

## MINISTRY OF PETROLEUM AND NATURAL GAS

## NOTIFICATION

New Delhi, the 9th December, 2025

**G.S.R. 888(E).**—In exercise of powers conferred by sections 5, 6, 9 and 9A of the Oilfields (Regulations and Development) Act, 1948 (53 of 1948) and in supersession of the Petroleum Concession Rules, 1949 and the Petroleum and Natural Gas Rules, 1959, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules regulating the grant of petroleum leases in respect of mineral oils, and for conservation and development thereof, namely:-

### CHAPTER I PRELIMINARY

**1. Short title and commencement.** — (1) These rules may be called the Petroleum and Natural Gas Rules, 2025.

(2) They shall come into force on the date of their publication in the Official Gazette.

**2. Definitions.** — (1) In these rules unless the context otherwise requires,—

(a) “Act” means the Oilfields (Regulation & Development) Act, 1948 (53 of 1948);  
(b) “bore-hole” means a well, drilled in the sub-surface with or without obtaining the cores of rock samples for the purposes of ascertaining information;  
(c) “coal bed methane” means a natural gas consisting primarily of methane contained in coal beds under reservoir condition and extracted from there;  
(d) “comprehensive energy project” shall mean any integrated initiative or undertaking that encompasses the exploration, extraction, development, generation, transmission, distribution, storage and utilisation of energy resources including but not limited to renewable energy sources, exploration and production of hydrogen;  
(e) “condensate” means the low vapour pressure hydrocarbons which are obtained from natural gas through condensation or extraction in the form of liquid at normal surface temperature and pressure conditions;

(f) “continental shelf” shall have the same meaning as assigned to it in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 (80 of 1976);

(g) “contract” means any agreement entered into between the Central Government and a lessee for the conduct of any mineral oil operations in any leased area but does not include the petroleum lease;

(h) “contractor” means any legal entity appointed as contractor under a contract with the Government for carrying out mineral oil operations;

*Explanation.*— For the purposes of this clause, it is hereby clarified that if there is more than one party constituting the contractor, they shall be individually referred to as member;

(i) “crude oil” means the petroleum in its natural state in liquid, viscous or solid form before it has been refined or otherwise treated from which water and foreign substances have been extracted;

(j) “data” means any information related to or arising out of or connected with mineral oil operations and includes, but is not limited to, geological, geophysical, geochemical, petrophysical, engineering data, well logs, maps, reservoir, drilling, production, and operational information, whether raw, modified, altered, adapted, aggregated, organised, structured, aligned, indexed, or otherwise interpreted, and also includes all interpretative and derivative data, including analyses, evaluations, and reports prepared by or on behalf of the lessee;

(k) “day” means any of the seven days of a week;

(l) “decarbonisation” means the reduction of greenhouse gas emissions, capture of carbon emissions and transition to renewable and low carbon energy sources;

(m) “development area” means that part of the leased area which encompasses one or more discovery, and any additional area that may be required for proper development of such discovery;

(n) “discovery” means the finding during mineral oil operations of a deposit or several deposits of mineral oil not previously known, which may be recovered at the surface in a flow measurable by standard testing methods used in the mineral oil industry;

(o) “drilling” or “boring” means perforation of the earth’s surface crust by mechanical means (irrespective of whether the hole caused by the perforation is vertical, inclined, or horizontal) and includes all operations for preventing collapse of the sides of such hole or for preventing such hole from being filled with extraneous materials including water;

(p) “excess lease rent” means the portion of lease rent paid by the lessee in excess of the lease rent that ought to have been paid for the actual area and the actual term of petroleum lease enjoyed by the lessee;

(q) “exclusive economic zone” shall have the same meaning as assigned to it in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 (80 of 1976);

(r) “exploration operations” means the operations conducted in the leased area in search for mineral oil accumulation not previously known, or appraisal of such mineral oil accumulation and shall include but not be limited to aerial, geological, geophysical, geochemical, paleontological, palynological, topographical and geo-scientific surveys, analysis, studies and their interpretation, investigations relating to the sub-surface geology including drilling of exploration wells and appraisal wells, testing and other related activities such as surveying, drill site preparation and all other work necessary for the purpose of exploration of mineral oils;

(s) “field” means the general area, which is underlaid, or appears to be underlaid, by at least one reservoir and shall include the underground reservoir or reservoirs containing mineral oil;

(t) “field development plan” means a plan submitted by the lessee or the contractor to the Central Government for the development of a discovery;

(u) “financial year” means the period from the first day of April of a calendar year to the thirty-first day of March of the following calendar year;

(v) “gas well” means any well, the production from which is predominantly natural gas or condensate, or both;

(w) “geophysical survey” means the search, by instruments for the presence of suitable underground geological structures and includes the sinking of bore-holes for detonating explosives necessary for the purpose, but not the drilling of deep core-holes or the sinking of trial shafts, trenches, or other kinds of large and deep excavations;

(x) “greenhouse gas” means a gas that traps heat in the atmosphere including but not limited to carbon dioxide, methane, nitrous oxide, hydrofluorocarbons and perfluorocarbons;

(y) “greenhouse gas emission” means the release of greenhouse gases from any mineral oil operations, including but not limited to flaring, venting, and combustion processes;

(z) “hydrocarbons” means any organic compound of hydrogen and carbon;

(za) “leased area” means the sub-surface area specified in the petroleum lease within which the mineral oil operations may be undertaken and which may be extended or relinquished in part or in full, in accordance with these rules, from time to time;

(zb) “lessee” means any entity which has been granted a petroleum lease or a mining lease, as the case may be;

(zc) “mineral oil operations” means exploration operations, development operations or production operations or any combination of two or more of such operations, including construction, operation and maintenance of all necessary facilities, plugging and abandonment of wells, safety, environmental protection, transportation, storage, sale or disposition of mineral oil, site restoration and any or all other incidental operations or activities as may be necessary;

*Explanation.* — For the purposes of this clause, the expression “development operations” shall mean the operations conducted in accordance with the field development plan and shall include, but not be limited to the purchase, shipment or storage of equipment and materials used in developing mineral oil accumulations, the drilling of wells, the laying of gathering lines, the installation of facilities and equipment required to produce, process and transport mineral oil into mineral oil storage or processing facilities;

(zd) “national oil companies” means any company engaged in mineral oil operations in which not less than fifty-one percent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a national oil company;

(ze) “natural gas” means the gas obtained from wells and consisting primarily of hydrocarbons including associated natural gas, non-associated natural gas and all its constituent elements but does not include helium occurring in association with such hydrocarbons;

*Explanation 1.* — For the purposes of this clause, the expression “associated natural gas” shall mean natural gas produced in association with crude oil either as free gas or in solution, if such crude oil may by itself be commercially produced;

*Explanation 2.* — For the purposes of this clause, the expression “non-associated natural gas” shall mean the natural gas which is produced either without association of crude oil or in association with such quantities of crude oil which by itself cannot be commercially produced;

(zf) “oil well” means any well which is capable of producing crude oil and which is not a gas well;

(zg) “petroleum” means naturally occurring hydrocarbons, whether in the form of liquid, viscous or solid, or a mixture thereof, but does not include coal, lignite and helium occurring in association with petroleum or coal or shale;

(zh) “production operations” means all operations conducted for the purpose of producing mineral oil from the development area after the commencement of production from the development area including the operation and maintenance of all necessary facilities thereof;

(zi) “reservoir” means a naturally occurring accumulation of mineral oil including a geological unit limited by rock characteristics by structural or stratigraphic boundaries or coal or lignite of any rank which contains mineral oil (whether in association or independent of water or any other minerals) or a combination of these;

(zj) “samples” include core, cuttings, fluid, rock, soil and any other physical material collected during mineral oil operations;

(zk) “schedule” means the schedules appended to these rules;

(zl) “sequestration” means the process of capturing and permanently storing greenhouse gases within underground geological formations, particularly in depleted oil and gas reservoirs, deep saline aquifer, basaltic formations and coal bed methane reservoirs;

(zm) “site restoration” shall mean all activities required to return a site to its state as at the commencement date of the contract or grant of lease or render a site compatible with its intended after-use as far as practicable, after cessation of mineral oil operations pursuant

to a plan approved by the Central Government and shall include, where appropriate, abandonment of wells or other facilities, removal of equipment, structures and debris, establishment of compatible contours and drainage, replacement of top soil, in-filling of excavations and any other appropriate measures as may be required;

(zn) “territorial waters” shall have the same meaning as assigned to it in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 (80 of 1976).

