



सत्यमेव जयते

Ministry of Petroleum and Natural  
Gas Government of India

India's  
new  
Hydrocarbon Exploration and Licensing Policy (HELP)  
A Prelude

Directorate General of Hydrocarbons

DGH

March 6, 2017  
Houston  
CERA Week

# Agenda

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**Open Acreage Licensing Process**

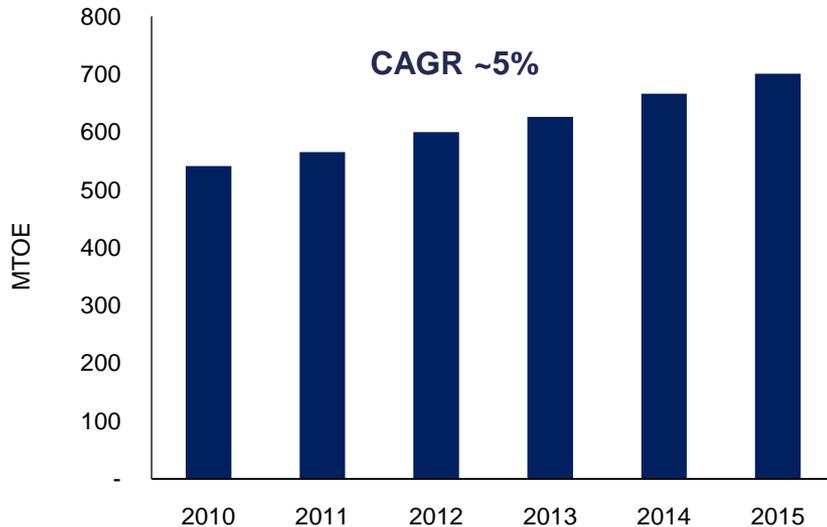
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**Bid Qualifying & Evaluation Criteria**

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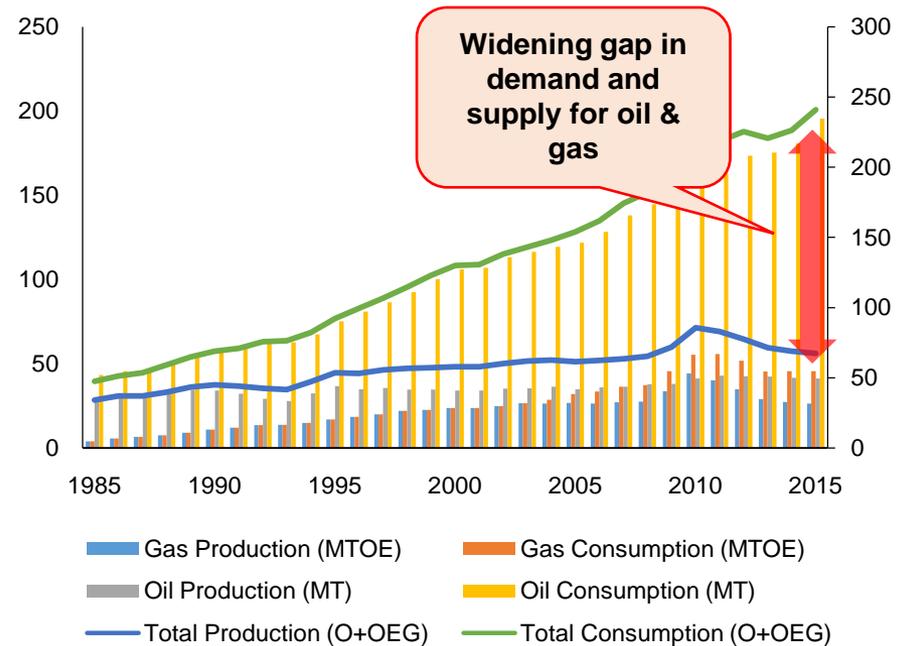
# India's Energy Outlook

