. by Act 39 of 1969, s. 3 (w.e.f. 1-1-1968).

2. Subs. by Act 6 of 2025, s. 7, for “mined, quarried, excavated” (w.e.f. 15-4-2025).

3. Ins. by s. 7, *ibid.* (w.e.f. 15-4-2025).

4. Subs. by s. 7, *ibid.*, for “crude oil, casing-head condensate or natural gas” (w.e.f. 15-4-2025).

5. Subs. by s. 7, *ibid.*, for “petroleum or natural gas, or both” (w.e.f. 15-4-2025).

6. Subs. by Act 29 of 1998, s. 2, for sub-section (4) (w.e.f. 3-9-1998).

7. Subs. by Act 6 of 2025, s. 7, for “mining leases” (w.e.f. 15-4-2025).

(5) If the Central Government, with a view to encourage exploration in off-shore areas, is satisfied that it is necessary in the public interest so to do, it may, by notification in the Official Gazette, exempt generally, either absolutely or subject to such conditions as may be specified in the notification, mineral oil produced from such areas from the whole or any part of the royalty leviable thereon.]

7. Power to make rules for modification of existing leases.—(1) The Central Government may, by notification in the Official Gazette, make rules for the purpose of modifying or altering the terms and conditions of any mining lease granted prior to the commencement of this Act so as to bring such lease into conformity with the rules made under sections 5 and 6:

Provided that any rules so made which provide for the matters mentioned in clause (c) of sub-section (2) shall not come into force until they have been approved, either with or without modifications, by ¹[the House of the People].

(2) The rules made under sub-section (1) shall provide—

(a) for giving previous notice of the modification or alteration proposed to be made thereunder to the lessee, and where the lessor is not the Central Government, also to the lessor, and for affording them an opportunity of showing cause against the proposal;

(b) for the payment of compensation by the party who would be benefited by the proposed modification or alteration to the party whose right under the existing lease would thereby be adversely affected; and

(c) for the principles on which, the manner in which and the authority by which the said compensation shall be determined.

8. Delegation.—The Central Government may, by notification in the Official Gazette, direct that any power exercisable under this Act shall be exercised, subject to such conditions, if any, as may be specified therein by such officer or authority as may be specified in the direction.

²9. Penalties.—(1) Whoever contravenes the provisions of section 4A or sub-section (1) or sub-section (2) of section 6A shall be liable to a penalty of twenty-five lakh rupees.

(2) Any rule made under any of the provisions of this Act may provide that any contravention thereof shall be liable to a penalty of twenty-five lakh rupees.

(3) Whoever, after having been punished with penalty as referred to in sub-section (1) or sub-section (2), continues to contravene any of the provisions of this Act or rules made thereunder, shall be liable to pay a further penalty which may extend to ten lakh rupees per day for the entire duration during which the contravention continues commencing from the date of imposition of the first penalty.

9A. Adjudication.—(1) The Central Government shall, by notification in the Official Gazette, make rules for providing eligibility criteria for designating an adjudicating authority and for the manner of conducting inquiry and imposing penalty under the provisions of this Act:

Provided that no officer below the rank of Joint Secretary to the Government of India shall be designated as an adjudicating authority.

(2) The adjudicating authority may summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document, which in his opinion may be useful for or relevant to the subject matter of the inquiry and if, on such inquiry, he is satisfied that the person concerned has contravened the provisions of this Act or the rules made thereunder, he may determine such penalty in accordance with the provisions of this Act.

(3) No penalty shall be imposed on any person under this section or any rules made thereunder without affording an opportunity of being heard.

1. Subs. by the A. O. 1950, for “the Central Legislature”.

2. Subs. by Act 6 of 2025, s. 8, for s. 9 (w.e.f. 15-4-2025).

9B. Appeal.—(1) Every appeal against the order of the adjudicating authority under this section shall lie with the Appellate Tribunal referred to in section 30 of the Petroleum and Natural Gas Regulatory Board Act, 2006, (19 of 2006) and the provisions contained in sections 33, 34, 35 and 36 of that Act, shall, *mutatis mutandis* apply, in relation to every such appeal.