(2) All other words and expressions used and not defined herein, but defined in the Act shall have the same meanings assigned to them in the Act.

## CHAPTER II GENERAL

**3. Prospecting and production of mineral oils.** — The Central Government may either itself or through a person or entity authorised by it, prospect for or produce mineral oils within the territory of India, territorial waters, exclusive economic zone, and the continental shelf of India, the limits of which have been provided under the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 (80 of 1976).

*Explanation 1.*— For the purposes of this rule, the expression “prospect” with its grammatical variations shall mean search for a mineral oil deposit.

**4. No hindrance to mineral oil operations.** — (1) Any existing or future lessee of a petroleum lease shall allow reasonable access to existing and future holders of any other licence or lease granted by the Central Government or the State Government, as the case may be, over the leased area or any area adjoining the leased area or reached by the leased area.

(2) The holder of any other licence or lease granted by the Central Government or the State Government, as the case may be, who has been granted access to the leased area by the holder of a petroleum lease shall,—

- (a) ensure that no substantial hindrance or interference is caused to mineral oil operations; and
- (b) pay fair compensation to the holder of a petroleum lease for any loss or damage sustained by it.

## CHAPTER III PETROLEUM LEASE

**5. Application for grant of petroleum lease.** — (1) An application for the grant of a petroleum lease shall be submitted in the form specified in Schedule- I,—

- (i) where the area falls within the territory of the Central Government, to the Central Government; and
- (ii) where the area falls within the territory of the State Government, to the State Government and the Central Government.

(2) The applicant shall make the following payment to the Central Government or the State Government, as the case may be, namely:—

- (a) a security deposit of rupees twenty-five lakhs, refundable at the expiry of the term of lease, to ensure compliance with the terms, covenants and conditions of the petroleum lease; and
- (b) a non-refundable payment of rupees two lakh fifty thousand for meeting preliminary expenses.

(3) The Central Government or the State Government, as the case may be, shall within one hundred and eighty days of receipt of application with complete information from the applicant, decide the application submitted under sub-rule (1).

(4) In case the decision is to reject the application, the same shall be communicated to the applicant with reasons to be recorded in writing and the security deposit shall be refunded.

(5) In case the State Government does not communicate its decision on the application within ninety days of the receipt of the application, the Central Government at the request of the applicant or of its own accord, shall advise the State Government to expedite the decision on the application.

(6) On the expiry of a period of one hundred and eighty days, if the application has not been decided by the Central Government or the State Government, as the case may be, an application filed in respect of an area falling within the territory of the,—

- (i) Central Government, shall be deemed to have been approved by the Central Government and the Central Government shall promptly execute the deed of petroleum lease with the applicant; and
- (ii) State Government, shall be deemed to have been rejected by the State Government.

**6. Grant of petroleum lease.** — (1) A petroleum lease in respect of,—

- (a) any mineral oil underlying the ocean floor within the territorial waters or the continental shelf or the exclusive economic zone of India and vested in the Union, shall be granted by the Central Government; and
- (b) any mineral oil underlying land within the territory of a State Government, shall be granted by the State Government with the prior approval of the Central Government.

(2) The petroleum lease shall be granted in the format specified in Schedule-II.

(3) The petroleum lease shall be entered into between the applicant and the Central Government or the State Government, as the case may be, within ninety days from the date of approval of the application submitted under rule 5.

(4) For the purposes of calculation of any stamp duty payable on the petroleum lease, the value of the lease shall be the total lease rent payable for the term of the petroleum lease as per rule 9.

(5) Upon execution of the petroleum lease, the terms contained therein shall be final and binding on all parties, and shall not be altered, amended, or modified thereafter except by mutual consent of the parties.

**7. Area and term of the petroleum lease.** — (1) The area of the petroleum lease shall be specified therein and the leased area may be extended or relinquished in part or in full under these rules.

(2) A petroleum lease granted after the commencement of these rules shall, in the first instance be valid for a period of a minimum of four years and a maximum of thirty years, unless cancelled under these rules.

**8. Rights of lessee.** — Unless otherwise specified in the Act and the rules made thereunder or the contract, the lessee shall have the following rights, namely:—

- (i) the exclusive right to explore for mineral oils in the leased area, including but not limited to conducting geological and geophysical surveys, drilling of wells, and testing operations for mineral oils;
- (ii) 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 purposes of the petroleum lease, or for fulfilling its obligations under the petroleum lease;

- (iii) the rights and obligations to carry out site restoration, abandonment, and decommissioning of oil wells, installations, and associated facilities;
- (iv) the rights to explore, plan, develop, and establish comprehensive energy projects in the oilfield and produce energy therefrom; and
- (v) the rights to utilise the oilfields for decarbonisation activities.

**9. Lease rent.** — (1) The lessee shall pay the lease rent for the leased area to the Central Government or the State Government, as the case may be, at the following rates, namely:—

Amount (in Rupees) per square kilometre of leased area	Year
Two thousand	From commencement of first year to completion of fifth year.
Four thousand	From commencement of sixth year to completion of tenth year.
Six thousand	From commencement of eleventh year to completion of fifteenth year.
Eight thousand	From commencement of sixteenth year to completion of twentieth year.
Ten thousand	From commencement of twenty first year and onwards.

(2) The rates prescribed in sub-rule (1) may be increased by the Central Government up to a maximum of ten per cent in every five years from the commencement of these rules and any revision of the rates shall not be applicable to any petroleum leases granted prior to revision of these rates.

(3) The lessee shall, within thirty days of the grant of the petroleum lease, pay the lease rent to the Central Government or the State Government, as the case may be, for the first year in advance and the said lease shall be effective from the date of receipt of the payment.

(4) The lessee shall continue to pay the yearly lease rent in advance for every subsequent year on or prior to each anniversary of the petroleum lease at the prescribed rates.

(5) Any excess lease rent paid by the lessee may be adjusted against the lease rent or royalty due for subsequent years of the petroleum lease, with the prior approval of the Central Government or the State Government, as the case may be.

(6) In the event the petroleum lease is cancelled, the lease rent already paid by the lessee prior to such cancellation shall not be refunded or adjusted.

**10. Extension of term of petroleum lease.** — (1) The Central Government and the State Government with the prior approval of the Central Government, as the case may be, may extend a petroleum lease till the end of the economic life of the field, in accordance with these rules, in one or more instalments:

Provided that the duration of any single instalment of extension of the petroleum lease shall be for a period of not less than three months and not more than thirty years.

*Explanation.*— For the purposes of this rule, the expression “end of economic life of the field” shall mean the point in time beyond which continued production is objectively demonstrated to be commercially unviable.

(2) The economic life of the field shall be assessed taking into account good international petroleum industry practices and relevant factors, including but not limited to prevailing market conditions, resource recovery techniques, and accepted financial measures such as net present value, cash flow, and reserve assessments, and shall be subject to determination by the Central Government.

(3) An application for extension of the term of petroleum lease shall be submitted in the form specified in Schedule III to, —

- (i) the Central Government, where the petroleum lease has been granted by the Central Government; or
- (ii) the Central Government and the State Government, where the petroleum lease has been granted by the State Government.

(4) The application under sub-rule (3) shall be submitted at any time after the expiry of half of the term or the extended term but not later than six months prior to the expiry of the term or the extended term.

(5) The application submitted under sub-rule (3) shall be accompanied with a non-refundable processing fee of rupees five thousand.

(6) The decision of approval or rejection of the application shall be communicated to the lessee, in writing within one hundred and eighty days of receipt of the application.

(7) In case the State Government does not communicate its decision on the application within ninety days of the receipt of the application, the Central Government at the request of the applicant or of its own accord, shall advise the State Government to expedite the decision on the application.

(8) On the expiry of a period of one hundred and eighty days, if the application has not been decided by the Central Government or the State Government, as the case may be, an application filed in respect of an area falling within the territory of the, —

- (i) Central Government, shall be deemed to have been approved by the Central Government and the Central Government shall grant the extension of the petroleum lease in the format specified in Schedule IV; and
- (ii) State Government, shall be deemed to have been rejected by the State Government.

(9) In case the application under sub-rule (3) is approved, the extension of the petroleum lease shall be granted in the format specified in Schedule IV.

(10) For determining the rate of rent applicable during the extended term of a petroleum lease under rule 9, the duration of both the original and extended terms of the petroleum lease shall be considered as a continuous period.