## Primary Energy Consumption



Source : BP Statistical Review 2016

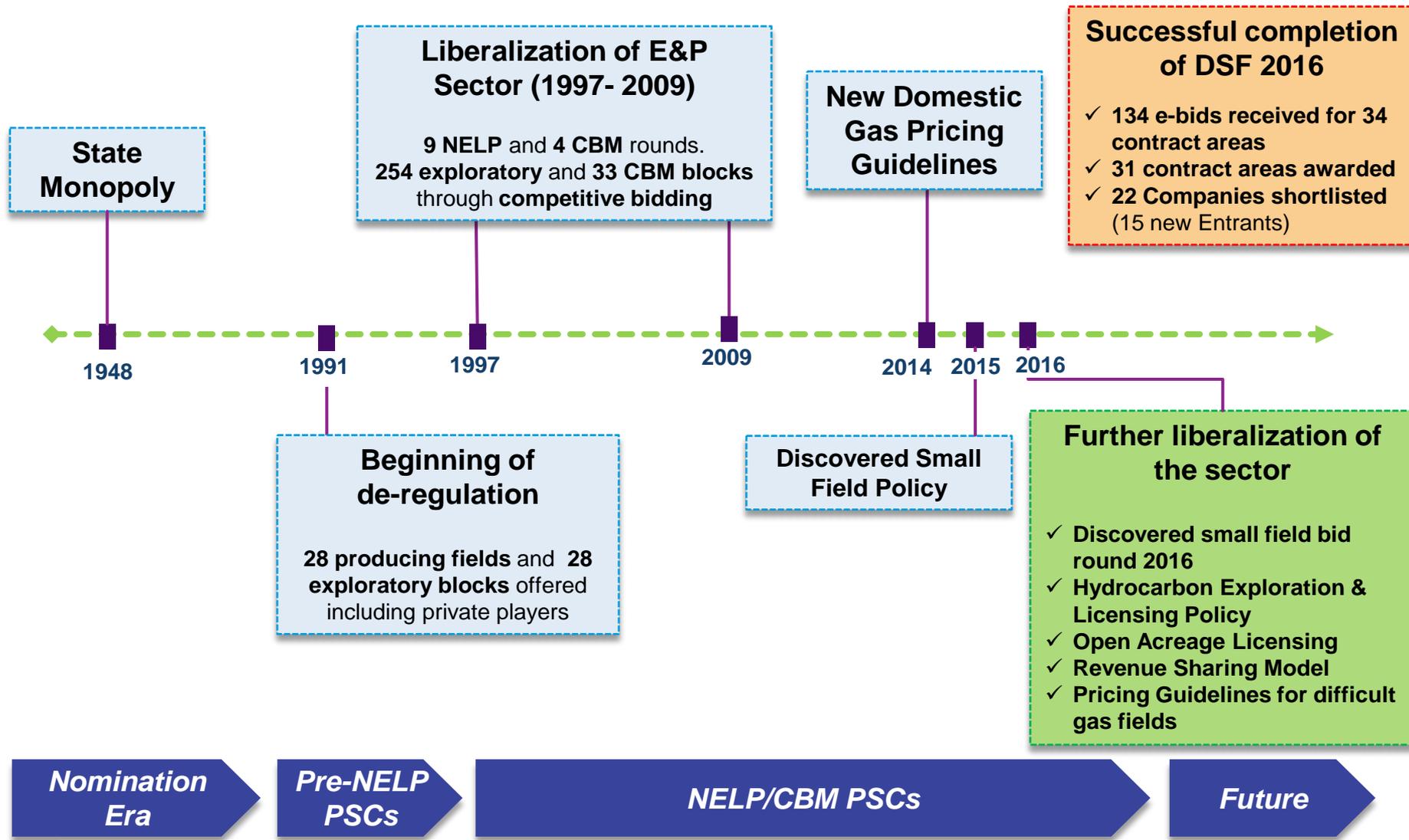
## India Oil and Gas Consumption-Production Snapshot