(2) The provisions contained in section 37 of the Petroleum and Natural Gas Regulatory Board Act, 2006, (19 of 2006) shall *mutatis mutandis* apply, in relation to every appeal against the order of the Appellate Tribunal referred to in sub-section (1).]

¹**[10. Laying of rules and notifications.**—Every rule made under this Act and every notification issued ²[under sub-section (4) or sub-section (5) of section 6A] ³[or section 8] shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made or issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.]

11. Power of inspection.—(1) For the purpose of ascertaining the position of the working, actual or prospective, of any ⁴[oilfield] or abandoned ⁴[oilfield] or for any other purpose mentioned in this Act or the rules made thereunder, any officer authorised by the Central Government in this behalf shall have the right to—

(a) enter and inspect any ⁴[oilfield];

(b) order the production of any document, book, register or record in the possession or power of any person having the control of, or connected with, any ⁴[oilfield];

(c) examine any person having the control of, or connected with, any ⁴[oilfield].

(2) Any officer authorised by the Central Government under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (45 of 1860).

12. Relaxation of rules in special cases.—The Central Government may, if satisfied that it is in the public interest so to do, authorise in any case the granting of any ⁵[petroleum lease], or the working of any ⁶[oilfield] on terms and conditions different from those laid down in the rules made under sections 5 and 6.

⁷**[13. Act to be binding on the Government.**—The provisions of this Act shall be binding on the Government.]

⁸ **[13A. Validity of leases and licenses.**—All mining leases and licenses granted before commencement of the Oilfields (Regulation and Development) Amendment Act, 2025, shall continue to be valid for their respective tenure subject to the terms and conditions governing the grant of such leases and licenses.]

14. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding whatever shall lie against any person for anything which is in good faith done or intended to be done under this Act.

1. Subs. by Act 20 of 1984, s. 3, for the original section 10.

2. Subs. by Act 29 of 1998, s. 3, for “under sub-section (4) of section 6A” (w.e.f. 3-9-1998).

3. Ins. by Act 6 of 2025, s. 9 (w.e.f. 15-4-2025).

4. Subs. by s. 10, *ibid.*, for “mine” (w.e.f. 15-4-2025).

5. Subs. by s. 11, *ibid.*, for “mining lease” (w.e.f. 15-4-2025).

6. Subs. by s. 11, *ibid.*, for “mine” (w.e.f. 15-4-2025).

7. Subs. by the A. O. 1950, for s. 13 (w.e.f. 26-1-1950).

8. Ins. by Act 6 of 2025, s. 12 (w.e.f. 15-4-2025).

¹[THE SCHEDULE

(See section 6A)

RATES OF ROYALTY

1. CRUDE OIL:

(1) PRODUCTION FROM AREAS OUTSIDE NEW EXPLORATION LICENSING POLICY (NELP) REGIME

A. NOMINATION BLOCKS

(i) from 1.4.1993 to 31.3.1996: @ Rs. 539.20 Per Metric Tonne

(ii) from 1.4.1996 to 31.3.1998: @ Rs. 603.95 Per Metric Tonne

B. PRODUCTION FROM AREAS AWARDED ON NOMINATION BASIS TO NATIONAL OIL COMPANIES (NOCs), EXPLORATION BLOCKS AWARDED TO PRIVATE/ JOINT VENTURE CONTRACTORS PRIOR TO NEW EXPLORATION LICENSING POLICY (NELP) AND ONLAND DISCOVERED FIELDS AWARDED TO PRIVATE/JOINT VENTURE CONTRACTORS:

(i) from 1.4.1998 to 31.3.2002 : Monthly average rate per Metric Tonne as per Statement appended;

(ii) With effect from 1.4.2002:

(a) On land areas: @ 20% of Well Head Price

(b) Shallow water offshore areas (upto 400 Mtr water depth): @ 10% of Well Head Price

(c) Deep water offshore areas (> 400 Mtr. Water depth) : @ 5 % of well head price during first 7 years after commercial production and normal rates as applicable to Shallow water areas (upto 400 Mtr. Water depth) during other periods.