*Illustration.*

A lessee is granted a petroleum lease for ten years and the lease is subsequently extended for another ten years, then, in the first year of the extended term, the lessee shall pay rent at the rate applicable for eleventh year under rule 9.

**11. Relinquishment of leased area.** — (1) Unless otherwise specified in the contract or the petroleum lease, a lessee may relinquish, —

- (i) any part of the leased area other than the area where production operations are being carried out, upon giving at least ninety days written notice of its intention to do so; or

(ii) any part of the leased area where production operations are being carried out, upon giving at least one hundred and eighty days written notice of its intention to do so.

(2) The written notice referred to in sub-rule (1) shall be given to,—

- (i) the Central Government, where the petroleum lease has been granted by the Central Government; and
- (ii) the Central Government as well as the State Government, where the petroleum lease has been granted by the State Government.

(3) The effective date of relinquishment of the leased area or any part thereof shall be the later of the date specified in the notice or the expiry of the timeline provided under sub-rule (1).

(4) The petroleum lease shall stand cancelled to the extent of any area so relinquished.

(5) Any relinquishment under this rule shall be subject to compliance with other obligations of the lessee under the lease, contract and the applicable law.

**12. Extension of leased area where reservoir extends to an area not awarded to any person.** — (1) If a lessee has reason to believe that a reservoir found in the leased area may extend into an area not leased or otherwise awarded to any person, the lessee shall promptly inform the Central Government of such extension and take necessary steps to ascertain the extent of such extension of the reservoir and may, if required, seek a special petroleum lease under rule 62 for the said purpose.

(2) Upon ascertaining the reservoir boundaries, the lessee shall submit an application seeking extension of the leased area up to the reservoir boundaries in accordance with this rule, to:

- (i) the Central Government, where the petroleum lease has been granted by the Central Government; and
- (ii) the Central Government as well as the State Government, where the petroleum lease has been granted by the State Government.

(3) An application for extension of the leased area shall be submitted in the form specified in Schedule V.

(4) The Central Government or the State Government, as the case may be, to whom the application under sub-rule (2) has been submitted, shall decide the application within one hundred and eighty days of receipt of the application.

(5) In case the State Government does not communicate its decision on the application within ninety days of the receipt of the application, the Central Government at the request of the applicant or of its own accord, shall advise the State Government to expedite the decision on the application.

(6) On the expiry of a period of one hundred and eighty days, if the application has not been decided by the Central Government or the State Government, as the case may be, an application filed in respect of an area falling within the territory of the,—

- (i) Central Government, shall be deemed to have been approved by the Central Government and the Central Government shall promptly grant extension of the area in the format specified in Schedule VI; and
- (ii) State Government, shall be deemed to have been rejected by the State Government.

(7) If the application under sub-rule (2) is approved, the extension of the area, shall be granted in the format specified in Schedule VI.

(8) The concerned lessee shall not suspend or keep in abeyance, any mineral oil operations in the leased area on account of taking of any action or pendency of any action taken under this rule.

**13. Unitisation.**— (1) If a lessee has reason to believe that a reservoir found in the leased area may extend into an area leased or otherwise awarded to any person, the lessee shall promptly submit the necessary documents and information relating to the extension of the reservoir to,—

- (ii) the Central Government;
- (iii) the State Governments who have jurisdiction on the area where part or all of the reservoir is situated; and
- (iv) all lessees of the areas in which the reservoir extends.

(2) All the concerned lessees,—

- (i) shall mutually cooperate with each other to ascertain the reservoir boundaries and explore the possibility of joint exploration, development and production of mineral oils from the reservoir, and may take all necessary steps for the said purpose, including sharing the data and participating in technical assessments; and
- (ii) may jointly explore, develop and produce mineral oils for maximising the operational efficiency of recovery of mineral oil.

(3) Where the concerned lessees intend to jointly explore, develop or produce mineral oils, they shall submit a joint development programme to the Central Government and enter into an agreement with the Central Government for the joint exploration, development or production of mineral oils from the reservoir as a unit.

(4) The concerned lessees shall not suspend or keep in abeyance, any mineral oil operations on account of taking of any action or pendency of any action taken under this rule.

**14. Royalty on mineral oils and furnishing of returns and particulars.**— (1) A lessee shall—

- (i) where the petroleum lease has been granted by the Central Government, pay the royalty to the Central Government; and
- (ii) where the petroleum lease has been granted by the State Government, pay the royalty to the State Government,

in respect of any mineral oil produced by it from the leased area at the rate specified in the Schedule of the Act and the royalty shall be payable on a monthly basis and shall be paid by the last day of the month succeeding the period in respect of which it is payable:

Provided that the Central Government or the State Government with the approval of the Central Government, as the case may be, may direct that such royalty be paid in mineral oil:

Provided further that no royalty shall be payable in respect of any mineral oil which is unavoidably lost or is returned to the reservoir or is used for drilling or other operations relating to the production of mineral oil.

(2) The lessee shall within the first seven days of every month furnish or cause to be furnished, a return showing the quantity of all the mineral oil produced during the preceding month from mineral oil operations conducted pursuant to the petroleum lease in the format specified in Schedule VII to:

- (i) the Central Government where the petroleum lease has been granted by the Central Government; and

(ii) the Central Government and the State Government where the petroleum lease has been granted by the State Government.

(3) Where a reservoir underlies the jurisdiction of two or more State Governments or the Central Government, each Government shall be entitled to royalties in proportion to the extent of the reservoir underlying its jurisdiction.

(4) If the Central Government or the State Government, as the case may be, is not satisfied with any return furnished in accordance with sub-rule (2), it may,—

- (i) require the lessee to furnish additional information with respect to the mineral oils produced, or
- (ii) appoint an officer not below the rank of Director to the Government of India to make necessary enquiries related to mineral oil produced.

(5) The officer appointed under sub-rule (4) shall—

- (i) conduct enquiries as it may deem necessary, or
- (ii) require the lessee or the manager or person acting as manager or secretary of such lessee to produce any books, accounts, documents in his possession or control for inspection, which the officer considers necessary for ascertaining the quantity of the mineral oil produced and may make copies thereof.

(6) Upon completion of the enquiries under sub-rule (5), the officer shall submit a report to the Central Government or the State Government, as the case may be.

(7) On receipt of the report submitted by the officer, the Central Government or the State Government, as the case may be, if it is of the opinion that the quantity of any mineral oils declared in the return is incorrect, may determine the quantity of such mineral oils and upon such determination, the lessee shall be required to promptly pay royalty on the quantity assessed to be in excess of the declared quantity and pay interest thereon along with penalties as may be imposed under these rules.

**15. Stabilisation.** — (1) In the event of a change in law, the affected lessee shall be entitled to be restored, as nearly as possible to the economic equilibrium which existed immediately prior to the date of the change in law.

(2) The affected lessee shall no later than ninety days from the occurrence of such change in law, inform the estimated reduction of economic benefit on account of such change in law to the Central Government and the concerned State Government and submit supporting documents evidencing the same and the Central Government or the concerned State Government may seek any additional information or documents concerning the same and the affected lessee shall provide the same within a period of sixty days.

(3) The affected lessee and the Central Government or the State Government, as the case may be, shall use their best efforts to amicably arrive at a mutually acceptable solution within one year from the date of occurrence of the change in law.

(4) If the affected lessee and the Central Government or the State Government, as the case may be, are unable to resolve the matter amicably, the lessee may, at the expiry of the period specified in sub-rule (3), commence provisional adjustment of such sums as it reasonably believes are necessary to restore it to the same financial position as specified in sub-rule (1) against dues payable by it to the Central Government or the State Government, as the case may be, in the manner provided in sub-rule (5).

(5) The deduction under sub-rule (4) may, in the first instance be made from any dues payable by the lessee under the contract, lease, the Act or these rules, to—

- (i) the Central Government, where the change in law is made by Parliament; and
- (ii) the State Government, where the change in law is made by the legislature of that State:

Provided that the lessee, after giving prior notice of not less than thirty days to both the Central Government and the State Government, may adjust any balance amount remaining after such deduction against the dues payable to—

- (i) the State Government, where the change in law is made by Parliament; and
- (ii) the Central Government, where the change in law is made by the legislature of the State.

(6) The lessee shall inform the Central Government and the concerned State Governments of each such deduction made by it, specifying the amount deducted and provide all other relevant and necessary information relating to the deductions made.