Source : BP Statistical Review 2016

- India is the **3<sup>rd</sup> largest consumer of oil and petroleum products** after USA and China
- India's oil & gas demand has outpaced the supply significantly. This gap is expected to widen in future as India becomes the leading energy consumer in the World

# Exploration and Production Regime in India



# Sedimentary Basins of India

India has 26 sedimentary basins covering an area of 3.14 million square kilometres



**CATEGORY-I BASIN**  
*(Proven Commercial Productivity)*

Assam-  
Arakan, Cambay, Cauvery, Krishna-  
Godavari Offshore, Mumbai  
Offshore, Rajasthan

**CATEGORY-II BASIN**  
*(Identified Prospectivity)*

Kutch, Mahanadi-NEC, Andaman-Nicobar

**CATEGORY-III BASIN**  
*(Prospective Basins)*

Bengal, Ganga, Himalayan Foreland, Kerala-  
Konkan Lakshadweep

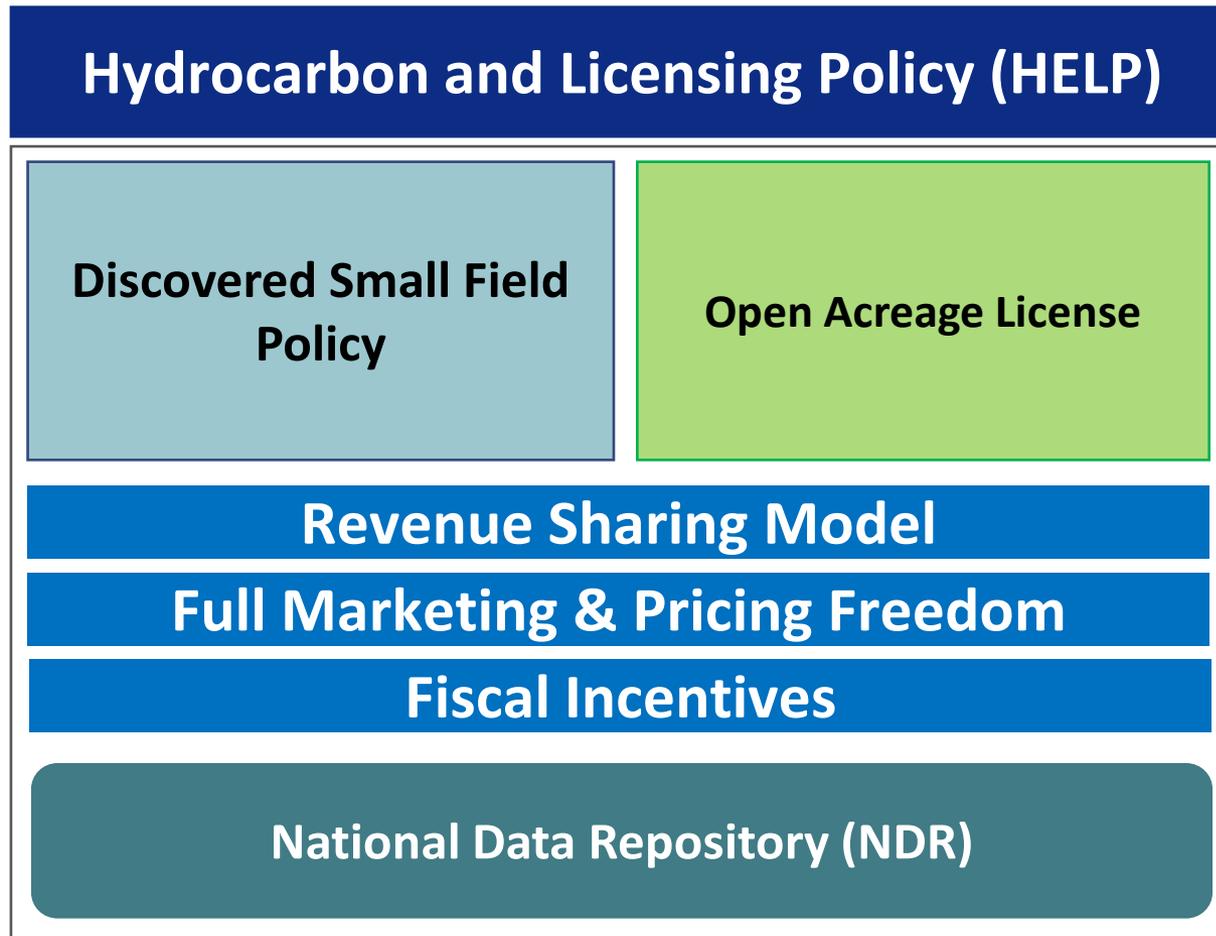
**CATEGORY-IV BASIN**  
*(Potentially Prospective)*