(d) Heavier Crude Oils of 25° API and less : 2.5% lesser than the applicable rates as above

(e) Reduced rates of royalty, as may be notified by the Government from time to time, will be levied on production from fields under Enhanced Oil Recovery (EOR)/ Improved Oil Recovery (IOR).

C. PRODUCTION FROM OFFSHORE DISCOVERED FIELDS AWARDED TO PRIVATE /JOINT VENTURE CONTRACTORS:

At the rates as specified in respective Production Sharing Contracts (PSCs)

(2) PRODUCTION FROM AREAS UNDER NELP REGIME:

At the rates determined in accordance with the provisions under respective Production Sharing Contracts (PSCs).

²[(3) Production from contracts awarded under Bid Round-1 of Discovered Small Field Policy, 2015:]

(a) ³[12.5 per cent of the value of crude oil receivable from the buyer in respect of production from on-shore contracts.

(b) 10 per cent of the value of crude oil receivable from the buyers in respect of production from deep water off-shore (>400 meters water depth) contracts for the first seven years after commercial production in the contract area and normal rates as applicable to shallow water (up to 400 meters water depth) contracts during remaining periods.]

1. Ins. by Act 39 of 1969, s. 4 (w.e.f. 1-1-1968).

2. Ins. by S.O. 173(E), dated 15. 01. 2016.

3. Ins. by S.O. 173(E), dated 15.01. 2016.

¹[(4) Production form contracts awarded under Bid Round-II of Discovered Small Field Policy and Hydrocarbon Exploration and Licensing Policy (HELP):

(a) for on-land blocks: 12.5%

(b) for shallow water : 7. 5%

(c) for deep water : no royalty shall be payable for the first seven years from the date of commercial production of crude oil from deep water and shall be payable at 5% thereafter.

(d) for ultra deep water: no royalty shall be payable for the first seven years from the date of commercial production of crude oil form ultra deep water and shall be payable at 2% thereafter.]

²[(5) Concessional rates of royalty in case of early commercial production from contract areas awarded under Hydrocarbon Exploration and Licensing Policy:

For contract areas awarded under Hydrocarbon Exploration and Licensing Policy in respect of bids invited on or after the coming into force of this paragraph, concessional rates of royalty shall apply if there is early commencement of commercial production as below:

(A) In case of on-hand blocks:

If commercial production is commenced within four years from the effective date as specified in the respective contract:

(a) in Category—I Basins: 11.25%

(b) in Category—II Basins: 10%

(c) in Category—III Basins: 8.75%

(B) In case of shallow water blocks;

If commercial production is commenced within four years from the effective date as specified in the respective contract:

(a) in Category—I Basins: 6.75%

(b) in Category—II Basins: 6%

(c) in Category—III Basins: 5.25%

(C) In case of deep water blocks;

If commercial production is commenced within five years from the effective date as specified in the respective contract:

No royalty shall be payable for the first seven years from the date of commercial production and shall be payable thereafter as below:

(a) in Category—I Basins: 4.5%

(b) in Category—II Basins: 4%

(c) in Category—II Basins: 3.5%

(D) In case of ultra deep water blocks:

If commercial production is commenced within five years from the effective date specified in the respective contract:

No royalty shall be payable for the first seven years from the date of commercial production and shall be payable thereafter as below:

(a) in Category—I Basins: 1.8%

(b) in Category—II Basins: 1.6%

(c) in Category—III Basins:1.4%.]