(7) The Central Government or the State Government, as the case may be, shall be entitled to dispute any deduction made under this rule, in accordance with the dispute resolution procedure in the contract or lease, as the case may be.

*Explanation.*— For the purposes of this rule, “change in law” shall mean a change in the following:—

- (i) the taxes, duties, levy, cess, fees, royalties, charges, impositions under the laws applicable in India payable by the lessee after the date of the petroleum lease resulting in reduction of economic benefit to the lessee, or
- (ii) any laws for the time being in force in India governing labour and employment, protection of the environment, health or safety, or site restoration and decommissioning, resulting in reduction of economic benefit to the lessee of more than USD 5,000,000 (United States Dollars Five Million) in any financial year after the date of the petroleum lease,

whether such change arises on account of a change in rates, change in the laws applicable in India or change in interpretation by judgement of a court which has become final, conclusive and binding, as compared to such interpretation or application prior to the date of the petroleum lease.

**16. Payment of prevailing market price for producing mineral oils from outside the leased area.**— If any person undertakes production of mineral oils from a well or a borehole located in any area outside the leased area, the Central Government, in addition to a penalty referred to in section 9 of the Act, may require such person to pay the prevailing fair market price of the mineral oils produced outside the leased area, which shall be recovered as arrears of land revenue under applicable law:

Provided that any action under this rule shall be without prejudice to any other legal remedy available to the Central Government or the State Government, as the case may be, under the applicable law.

**17. Application for merger of lease.**— (1) A lessee holding more than one petroleum lease, may submit an application to the Central Government and the concerned State Government to merge or combine two or more leased areas into a single lease for the efficient development, operation, or management of the mineral oil resources.

(2) The Central Government or the State Government with the prior approval of the Central Government, may grant such petroleum lease for any merged or combined areas, on terms and conditions as may be mutually agreed between the lessee and the Central Government or the State Government, as the case may be.

**18. Cancellation of lease.**— (1) If the lessee at any time during the term of the petroleum lease:

- (i) fails to fulfil or contravenes any of the terms, covenants, and conditions contained therein; or

- (ii) fails to use the leased area for *bona fide* purposes for which it has been granted; or
- (iii) uses the leased area for a purpose other than that for which it has been granted; or
- (iv) fails to pay any lease rent, royalty or other payment due in respect of the petroleum lease for a period of more than three months,

the Central Government or the State Government, as the case may be, may issue a notice to the lessee directing it to submit an explanation within ninety days as to why the petroleum lease should not be cancelled.

(2) Where the Central Government or the State Government with the prior approval of the Central Government, as the case may be, after considering the representation, if any, made by the lessee,—

- (i) is satisfied that the failure, contravention or use is not of a remediable nature, or is of a remediable nature but has not been remedied within the notice period of ninety days, it may forfeit the whole or any part of the security deposit made under rule 5 and may cancel the petroleum lease; or
- (ii) is satisfied that the failure, contravention or use is of a remediable nature and has been remedied within the notice period of ninety days, may forfeit the whole or any part of the security deposit made under rule 5, but shall not cancel the petroleum lease:

Provided that the State Government shall not cancel the petroleum lease without obtaining prior approval of the Central Government.

(3) Where the Central Government has entered into a contract with the lessee, the petroleum lease shall stand cancelled upon the termination of the contract.

(4) Any action taken under this rule shall be without prejudice to the powers of the adjudicating authority under these rules.

#### CHAPTER IV

#### OTHER PROVISIONS RELATING TO THE PETROLEUM LEASE

**19. Identification of areas.**— The lessee shall display notices at all conspicuous points where operations are being carried out within the leased area.

**20. Transfer or assignment.**— (1) The lessee shall not assign or transfer its rights, title and interest in the petroleum lease without the consent in writing of the Central Government or the State Government with the prior approval of the Central Government:

Provided that if the transfer or assignment of the rights, title and interests in the petroleum lease is consequent upon or pursuant to a transfer or assignment of the participating interests previously approved by the Central Government under the contract, the Central Government or the State Government, as the case may be, shall not withhold its consent under sub-rule (1).

(2) Upon grant of consent under sub-rule (1), the petroleum lease shall be amended with effect from the date on which the transfer or assignment is made effective.

**21. Pre-emption.**— (1) In the case of a national emergency in respect of mineral oils, the Central Government shall have the right of pre-emption of the mineral oils produced from the leased area or mineral oil products made from the mineral oils:

Provided that the fair market price prevailing at the time of pre-emption shall be paid to the lessee by the Central Government for the mineral oils or mineral oil products taken in pre-emption.

(2) The decision of the Central Government on which circumstances constitute a national emergency in respect of mineral oils shall be final.

**22. General provisions.**— (1) The lessee shall,—

- (i) maintain all apparatus, appliances and wells capable of producing mineral oil in the leased area in good condition and repair; and
- (ii) execute all mineral oil operations in a safe, secure, proper and workmanlike manner and in accordance with good international petroleum industry practices.

(2) Where in the opinion of the Central Government, the mineral oil operations are not being carried out in accordance with good international petroleum industry practices, the Central Government shall pass an order in writing stipulating the steps required to be taken by the lessee to align its operations with good international petroleum industry practices:

Provided that—

- (i) the lessee is given an opportunity of being heard;
- (ii) the order records its reasons in writing; and
- (iii) the order is made for the purposes of optimising recovery of mineral oils while maintaining good reservoir health, ensuring safety or protecting the environment by adopting sustainable practices.

**23. Recovery of helium from natural gas.**— In the event any helium is produced with natural gas from the leased area, the lessee shall inform the same to the Central Government immediately in writing, and thereafter may extract, use, sell or otherwise dispose of the helium in accordance with applicable law.

**24. Continuity of mineral oil operations upon cancellation of petroleum lease.**— Upon cancellation of a petroleum lease or any part thereof, the lessee shall, if required by the Central Government and at the cost of the Central Government, for a specified period not exceeding one year from such cancellation,—

- (i) render full cooperation in ensuring continuity of mineral oil operations, without disruption, until such time as the Central Government or its nominated entity takes over full operational control;
- (ii) provide all technical and operational assistance necessary for the takeover, including the provision of relevant personnel, documentation, and system access; and
- (iii) provide technical assistance, documentation, or personnel support following the takeover, to ensure operational continuity and safety.

**25. Delivery of premises upon determination of petroleum lease.**— Unless otherwise directed by the Central Government under rule 24, upon cancellation, expiry or relinquishment of a petroleum lease or any part thereof, the lessee shall deliver up the area released by such cancellation, expiry or relinquishment after completion of site restoration, and hand over the assets used for mineral oil operations in accordance with the terms of the contract, and where no such contract exists, as per the terms mutually agreed between the Central Government and the lessee.

**26. Interest.**— All lease rent, royalties and other payments under these rules, if not paid to the Central Government or the State Government, as the case may be, within the time specified for such payment, shall attract simple interest equal to the State Bank of India Prime Lending Rate plus two per cent per annum, calculated from the due date until the date of actual payment.

**27. Surface rights.**— (1) A lessee shall separately obtain the land actually used for the purpose of conducting mineral oil operations, either by purchase or on lease from the Central Government or the State Government, local authority or other persons, as the case may be.

(2) Where the surface area has been leased by the Central Government or the State Government or a local authority to a lessee, the surface rent payable to the Government or local authority shall not exceed the land revenue and cesses assessed or assessable on the land.

## CHAPTER V

### REGULATION OF OPERATIONS

**28. Control of operations to prevent escape of mineral oils or access of water.**— The Central Government may, after issuance of a notice to the lessee,—

- (i) assume control of the operation of an oil well or gas well or any other mineral oil well and adopt measures necessary or expedient to prevent the escape of mineral oil or water from the well, if the lessee fails to do so or appears unable to do so;
- (ii) assume control of the operation of an oil well or gas well or any other mineral oil well and adopt measures necessary or expedient to prevent the access of water to such well or to any mineral oil bearing strata;
- (iii) for the above purposes appoint any agents and authorise them to enter upon the premises and perform the necessary and expedient work and for this purpose to take possession of and use any necessary drilling rig, derrick, tools, machinery and other appliances or materials, whether available at the location or in the possession or control of the lessee, for the performance of the said work, and
- (iv) recover from the lessee all the costs and expenses incurred in the performance of the operations so undertaken by the Central Government.