Basar, Bhima  
Kaladgi, Chhatisgarh, Ciddapat, Deccan  
Syncline, Karewa, Narmada, Pranhita  
Godavari, Satpura-S.Rewa-Damodar, Spiti  
Zaskar

**Pre-Cambrian Basement/Tectonised  
Sediments**

# Architecture of the New E&P Policy

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# Attractive Features of HELP

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<b>Open Acreage Licensing</b>	<b>Revenue Sharing Model</b>	<b>Full Freedom for Marketing and Pricing</b>	<b>Single license for conventional &amp; un-conventional hydrocarbons</b>
<b>Increased exploration phase</b>	<b>Continuous exploration permitted during contract period</b>	<b>Equal weightage of work programme &amp; fiscal share</b>	<b>No carried interest by NOCs</b>
<b>Low Royalty for Offshore Fields</b>	<b>Up to 100% FDI allowed</b>	<b>Low regulatory burden</b>	<b>Transparent bidding model</b>

# Fiscal & Taxation Regime

## *A liberalized regime for investors*

- ❖ **Low Royalty Rates** to incentivize exploration in offshore areas

Type of Hydrocarbons	Duration	Royalty Rates (Oil)	Royalty Rates (Natural Gas)
<b>Onland</b>	Throughout	12.5%	10%
<b>Shallow water</b>	Throughout	7.5%	7.5%
<b>Deep water</b>	First 7 years	Nil	Nil
	After 7 years	5%	5%
<b>Ultra-Deep water</b>	First 7 years	Nil	Nil
	After 7 years	2%	2%

- **No oil cess** will be applicable on crude oil production from the blocks
- **Custom duty exemption** on goods and services imported for petroleum operations
- Benefits under Income Tax Act