1. Ins. by S.O. 367(E), dated 14.1.2019.

2. Ins. by S.O. 1597, dated 11.4.2019.

2. CASING HEAD CONDENSATE:

(1) PRODUCTION FROM AREAS OUTSIDE NEW EXPLORATION LICENSING POLICY (NELP) REGIME

A. NOMINATION BLOCKS

(i) from 1.4.1993 to 31.3.1996: @ Rs. 539.20 Per Metric Tonne

(ii) from 1.4.1996 to 31.3.1998: @ Rs. 603.95 Per Metric Tonne

B. PRODUCTION FROM AREAS AWARDED ON NOMINATION BASIS TO NATIONAL OIL COMPANIES (NOCS), EXPLORATION BLOCKS AWARDED TO PRIVATE/ JOINT VENTURE (PRIVATE /JOINT VENTURE) CONTRACTORS PRIOR TO NELP AND ONLAND DISCOVERED FIELDS AWARDED TO PRIVATE/JOINT VENTURE CONTRACTORS:

(i) from 1.4.1998 to 31.3.2002 : Monthly average rate per Metric Tonne as per Statement appended:

(ii) With effect from 1.4.2002:

(a) On land areas: @ 20% of Well Head Price.

(b) Shallow water offshore areas (upto 400 Mtr water depth): @ 10% of Well Head Price.

(c) Deep water offshore areas (> 400 Mtr. Water depth): @ 5% of well head price during first 7 years after commercial production and normal rates as applicable to Shallow water areas (upto 400 Mtr. Water depth) during other periods.

(d) Reduced rates of royalty, as may be notified by the Government from time to time, will be levied on production from fields under Enhanced Oil Recovery (EOR)/ Improved Oil Recovery (IOR).

C. PRODUCTION FROM OFFSHORE DISCOVERED FIELDS AWARDED TO PRIVATE /JOINT VENTURE CONTRACTORS:

At the rates as specified in respective Production Sharing Contracts (PSCs).

(2) PRODUCTION FROM AREAS UNDER NELP REGIME:

\At the rates determined in accordance with the provisions under respective Production Sharing Contracts (PSCs).

¹[(3) Production from contracts awarded under Bid Round-II of Discovered Small Field Policy, 2015:]

²[(a) 12.5 per cent of the value of condensate receivable from the buyer in respect of production from on-shore contracts.

(b) 10 per cent of the value of condensate receivable from the buyers in respect of production from off-shore shallow water (up to 400 meters water depth) contracts.

(c) 5 per cent of the value of condensate receivable from the buyers in respect of production from deep water offshore (>400 meters water depth) contracts for the first seven years after commercial production in the contract area and normal rates as applicable to shallow water (up to 400 meters water depth) contracts during remaining periods.]

³[(4) In respect of production from contracts awarded under Bid Round-II of Discovered Small Field Policy and Hydrocarbon Exploration and Licensing Policy (HELP) all the provisions of royalty on crude oil shall apply *mutatis mutandis* to condensates.”]

1. Ins. by S.O. 173 (E), dated 15.1.2016 and further substituted by S.O. 367(E), dated 14.1.2019.

2. Ins. by S.O. 173(E), dated 15.1.2016.

3. Ins. by S.O. 367(E), dated 14.1.2019.

¹[(5) In respect of early commencement of commercial production from contracts areas awarded under Hydrocarbon Exploration and Licensing Policy in respect of bids invited on or after the coming into force of this paragraph, all the provisions of concessional rates of royalty applicable for crude oil shall apply *mutatis mutandis* to condensates.]

²[3. NATURAL GAS:

(1) 10% of the value of the natural gas obtained at well-head.

(2) Production of natural gas from contracts awarded under Bid Round-I of Discovered Small Field Policy, 2015:

(a) 10% of the value of natural gas receivable from the buyer in respect of production from on-shore contracts and off-shore shallow water (up to 400 meters water depth) contracts;

(b) 5% of the value of natural gas from the buyers in respect of production from deep water off-shore (>400 meters water depth) contracts for the first seven years after commercial production in the contract area and normal rates as applicable to shallow water (up to 400 meters water depth) contracts during remaining periods.

(3) Production form contracts awarded under Bid Round-II of Discovered Small Field Policy and Hydrocarbon Exploration and Licensing Policy (HELP):

(a) for on-land blocks: 10%

(b) for shallow water : 7. 5%

(c) for deep water : no royalty shall be payable for the first seven years from the date of commercial production of crude oil from deep water and shall be payable at 5% thereafter.

