

## SCHEDULE [●]

[See Rule 8]

### FORMAT OF PETROLEUM LEASE

This deed for grant of a petroleum lease (“**Lease**”) is made on this [insert day] day of [insert month] [insert year] by and between:

#### PARTIES:

**The Governor of [State]**, acting through [Department of [●]] / **The President of India** acting through the [Ministry of Petroleum and Natural Gas] (hereinafter referred to as the “**Government**”), of the FIRST PART;

AND

XYZ Limited, a company incorporated under the laws of \_\_\_\_\_, (hereinafter referred to as “**XYZ**”) having its registered office at \_\_\_\_\_, which expression shall include its successors and permitted transferees and assigns, of the SECOND PART;

AND

ABC Limited, a company incorporated under the laws of \_\_\_\_\_, (hereinafter referred to as “**ABC**”) having its registered office at \_\_\_\_\_, which expression shall include its successors and permitted transferees and assigns, of the THIRD PART;

Parties of the Second and the Third Part are collectively hereinafter referred to as the “**Lessee**”). The Government and the Lessee shall hereinafter individually be referred to as the “**Party**” and collectively as the “**Parties**”, unless repugnant to the context.

#### WHEREAS:

- A. The Lessee [*in pursuance of the contract/government order/award as applicable dated \_\_\_\_\_*] (hereinafter referred to as the “**Contract**”) and] in accordance with the Oilfields (Regulation and Development) Act, 1948, as amended from time to time (hereinafter referred to as the “**Act**”), and the Petroleum and Natural Gas Rules, 2025, as amended from time to time (hereinafter referred to as the “**Rules**”), has applied for a petroleum lease over the area as more fully described in the **Schedule** (“**Leased Area**”), in accordance with Rule 8 of the Rules.
- B. The Lessee has prior to the date of this Lease, submitted to the Government, a security deposit of INR 25,00,000 (Indian Rupees Twenty-Five Lakhs), in accordance with Rule 7 of the Rules.
- C. Accordingly, the present deed is being executed for grant of a Lease over the Leased Area to the Lessee in consideration of the rent, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, and in furtherance of the execution and performance of the Contract.

**NOW THEREFORE IT IS HEREBY AGREED AMONG THE PARTIES AND THIS LEASE DEED WITNESSETH AS UNDER:**

#### 1. DEFINITIONS & INTERPRETATION

- 1.1. Unless defined otherwise, the expressions used in this Lease shall have the same meaning as ascribed to them under the Act and the Rules.

1.2. All references in this Lease to statutory provisions shall be construed as meaning and including references to:

1.2.1. any statutory modification, consolidation or re-enactment (whether before or after the date of this Lease) for the time being in force; and

1.2.2. all statutory instruments or orders made pursuant to a statutory provision.

## 2. GRANT OF LEASE

2.1. The Government hereby grants the Lease to the Lessee over the Leased Area for conducting mineral oil operations for a period of [*insert no. of years*] years, unless terminated or cancelled in accordance with the Act and rules made thereunder or the Contract (“**Term**”).

2.2. Subject to the Act and the Rules and the terms of the Contract executed between the Government of India and the Lessee, the Lessee shall have:

2.2.1. the exclusive right to explore mineral oils in the Leased Area, including but not limited to, conducting geological and geophysical surveys, drilling of wells, testing operations, and production operations for mineral oils;

2.2.2. the exclusive right to develop and produce mineral oils in the Leased Area along with the right to construct and maintain in and on such Leased Area such works, buildings, plants, platforms, waterways, roads, pipelines, dams, reservoirs, tanks, pumping stations, tram ways, railways, communication cables, electric power lines and other structures and equipment and other facilities as may be necessary for the full enjoyment of the Lease or for fulfilling its obligation under the Lease;

2.2.3. the right to explore, plan, develop and establish comprehensive energy projects in the Leased Area and produce energy therefrom subject to necessary approvals under applicable law;

2.2.4. the right to utilize the Leased Area for decarbonisation activities;

in accordance with the Act, the Rules, the Contract, and the policies, notifications and directions given by the Government of India made under the Act and the Rules.