# National Data Repository

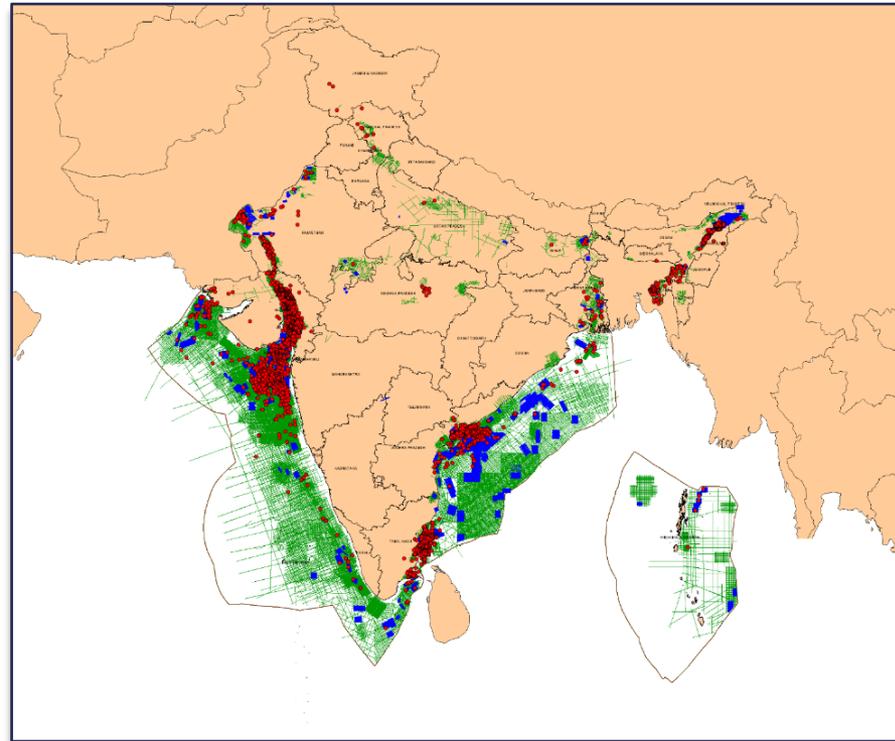
- Central repository for E&P data of India
- High level of Security
- Ease of Access
- Automatic reporting
- Integrated with GIS browser
- Facilitates sharing among users and domain



Facilitation of data viewing through:



# Data loaded in National Data Repository (NDR)



-  2D Seismic
-  3D Seismic
-  Wells

*~1.7 million LKM of 2D seismic data*

*~0.6 million SKM of 3D seismic data*

*~8,500 well logs and ~11,900 well header data*

*Total of 160 TB data is available in NDR as on 28<sup>th</sup> February 2017*

# Open Acreage Licensing

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1

**Flexibility for Investors to carve out blocks of their choice through a minimum [10'x10'] grid**

2

**Easy Access to existing G&G data through NDR**

3

**Flexibility to choose contracts –**

- **Petroleum Operations Contract (POC)**
- **Reconnaissance Contract (RC)**

4

**Incentives to Early Bidders – Originator incentive, Migration incentive from RC to POC**

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**Six months periodicity of bid rounds**

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# Area offered under HELP through OAL

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**Total Sedimentary Area = 3.14 million sq. kms.**

**Total Area offered under OAL = ~2.7 million sq. kms.**

❖ Onshore = ~1.5 million sq. kms.