(d) for ultra deep water: no royalty shall be payable for the first seven years from the date of commercial production of crude oil form ultra deep water and shall be payable at 2% thereafter.

³[(4) Concessional rates of royalty in case of early commercial production from contract areas awarded under Hydrocarbon Exploration and Licensing Policy:

For contract areas awarded under Hydrocarbon Exploration and Licensing Policy in respect of bids invited on or after the coming into force of this paragraph, concessional rates of royalty shall apply if there is early commencement of commercial production as below:

(A) In case of on-hand blocks:

If commercial production is commenced within four years from the effective date as specified in the respective contract:

(a) in Category—I Basins: 9%

(b) in Category—II Basins: 8%

(c) in Category—III Basins:7%

(B) In case of shallow water blocks;

If commercial production is commenced within four years from the effective date as specified in the respective contract:

(a) in Category—I Basins: 6.75%

(b) in Category—II Basins: 6%

(c) in Category—III Basins: 5.25%

(C) In case of deep water blocks;

1. Ins. by S.O. 1597(E), dated 11.4.2019.

2. Subs. by S.O. 367(E), dated 14.1.2019.

3. Ins. by S.O. 1597(E), dated 11.4.2019.

If commercial production is commenced within five years from the effective date as specified in the respective contract:

No royalty shall be payable for the first seven years from the date of commercial production and shall be payable thereafter as below:

- (a) in Category—I Basins: 4.5%
- (b) in Category—II Basins: 4%
- (c) in Category—II Basins: 3.5%

(D) In case of ultra deep water blocks:

If commercial production is commenced within five years from the effective date specified in the respective contract:

No royalty shall be payable for the first seven years from the date of commercial production and shall be payable thereafter as below:

- (a) in Category—I Basins: 1.8%
- (b) in Category—II Basins: 1.6%
- (c) in Category—III Basins: 1.4%

(5) Additional production from existing Administered Price Mechanism field (APM Fields):

The additional production of gas from APM Fields over and above Business as Usual (BAU) scenario which has been evaluated by third party expert agency and approved by Directorate General of Hydrocarbons shall be eligible in rates of royalty by ten per cent of the existing applicable rates.]

¹[Note 1: ²[(1) The well head price of crude oil and casing head condensate for nominated blocks shall be determined by making the following deductions from the sale price of crude oil and casing head condensate:

(a) in case of Oil and Natural Gas Corporation Limited.

- i. three thousand nine hundred and fifty—five rupees per metric tonne for On share; and
- ii. two thousand two hundred and twenty—six rupees per metric tonne for Off shares.

(b) in case of Oil India Limited, two thousand eight hundred and twenty eight rupees per metric tonne.]

(2) The amounts specified in clause (1) shall be the post-well head cost which shall be valid for a period of three years with effect from ²[1st April, 2021] or such period till the revised rates are notified.

(3) Oil Industry Development Cess and Education Cess thereon shall not form part of post well head cost.

(4) Royalty will be calculated on cum-royalty basis as under:

$$\text{Royalty amount} = \frac{\text{Well head price} \times \text{royalty rate}}{(100 + \text{royalty rate}).}]$$

Note 2: Since consultations with the concerned State Governments took some time, it has become necessary to revise the rate of royalty with retrospective effect. The oil producing States stand to benefit and other States are not likely to be adversely affected.

³[**Note 3:** The post well head cost for the purpose of calculating well head price of crude oil or casing head condensate for cases other than nominated blocks of Oil and Natural Gas Corporation Limited or Oil

1. Subs. by GSR. 559(E), dated 20.8.2007.

2. Subs. by S.O. 4382(E), dated 20.10.2021.

3. Ins. by GSR.559(E), dated 20 August, 2007

India Limited and for natural gas in all cases other than Administered Price Mechanism gas of Oil and Natural Gas Corporation Limited or Oil India Limited shall be determined as under:

(1) Per unit rate of post well head cost, that is, per metric tonne or barrel for crude oil or casing head condensate and per Million Metric British Thermal Unit for natural gas shall be determined based on actual post well head expenditure reported in previous year's audited accounts.