**29. Suspension of operations.**— No lessee shall undertake any of the following actions, without giving a prior notice of fourteen days to the Central Government.—

- (i) suspend normal drilling;
- (ii) suspend normal production operations;
- (iii) abandon an oil well or gas well or any other mineral oil well;
- (iv) re-condition an oil well or gas well or any other mineral oil well; or
- (v) resume drilling operations after a previous completion, suspension or abandonment of an oil well or gas well or any other mineral oil well:

Provided that, if normal drilling or normal producing operations have to be suspended immediately due to any unforeseen reason, notice thereof shall be given to the Central Government within twenty-four hours of such suspension.

**30. Development and monitoring of comprehensive energy projects at oilfields.**—

(1) Any lessee intending to develop a comprehensive energy project shall submit a comprehensive energy development plan to the Central Government, at least six months prior to initiating the process of development of the project.

(2) The comprehensive energy development plan shall include the following, namely:—

- (i) the plan for integration of mineral oil operations and energy projects including but not limited to solar, wind, hydrogen, or geothermal energy projects;
- (ii) feasibility studies for integrating the energy sources;
- (iii) estimated costs of the project;
- (iv) duration of the project;
- (v) estimated generation and production of energy;
- (vi) strategy for sale of generated energy;

- (vii) steps to be taken to ensure that mineral oil operations and comprehensive energy operations are carried out at the site in a safe manner;
- (viii) risk management and contingency plan; and
- (ix) any other information sought by the Central Government.

(3) The Central Government may amend the comprehensive energy development plan and the lessee shall carry out the project in accordance with such amendments.

(4) The lessee may propose modifications to the comprehensive energy development plan and the plan shall stand modified upon approval of the Central Government.

(5) The lessee shall obtain necessary approvals, licences and permits, as required under applicable laws for carrying out the comprehensive energy projects and for continuing the projects after the expiry of the petroleum lease.

## CHAPTER VI

### COLLECTION, AGGREGATION, DISSEMINATION, USE AND SHARING OF DATA AND SAMPLES RELATED TO MINERAL OILS

**31. Cores and samples.**— (1) Every lessee shall, —

- (i) so far as is reasonably practicable collect, label and preserve for reference for a period of at least twelve months all bore-cores and characteristic samples of the strata encountered in all boreholes on the area covered by the lease and samples of any mineral oil or water discovered in any bore-hole; and
- (ii) furnish the reports of all examinations made of the cores and samples to the Central Government.

(2) Cores and samples preserved shall at all times be made available for examination to the Central Government and may be taken for the purpose of examination or analysis, but no information obtained as a result of the examination or analysis shall be published without the consent of the lessee unless the Central Government deems it fit to direct otherwise.

**32. Title in data and lessee's duty to submit data.**— (1) All data obtained as result of mineral oil operations shall be the property of the Central Government.

(2) All lessees shall promptly submit all data collected, generated or otherwise processed in relation to or during the course of mineral oil operations to the Central Government.

(3) The data submitted by the lessee shall conform to the standards, formats and protocols of the Central Government.

**33. Lessee's rights to use data.**— The lessee shall have the right to use, free of cost the data obtained as a result of mineral oil operations and to retain copies of the data for the purpose of its own research and development purposes and for conducting mineral oil operations.

**34. Use and dissemination of data and samples.**— (1) The Central Government shall have the right to use, free of cost, the data and samples for any lawful purpose, including but not limited to, for the purposes of the following, namely:—

- (i) national economic planning and resource management;
- (ii) policy making, academic and scientific research;
- (iii) attracting and facilitating investments in mineral oil operations and exploration of mineral oils in India;
- (iv) conducting environmental, geological and safety assessments;
- (v) facilitating sustainable development, climate resilience, carbon neutrality, biodiversity preservation, social equity, community empowerment, sustainable development goals; and
- (vi) protecting the sovereignty and integrity of India.

(2) The Central Government may share data and samples with academic institutions, research organisations, public bodies and investors, whether domestic or foreign on the terms and conditions as deems fit.

**35. Protection of proprietary data.**— (1) Any data submitted by the lessee to the Central Government which, at the time of submission, is expressly identified and clearly marked as ‘proprietary’, and is demonstrated by the lessee to the satisfaction of the Central Government to be of such proprietary nature, shall be treated as the proprietary data of the lessee.

(2) The decision of the Central Government as to whether any data qualifies as proprietary data shall be final and binding.

(3) The Central Government shall have a worldwide, perpetual, royalty-free, irrevocable, sub-licensable and transferable right to access and use proprietary data in any manner for the purposes of—

- (i) national economic planning and resource management;
- (ii) policy making, academic and scientific research;
- (iii) facilitating sustainable development, climate resilience, carbon neutrality, biodiversity preservation, social equity, community empowerment, sustainable development goals; and
- (iv) processing and interpretation of data for promotion of acreages in the sedimentary basins.

(4) The Central Government shall not disclose proprietary data to any private third party, nor make it publicly available without the prior written consent of the lessee and shall maintain its confidentiality for a period of seven years from the date on which such data came into existence, or such extended period, as may be approved by the Central Government:

Provided that under exceptional circumstances, the Central Government shall make such disclosure, if necessary, under the applicable law.

(5) Where the Central Government discloses proprietary data to any private third party, it shall do so on the condition that such private third party shall maintain confidentiality for a period of seven years from the date on which such data came into existence or such extended period as may be approved by the Central Government.

**36. Transitional and Operational Access Obligations.**— (1) In the event of transfer or cancellation of a petroleum lease, the lessee shall hand over all data and samples required to be submitted under rule 31 and rule 32, to the Central Government within ninety days:

Provided that the lessee may retain one copy of the data for its own use, research and development or for compliance with applicable laws with prior approval of the Central Government but shall not be entitled to make any other use of the data.

(2) The Central Government may allow succeeding lessee or third parties access to the data to ensure continuity of mineral oil operations.

## CHAPTER VII

### ENVIRONMENT PROTECTION, DECARBONISATION, MONITORING OF GREENHOUSE GAS EMISSIONS AND FLARED GAS

**37. Environmental protection.**— (1) The lessee shall comply with applicable environmental laws, minimise the environmental impact of mineral oil operations and take all necessary steps to prevent hazards to human life, property, environment, marine resources or navigation while conducting mineral oil operations.

(2) In case of non-compliance or deviation from sub-rule (1), the Central Government shall direct the lessee to take the necessary remedial measures in a time bound manner.

(3) Where any harm or damage is caused to any person or property or the environment in connection with mineral oil operations:

- (i) the Central Government may undertake remedial measures at the sole cost and expense of the lessee;
- (ii) the lessee shall be liable for any harm or damage in accordance with applicable law; and
- (iii) the lessee shall be liable for any other losses and liabilities of the Central Government arising from the harm or damage.

**38. Reduction of greenhouse gas emissions.**— (1) Every lessee shall submit a plan for monitoring and reduction of greenhouse gas emissions within one hundred and eighty days from the commencement of these rules or along with the submission of the field development plan, whichever is later, with necessary details, including but not limited to:—

- (i) identification of sources of greenhouse gas emissions from mineral oil operations;
- (ii) methodology and frequency of measurements;
- (iii) brief description of the equipment and techniques proposed to be used for measurement;
- (iv) time-bound reduction targets;
- (v) sources of flaring or venting; and
- (vi) milestones to achieve zero gas flaring.

(2) Every lessee shall ensure that in any month, no volume of gas is flared in excess of 0.5 per cent of the production from the field in that month.

(3) If at any time, the volume of flared gas exceeds 0.5 per cent of the daily production from the field, the lessee shall immediately inform the Central Government or the State Government, as the case may be, within twenty-four hours specifying the causes and immediately take remedial steps to reduce the gas flaring.

(4) Every lessee shall adopt all necessary measures to reduce greenhouse gas emissions that take place during the course of mineral oil operations.

(5) Every lessee shall submit monthly report to the Central Government of the gas produced and flared in the preceding month.

(6) Every lessee shall submit an annual report disclosing actions taken as per the plan referred to in sub-rule (1), specifying any deviation from the plans and corrective action taken.

(7) The Central Government or the State Government, as the case may be, may, for the purpose of verification or compliance audit, require the lessee to obtain third-party independent verification of metering, estimation, or reporting.

(8) The lessee shall review and update the plan submitted under sub-rule (1) once in five years.