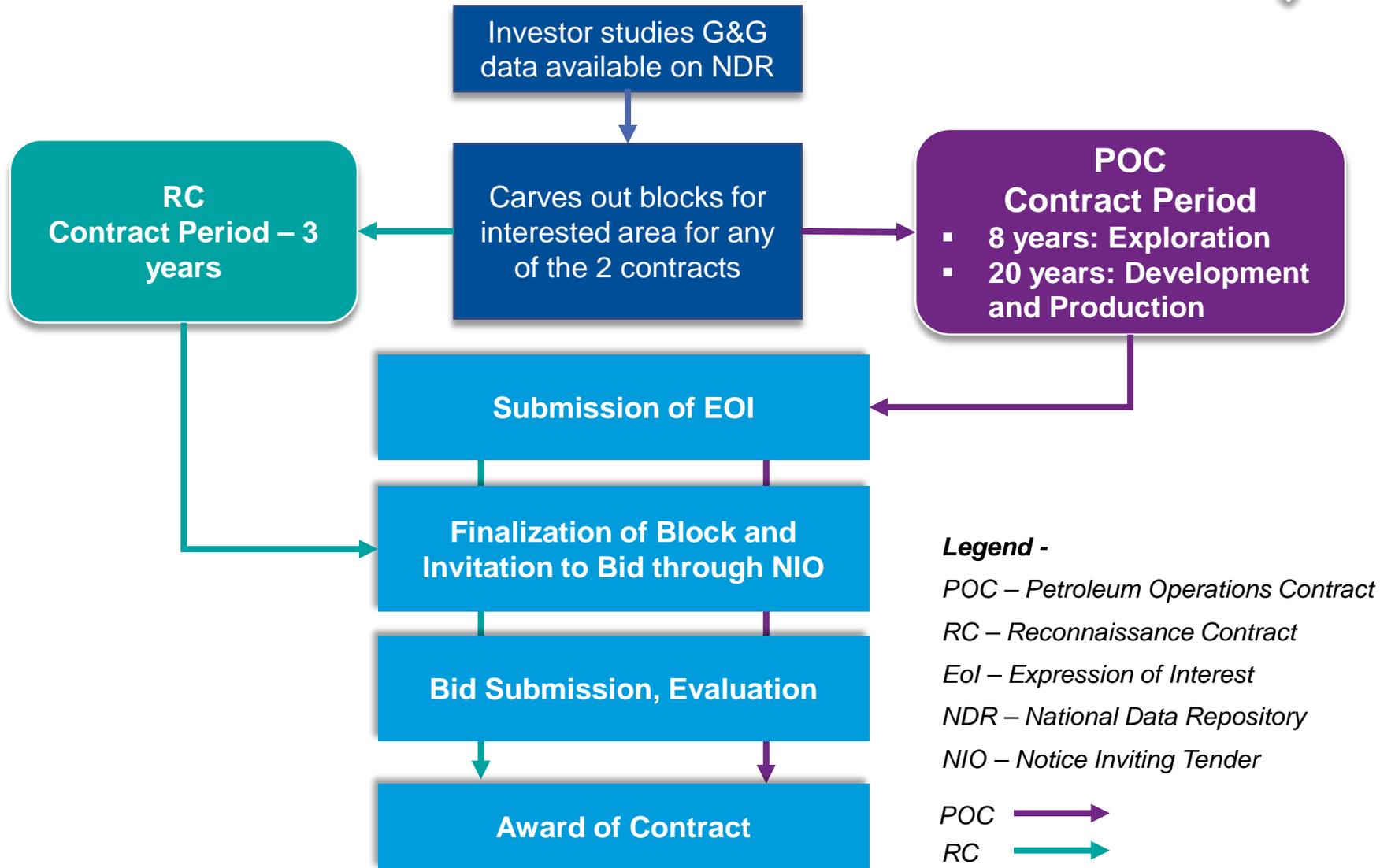
❖ Offshore = ~1.2 million sq. kms.

**Zone 1 & 2**  
**Sufficient to Moderate Data Coverage**  
**5,64,000 sq. kms.**

**Zone 3**  
**Sparse Data Coverage**  
**21,36,000 sq. kms.**

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# Open Acreage Process



# Bidder Qualifying & Evaluation Criteria

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	Reconnaissance Contract (RC)	Petroleum Operation Contract (POC)
Technical Qualification	<ul style="list-style-type: none"> <li>No technical criteria</li> </ul>	<ul style="list-style-type: none"> <li>Operatorship Experience</li> <li>Acreage holding or production</li> </ul>
Financial Qualification	<ul style="list-style-type: none"> <li>Balance Sheet Strength</li> </ul>	<ul style="list-style-type: none"> <li>Balance Sheet Strength</li> </ul>
Bid Evaluation Criteria	<ul style="list-style-type: none"> <li>Work Program</li> <li>Originator Incentive</li> </ul>	<ul style="list-style-type: none"> <li>Work Program</li> <li>Revenue Share</li> <li>Originator Incentive</li> </ul>



Ministry of Petroleum & Natural Gas  
Government of India



PRELUDE

# HYDROCARBON EXPLORATION & LICENSING POLICY (HELP)

A market driven policy framework to provide operational flexibility to the E&P players, and realize the true potential of Indian sedimentary basins



**DIRECTORATE GENERAL OF HYDROCARBONS**  
(Under Ministry of Petroleum & Natural Gas, Govt. of India)

## Thank you

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