(2) In case of production from a new field under the Production Sharing Contract, the post well head cost for the first year may be provisionally estimated by the lessee and duly certified by the Directorate General of Hydro -carbons and final adjustments shall be made within one hundred twenty days from the end of the first year, based on the audited accounts of the first year.

(3) Oil Industry Development Cess and Education Cess, Depreciation expense, Income Tax, surcharge thereon and profit petroleum shall not be allowed as expenditure under post well head cost.

(4) Full records shall be maintained and got audited by lessees or procedures to assess the actual post well head cost incurred in previous year.

¹[(5) Royalty shall be computed on ex-royalty basis :

Provided that for crude oil produced from production sharing contracts signed with private or joint-venture contractors prior to New Exploration Licensing Policy, royalty shall be computed on cum-royalty basis.]

²**Note 4.** For the purposes of the concessional rates of royalty for crude oil, condensates and natural gas, the categorization of sedimentary basins of India shall be as under:

Category-I	Category-II	Category-III
1. Krishna-Godavari Basin	1. Suarashtra Basin	1. Kerala-Konkan Basin
2. Mumbai Offshore basin	2. Kutch Basin	2. Bengal-Purnea Basin`
3. Assam Shelf Basin	3. Vindhyan Basin	3. Ganga-Punjab Basin
4. Rajasthan Basin	4. Mahanadi Basin	4. Pranhita-Godavari Basin
5. Cauvery Basin	5. Andaman-Nicobar Basin	5. Satpura-South Rewa-Damodar Basin
6. Assam-Arakan Fold Belt		6. Himalayan Foreland
7. Cambay Basin		7. Chhattisgarh Basin
		8. Narmada Basin
		9. Spiti-Zankar Basin
		10. Deccan Syneclise Basin
		11. Cuddapah Basin
		12. Karewa Basin
		13. Bhima-Kaladgi Basin
		14. Bastar Basin

1. Ins. by GSR 559(E), dated 20 August, 2007 and substituted by S.O. 615(E), dated 28 August, 2009.

2. Note 4 and Table ins. by S.O. 1597(E), dated 11 August, 2019.

STATEMENT OF MONTHLY AVERAGE RATES OF ROYALTY PAYABLE AS PER METRIC TONNE ON CRUDE OIL & CASING HEAD CONDENSATE AS MENTIONED AT 1 (1) (B) (i) ABOVE.

Details of Monthly Royalty Rates

Month	Royalty rates	Month	Royalty rates
	(Rs./MT)		
Apr-98	411.31	Apr-00	1055.88
May-98	409.46	May-00	1037.69
Jun-98	414.09	Jun-00	915.75
Jul-98	431.35	Jul-00	1100.28
Aug-98	415.32	Aug-00	1165.03
Sep-98	450.01	Sep-00	1126.65
Oct-98	431.35	Oct-00	1180.45
Nov-98	483.15	Nov-00	1331.69
Dec-98	462.8	Dec-00	1279.89
Jan-99	406.53	Jan-01	1298.23
Feb-99	368.45	Feb-01	973.71
Mar-99	398.67	Mar-01	1009.02
Apr-99	374.77	Apr-01	1104.29
May-99	511.06	May-01	1040.62
Jun-99	569.64	Jun-01	1091.19
01 Jul to 14 JUL-99	569.64	Jul-01	1165.5
15 Jul to 31 JUL-99	580.74	Aug-01	1171.05
Aug-99	602.17	Sep-01	1066.21
Sep-99	706.54	Oct-01	1113.39
Oct-99	769.29	Nov-01	1106.76
Nov-99	858.7	Dec-01	904.03
Dec-99	846.99	Jan-02	808.29
Jan-00	942.11	Feb-02	815.29
Feb-00	958.91	Mar-01	815.77
Mar-00	965.39		