**39. Authorisation for greenhouse gas sequestration, injection and storage permit.**—

(1) Any lessee intending to assess the feasibility of geological storage of greenhouse gases within a leased area shall, prior to commencement of any activity, obtain an authorisation for such assessment from the Central Government.

(2) Upon completion of the assessment, a lessee may submit an application for the issuance of an injection permit to the Central Government.

(3) The term of the injection permit in the first instance shall be two years, which may be renewed thereafter upon satisfactory performance and compliance with these rules.

(4) The injection permit shall only be for executing pilot tests and studies to establish the geological suitability of the reservoir for permanent sequestration and shall not grant long-term storage rights to the lessee.

(5) The lessee shall conduct the injection of greenhouse gases in accordance with a plan which shall be approved by the Central Government and no deviation from the plan shall be made without obtaining prior approval of the Central Government.

(6) After completion of the injection tests and establishment of the geological suitability of the reservoir for sequestration in the designated geological formations, a lessee intending to store greenhouse gases may apply and obtain a storage permit for permanent storage of greenhouse gases for sequestration purposes from the Central Government.

(7) The lessee shall submit an environmental management plan and a disaster management plan to the Central Government and the State Government, outlining the measures to mitigate risks to the environment, including groundwater contamination, surface water impacts and atmospheric releases and shall comply with the plans.

**40. Monitoring, reporting and verification of injected greenhouse gases.**— (1) The lessee shall undertake continuous monitoring of the geological formation, including pressure levels, gas migration and seal and reservoir integrity throughout the period during which greenhouse gases are injected.

(2) The lessee shall submit annual reports to the Central Government detailing the volumes of greenhouse gases injected, reservoir behaviour and any deviations from the approved injection plan.

(3) The lessee shall report any incident of greenhouse gas leakage or other environmental hazard pertaining to greenhouse gases immediately to the Central Government and the concerned authorities along with the details of the remedial measures taken by the lessee.

(4) The Central Government shall audit or verify the lessee's greenhouse gas storage and sequestration activities, monitoring, reporting and verification data or on-site operations.

*Explanation.*— For the purposes of this rule, the expression "monitoring, reporting, and verification" shall mean continuous oversight, data collection, and periodic submission of reports.

(5) The lessee shall be liable for any damage caused to the environment or public health on account of greenhouse gases storage operations during the period of active sequestration and for the post-injection period and shall be required to compensate the affected parties and take remedial measures to address environmental or public health concerns.

**41. Closure and post-injection monitoring of injected greenhouse gases.**— (1) Upon cessation of greenhouse gas injection and completion of the monitoring period, the lessee shall submit a site closure plan to the Central Government for approval, which shall include:—

- (a) procedures for well plugging and abandonment;
- (b) restoration of the surface area to its original or an agreed-upon condition; and
- (c) post-closure monitoring provisions,

and take all steps for site closure in accordance with the approved site closure plan, the applicable laws and the good international petroleum industry practices.

(2) The lessee shall continue to monitor the site for a minimum period of five years after site-closure and shall ensure the integrity of the geological storage and report any anomalies to the Central Government and concerned authorities.

**42. Measurement and reporting of flared gas.**— (1) The lessee shall accurately measure the volume of gas flared.

(2) The lessee shall report the volume of gas flared and the associated emissions to the Central Government on a quarterly basis.

**43. Site restoration.**— (1) The lessee shall undertake site restoration in accordance with the guidelines, schemes and policies of the Central Government notified from time to time and the good international petroleum industry practices.

(2) The lessee shall maintain a site restoration fund in accordance with guidelines, schemes and policies of the Central Government.

(3) If the lessee fails to comply with sub-rule (1), the Central Government may issue directions to the lessee to take the remedial measures and its timeline.

(4) In the event of failure to comply with sub-rule (1) or the directions issued under sub-rule (3), the Central Government shall undertake remedial measures at the sole cost and expense of the lessee.

(5) The lessee shall be liable for:

- (a) any harm or damage caused to any person, property or the environment in accordance with the applicable laws, and
- (b) any other losses and liabilities of the Central Government arising from such harm or damage.

## CHAPTER VIII

### SHARING OF INFRASTRUCTURE AND FACILITIES

**44. Declaration of infrastructure capacity.**— The lessee shall make an annual declaration to the Central Government of the installed, utilised and excess capacity of the infrastructure facilities relating to mineral oil operations owned by it.

**45. Development and sharing of infrastructure by mutual agreement.**— Two or more lessees may jointly develop or share infrastructure facilities for mineral oil operations on mutually agreed terms and conditions.

**46. Declaration and use of excess capacity in infrastructure facilities.**— (1) Where lessees are unable to mutually agree on the terms and conditions for sharing an infrastructure facility, any lessee seeking to use the excess capacity of such facility may make a representation to the Central Government requesting,—

- (i) determination of the available excess capacity; and
- (ii) permission for use of such excess capacity by other parties.

(2) Upon receipt of such representation or on its own motion in public interest, the Central Government shall issue a notice to the person who owns, has developed, or has obtained the infrastructure facility on lease, hire or through any other lawful arrangement, indicating its intent to determine and permit the use of any excess capacity therein and direct the person to furnish all relevant information relating to the infrastructure facility, including costs within sixty days of the receipt of the notice.

(3) The person to whom notice is issued shall provide the relevant information and may also submit the following within the period specified in sub-rule (2),—

- (i) objections to the proposed use of the excess capacity; or
- (ii) proposed terms and conditions acceptable to it for sharing such excess capacity.

(4) The Central Government shall, after giving an opportunity of being heard to both the parties, pass an order within a period of one hundred and eighty days from the date of issuance of the notice under sub-rule (2),—

- (i) determining the existence and extent of excess capacity, if any; and
- (ii) prescribing the terms, conditions, reasonable tariff and duration for the use of such excess capacity by other parties.

(5) The Central Government while passing an order under sub-rule (4), shall consider all relevant factors, including the operational requirements of the person who owns, has developed, or has obtained the infrastructure facility on lease, hire or through any other lawful arrangement.

(6) Both the parties shall submit a report of the action taken pursuant to the order passed by the Central Government within sixty days of the receipt of the order.

## CHAPTER IX

### ADJUDICATING AUTHORITY

**47. Continuity of proceedings.**— In case the officer designated as the adjudicating authority ceases to hold office for any reason whatsoever, the proceedings shall continue from the same stage before the newly appointed adjudicating authority.

**48. Adjudication.**— (1) A complaint may be preferred against the lessee or any other person either by the Central Government or the State Government or any other person, in writing to the adjudicating authority, wherein the complaint must necessarily disclose the following, namely:—

- (a) the details of contraventions and breaches under the Act and the rules;
- (b) the persons involved in the contravention; and
- (c) the documents evidencing the commission of the breaches or contraventions.

(2) Upon receipt of the complaint from a person other than the Central Government or the State Government, the adjudicating authority shall conduct a preliminary inquiry and submit a report to the Central Government, within a period of forty-five days from the date of receipt of complaint.

(3) In case the report of the adjudicating authority discloses sufficient ground for proceeding with the case, or in case the complaint is made by the Central Government or the State Government, the adjudicating authority shall issue a show cause notice to the lessee or any other person, as the case may be, to submit an explanation as to why an inquiry should not be commenced against the lessee or any other person for inquiring into the contraventions.

(4) In case the report of the adjudicating authority discloses insufficient ground for proceeding with the case and the adjudicating authority is satisfied, he shall pass a reasoned order declining the request to initiate the inquiry.

(5) A show cause notice issued by the adjudicating authority shall include the following, namely:—

- (i) the details of contraventions and breaches under the Act and the rules; and
- (ii) supporting documents including copy of the complaint.

(6) The lessee shall be afforded an opportunity of hearing within thirty days of the receipt of the explanation to the show cause notice.

(7) Upon receipt of the show cause notice, the lessee or any other person shall submit a written explanation within sixty days from the date of receipt of the said notice and shall necessarily provide the following, namely:—

- (i) a brief background of the case;
- (ii) a detailed statement of facts;
- (iii) explanations, justifications and specific responses to each contravention or breach alleged in the show cause notice;
- (iv) specific denials of any allegations of fact not admitted as true;
- (v) a supporting affidavit affirming and verifying the contents of the explanation; and

(vi) all documents relied upon in support of the case:

Provided that in case, the document is not in the possession or control of the lessee or such person, the explanation shall disclose the identity of the person or entity in whose possession or control the document is.