2.3. The Lessee shall separately obtain a surface lease for the surface area of the land actually used by it for the purpose of carrying out mineral oil operations or comprehensive energy projects, in accordance with applicable law.

2.4. The Lessee shall pay the lease rent in accordance with the Rule 11 of the Rules, and comply with all the covenants and agreements contained herein.

2.5. This Lease shall become effective from the date of deposit of the lease rent for the first year of this Lease, and the Lessee shall continue to make payment of lease rent in accordance with the Act and the Rules.

## 3. RIGHTS AND OBLIGATIONS

3.1. The Lessee shall at all times comply with the provisions of the Act, the Rules, and the policies, notifications and directions issued by the Government of India made under the Act and the Rules and any other applicable law for the time being in force with respect to the Leased Area and the performance of its rights and obligations under the Lease;

- 3.2. Subject to Rule 20 of the Rules, the security deposit furnished by the Lessee may be forfeited upon a breach of the terms and conditions of the Lease, the Act, and the Rules, and in the event of forfeiture, the Lessee shall replenish the forfeited amount in full within thirty days from the date of such forfeiture.

#### **4. CANCELLATION OF LEASE**

- 4.1. The cancellation of this Lease shall be in accordance with Rule 20 of the Rules.
- 4.2. Notwithstanding the foregoing, this Lease shall terminate upon the termination of the Contract.

#### **5. MISCELLANEOUS**

##### **5.1. Transfer or Assignment of Lease**

In the event of any transfer or assignment undertaken in accordance with Rule 23 of the Rules, this Lease shall be amended in the name of the transferee or the assignee, severally or jointly to the extent of the transfer or the assignment, with effect from the date from which such transfer or assignment is made effective.

##### **5.2. Notices**

- 5.2.1. All notices or other communications to be given under this Lease shall be made in writing by letter or email at the respective addresses of the Parties set out below, or such other addresses as the Parties may notify to each other in writing from time to time.

- 5.2.2. The addresses of the Parties for the purposes of this Lease are:

*[insert for all parties]*

- 5.2.3. In all methods of constitution of the lessee, delivery of any notice to the details set out herein shall be deemed to be valid notice to all constituents of the lessee.

##### **5.3. Governing Law and Jurisdiction**

The laws of India shall apply to the Lease, and subject to the dispute resolution mechanism set out in this Lease, the courts of *[insert]* shall have exclusive jurisdiction over all matters pertaining to the present Lease.

##### **5.4. Dispute Resolution**

Any disputes, differences, disagreements, or claims arising out of or in connection with this Lease shall be resolved in accordance with the dispute resolution mechanism specified in the Contract.

##### **5.5. Continuation of obligations**

Pending the resolution of any dispute, the Parties shall, unless otherwise agreed or directed by *[the arbitral tribunal/ the competent court]*, continue to perform their respective obligations under this Lease to the extent practicable.

##### **5.6. Mandatory intimation of dispute to Government of India *[where Lessor is the State Government]***

In the event of any disputes, differences, disagreements, or claims arising out of or in connection with this Lease, the Parties herein shall upon commencement of legal proceedings intimate the Government of India through the Ministry of Petroleum and Natural Gas/ Directorate General of

Hydrocarbons within 7 (seven) days of commencement. It is clarified that the obligation to intimate the Government of India shall independently arise at each stage of the dispute resolution mechanism.

#### **5.7. Consolidation of proceedings in certain cases**

In the event of a subsisting dispute between the lessee and the Government of India under the Contract, the Parties shall, in case of overlap or similarity of subject matter, use their best efforts to refer any disputes, disputes, differences, disagreements, or claims arising out of this Lease to the arbitral tribunal constituted under the Contract.

#### **5.8. Alteration**

No amendment, modification, or waiver of any provision of this Lease shall be valid or binding unless made in writing and signed by the Parties to this Lease.

**IN WITNESS WHEREOF**, this Lease has been executed at the [*name of place*] on [*date*]

For the Lessor

For the Lessee

[*Insert Name*]

[*Insert Name*]

## **SCHEDULE**

1. AREA OF THE LEASE: \_\_\_\_\_ sq/kms

2. DESCRIPTION OF THE LEASED AREA \_\_\_\_\_ and MAP