(8) If the lessee or any other person to whom a show-cause notice has been issued, fails to submit the explanation within the time limit specified in sub-rule (7) and the adjudicating authority is satisfied that the lessee had sufficient cause for not submitting the explanation, he shall condone the delay for a period of thirty days for submission of the explanation.

(9) During the hearing, the lessee or any other person may make oral submissions either itself or through its duly authorised representative and may provide written submissions to the adjudicating authority along with supporting documents and evidence.

(10) If the lessee or any other person fails to appear for hearing on the date so appointed, an opportunity may be given by issuing a reminder to appear within fifteen days of receipt of the reminder, failing which the adjudicating authority shall decide the matter *ex parte* on merits.

(11) The adjudicating authority may, within thirty days from the date of the conclusion of the hearing or the date of order to proceed *ex parte*, as the case may be, if necessary, give an opportunity to the complainant to submit an explanation on:

- (i) the submissions made by the lessee or any other person; or
- (ii) any new issue raised by the lessee or such person.

(12) The adjudicating authority, may if necessary, seek assistance of technical, financial and legal experts in order to conduct the inquiry.

(13) The adjudicating authority may draw adverse inference against a person who refuses to comply with any summons, directions or instructions issued by it.

(14) The record of the proceedings held before the adjudicating authority shall be duly maintained.

(15) The adjudicating authority, within a period of one year from the date of receipt of the complaint, shall pass a reasoned order deciding the matter after taking into consideration the submissions made by the parties and the record available and specify the quantum of any penalty levied.

(16) If the adjudicating authority is of the opinion that any of the issues referred to it, disclose a dispute between parties which is capable of or requires settlement through mediation, conciliation or arbitration, the adjudicating authority may direct the parties to refer the matter for dispute resolution under rule 51.

(17) The adjudicating authority may segregate issues capable of or requiring settlement through dispute resolution mechanism from other issues referred to it and direct the parties to refer only the segregated issues for settlement.

(18) An appeal against an order passed by the adjudicating authority shall lie with the Appellate Authority in accordance with the provisions of Section 9B of the Act.

**49. Payment of penalty and interest.**— (1) The penalty imposed by the adjudicating authority shall be paid within forty-five days of receipt of the order, subject to orders passed by the Appellate Authority, if any.

(2) Where the penalty is not paid within the time limit specified in sub-rule (1), the penalty shall attract simple interest at a rate equal to the State Bank of India Prime Lending Rate plus two percent per annum, calculated from the expiry of the period set out in sub-rule (1) until the date of actual payment.

**50. Manner of recovery of penalties.**— Where any person who is liable to penalties under the Act and these rules, fails to pay such penalty and the applicable interest within the time specified in these rules, the Central Government may recover such penalties by:

- (i) adjusting the necessary amount from any amount deposited with the Central Government or the State Government, as the case may be, as security deposit;
- (ii) invoking any guarantee or encashing any bond submitted to the Central Government or the State Government, as the case may be;
- (iii) adjusting the necessary amount against any dues payable by the Government to such person;
- (iv) issuing a recovery certificate specifying the amount due and sending it to the competent revenue authority for recovery as arrears of land revenue under applicable law; and
- (v) taking any other legal recourse as per the applicable law.

## CHAPTER X

### DISPUTE RESOLUTION

**51. Resolution of disputes.**— (1) In the event of any dispute, difference, or claim arising out of or in connection with the petroleum lease or contract between the lessee, contractor and the Central Government or the State Government, as the case may be, executed after the commencement of these rules, the parties therein shall endeavour to resolve such disputes, differences, or claims in accordance with the dispute resolution procedure as set out in the petroleum lease or contract.

(2) Where arbitration is provided for in the lease or contract, the seat of arbitration at the time of execution of the lease or contract, shall be at:

- (a) New Delhi, India or a neutral jurisdiction as opted by the contractor, where any lessee or member of the contract is a foreign company as defined in the Companies Act, 2013; and
- (b) New Delhi, India, where all of the lessees or members of the contract are companies incorporated in India:

Provided that where the lessee or a member of the contract is a subsidiary company incorporated in India and its holding company is a foreign company holding more than fifty-one per cent of its shareholding, the seat of arbitration shall be at New Delhi, India or a neutral jurisdiction as opted by the contractor.

(3) In the event of any change in the parties to the applicable petroleum lease or contract, the parties may apply to the Central Government or the State Government, as the case may be, for amendment of the seat of arbitration in the contract or the petroleum lease, subject to the requirements specified in sub-rule (2).

(4) For the purposes of the Act and the rules, the following matters shall be non-arbitrable, namely:—

- (i) disputes involving the imposition of penalties under these rules;
- (ii) disputes resolved through mediation; and
- (iii) disputes involving third-party rights, including compensation for loss of life, bodily injury, or environmental damage.

## CHAPTER XI

### SPECIAL PROVISIONS FOR REGULATION OF MINERAL OIL OPERATIONS IN AREAS AWARDED ON NOMINATION BASIS TO NATIONAL OIL COMPANIES

**52. Application.** — The provisions of this chapter shall apply only to licenses and petroleum leases granted by the Central Government to national oil companies by way of nomination, without following a bidding process and shall be applicable in addition to the other provisions of these rules.

**53. Discovery.**— (1) The national oil companies operating in areas awarded on nomination basis, shall notify all existing discoveries to the Central Government within thirty days from the commencement of these rules.

(2) The national oil companies shall submit a field development plan in respect of each existing discovery, clearly delineating the area proposed to be treated as development area within a period of one year from the commencement of these rules.

(3) If, within two years from the date of commencement of these rules, a discovery is made, the national oil company shall notify the Central Government within seven days from the establishment of the discovery and shall submit a field development plan in respect of the discovery, clearly delineating the area proposed to be treated as development area within a period of six months from the date of establishment of the discovery.

**54. Field Development Plan.** — (1) The Central Government shall within ninety days of the receipt of the field development plan convey the decision to approve or disapprove the area that may be retained as development area.

(2) The development area once approved by the Central Government shall not be modified in any manner without the prior approval of the Central Government.

(3) The national oil companies may modify the field development plan:

Provided that any change in the development area shall be made with the approval of the Central Government.

(4) In case, the Central Government does not approve the development area demarcated in the field development plan, the national oil company may submit a revised field development plan in consultation with the Central Government within a period of six months from the date of receipt of the communication disapproving the development area demarcated by the national oil company.

(5) On the expiry of the period of ninety days from the receipt of the field development plan, if no decision of the Central Government is conveyed to the national oil company, the development area shall be deemed to have been approved.

**55. Monitoring of development and production operations.** — (1) The national oil companies shall submit an annual statement of the development and production operations carried out in accordance with the field development plan within ninety days of the end of the financial year.

(2) The national oil companies shall submit requisite data sought by the Central Government regarding the mineral oil operations conducted by it.

**56. Relinquishment of leased area.** — On the expiry of two years from the commencement of these rules, the entire area held by the national oil companies on nomination basis shall stand relinquished, except:

- (i) any area where the discovery has been made under sub-rule 3 of rule 53;
- (ii) any development area approved by the Central Government; and
- (iii) any areas where production operations are being carried out by the national oil companies.

**57. Site restoration.** — The national oil companies shall carry out site restoration in such areas in accordance with guidelines, schemes and policies of the Central Government as issued from time to time and maintain a site restoration fund in accordance with procedure specified in the Site Restoration Scheme, 1999.

## CHAPTER XII

### MISCELLANEOUS

**58. Extension of rights under existing contracts or mining leases for all mineral oils.** — The rights granted under all contracts or mining leases executed prior to commencement of these rules shall be deemed to have been granted in respect of all mineral oils from the date of the commencement of these rules.

**59. Existing leases and pending applications.** — (1) The holder of a mining lease granted prior to commencement of these rules shall, until the expiry of the mining lease, have the option to apply for a petroleum lease under the provisions of rule 5.

(2) Where a lessee opts to apply for a petroleum lease under sub-rule (1), the lessee shall ensure that any contract entered into between the lessee and the Central Government is amended prior to filing of the application for grant of petroleum lease in order to incorporate any changes consequential to exercise of such option, as deemed necessary by the Central Government.

(3) Where an application for issuance of a mining lease or extension thereof is pending consideration on the date of the commencement of these rules, the applicant shall re-apply for a petroleum lease under these rules and shall be exempted from making payment of the application fee, security deposit and a deposit for meeting preliminary expenses:

Provided that where a contract has been executed with the Central Government and the amendment of the contract is necessary, the applicant shall enter into an amended contract with the Central Government prior to filing of the application for grant of petroleum lease.

**60. Application for petroleum leases to be filed upon expiry of existing mining lease.** — If the term of a mining lease expires after commencement of these rules, the lessee shall apply for a petroleum lease under these rules.

Provided that where a contract has been executed with the Central Government and the amendment of the contract is necessary, the applicant shall enter into an amended contract with the Central Government prior to filing of the application for grant of petroleum lease.

**61. Amendment of lease upon extension of leased area.**— (1) Where the holder of a mining lease seeks to extend the area allocated under the mining lease, the lessee shall file an application for grant of extension of the leased area before the Central Government or the State Government, as the case may be.

(2) In case the application is approved, the mining lease shall be amended to incorporate the change in the area.

(3) All other terms and conditions of the mining lease shall remain unaltered for the remaining term of the mining lease.

**62. Special petroleum lease for specific petroleum operations.**— (1) Special petroleum leases may be granted by the Central Government or the State Government with the prior approval of the Central Government, to permit an applicant to perform certain specific petroleum operations in the area demarcated therein, including but not limited to the following, namely:—

- (i) conducting exploration operations in an area solely for the purposes of determining the extent of reservoir boundaries as per rules 12 or 13; and
- (ii) conducting exploration operations solely for the purposes of collection of data.

(2) An application for a special petroleum lease shall be submitted in the form specified in Schedule- VIII, —

- (i) where the area falls within the territory of the Central Government, to the Central Government; and
- (ii) where the area falls within the territory of the State Government, to the State Government along with a copy of the prior approval of the Central Government.

(3) The applicant shall submit a security deposit of rupees two lakh to the State Government where the area falls within the territory of the State Government and in other cases, to the Central Government.

(4) The security deposit shall be refunded, if the application is rejected or at the expiry of the special petroleum lease.

(5) The application shall be decided by the Central Government or the State Government, as the case may be, within one hundred and eighty days of receipt of application with complete information and security deposit from the applicant.

(6) If the decision is to reject the application, the same shall be communicated with reasons to be recorded in writing and the security deposit shall be refunded to the applicant.

(7) On the expiry of a period of one hundred and eighty days, if the application has not been decided by the Central Government or the State Government, as the case may be, an application filed in respect of an area falling within the territory of the, —

- (i) Central Government, shall be deemed to have been approved by the Central Government and the Central Government shall promptly execute the deed of special petroleum lease with the applicant; and
- (ii) State Government, shall be deemed to have been rejected by the State Government.

(8) The area of the lease shall be specified in the special petroleum lease granted by the Central Government or the State Government, as the case may be.

(9) The term of the special petroleum lease shall be specified therein and shall not exceed four years.

(10) The Central Government or the State Government with the prior approval of the Central Government, may, if deemed necessary extend the term of the special petroleum lease.

(11) The rights and the obligations of the lessee shall be specified in the special petroleum lease granted by the Central Government or the State Government, as the case may be.

(12) The lessee of a special petroleum lease shall pay an annual rent in advance, computed at the rate of Rs. 100 per square kilometer for the entire area leased.

(13) The special petroleum lease shall be entered into between the applicant and the Central Government or the State Government, as the case may be, within ninety days from the approval of the application.

(14) For the purposes of calculation of any stamp duty payable on the special petroleum lease, the value of the lease shall be the total lease rent payable under the special petroleum lease.

(15) Upon execution of the special petroleum lease, the terms contained therein shall be final and binding on all parties and shall not be altered, amended or modified thereafter, except by mutual consent of the parties.

**63. Power to extend time limits.** — The Central Government may, if it deems necessary and expedient in public interest, extend the time limit specified in these rules.

**64. Modification of terms of petroleum lease.** — The Central Government or the State Government with the prior approval of the Central Government, may, at any time prior to the execution of the petroleum lease under sub-rule (3) of rule 6 or extension of the term under rule 10 or area of any petroleum lease under rule 12, incorporate additional terms to address concerns relating to the leased area, health and safety, protection of the environment, national security or public interest.

**65. Penalties for contraventions of rules.** — (1) Whoever fails to comply with or contravenes any of the provisions of these rules or any direction or order issued by the competent authority under these rules, shall be liable to pay penalty in accordance with Section 9 of the Act.

(2) Whoever furnishes any information, document, return or report under these rules which is false, misleading or materially incorrect or knowingly withholds any information, document, return or report required to be submitted under these rules shall be deemed to have contravened the provisions of these rules and shall be liable to pay penalty in accordance with Section 9 of the Act.

(3) Whoever, having already been penalised under this rule, continues to contravene the provisions of the Act or these rules, shall be liable to pay a further penalty in accordance with sub-section (3) of section 9 of the Act.

**Schedule – I**  
**(Application for grant of Petroleum lease)**  
*[See rule 5 (1)]*

**1. General Information:**

S1. No.	Description	Details	
(i)	(a) Details of contract executed between Government and applicant (if applicable)		
	(b) Applicant Name		
	(c) Address		
	(d) Place of incorporation		
(ii)	Name of Petroleum Lease (if applicable)		
(iii)	Name of State (if applicable for onland)		
(iv)	Name of Basin or Asset (if applicable)		
(v)	Regime		
(vi)	Type of Company (s) (Public or private)		
(vii)	Detail(s) of Petroleum Exploration License or Petroleum Mining Lease from which area applied for conversion to Petroleum Lease (if applicable)		
(viii)	Area of the lease applied		
(ix)	Duration applied for Grant	From _____ to _____	
(x)	Statutory Fees Paid	Amount	Date of payment
	(a) Application Fee (if applicable)		
	(a) Preliminary Expenses		
	(b) Security Deposit		

**2. Proposed petroleum lease area details:**

(i) Co-ordinates of the applied area:

(a) Projection system (in World Geodetic System 1984).

Projection System	Spheroid	Zone

(b) Co-ordinates of the lease:

Points	X	Y	Longitude			Latitude		
			Degrees	Minutes	Seconds	Degrees	Minutes	Seconds

(c) Map of the petroleum lease applied:

(d) Whether the proposed area or part thereof falls within any reserve forest. If so, mention the area in sq.km that falls within reserve forest along with the name of reserve forest :

(e) In case of village, the name of the village & area covered:

(f) Lists of Districts:

(g) Details of existing/envisedged infrastructure:

(h) Justification for Petroleum Lease grant:

## Schedule – II

### (Petroleum Lease)

[See rule 6 (2)]

### FORMAT OF ONSHORE PETROLEUM LEASE

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

**PARTIES:**

The Governor of \_\_\_\_\_, acting through the \_\_\_\_\_ (hereinafter referred to as the “State Government”), of the FIRST PART;

AND

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

AND

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

**[ADD party clause for each relevant party who is to be the lessee]**

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 [(ADD if there is a contract for mineral oil operations between Lessee and the Government) in pursuance of the \_\_\_\_\_ contract dated \_\_\_\_\_ (hereinafter referred to as the “Contract”) and] in accordance with the Oilfields (Regulation and Development) Act, 1948, (hereinafter referred to as the “Act”), and the Petroleum and Natural Gas Rules, 2025 , (hereinafter referred to as the “Rules”), has applied for a petroleum lease over the area as more fully described in the Appendix-A (“Leased Area”), in accordance with rule 5 of the Rules.
- B. The Lessee has prior to the date of this Lease, submitted to the State Government, a security deposit of INR 25,00,000 (Indian Rupees Twenty-Five Lakhs), in accordance with rule 5 of the Rules.

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 AND INTERPRETATION.—**

- 1.1 Unless defined otherwise, the expressions used in this Lease shall have the same meaning as assigned 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 State 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 earlier in accordance with the Act and the 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 Central Government 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 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 the 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 purposes of the Lease or for fulfilling its obligation under the Lease;
  - 2.2.3 the rights and obligations to carry out site restoration, abandonment, and decommissioning of oil wells, installations, and associated facilities;
  - 2.2.4 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;
  - 2.2.5 the right to use 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.
- 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 as under and comply with all the covenants and agreements contained herein.

*[Insert rent table as provided in rule 9 at the time lease is entered into]*

Amount (in Rupees) per square kilometer of leased area	Year
_____	_____

2.5 This Lease shall become effective on the date of receipt of the payment 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.

2.6 The Lessee shall at all times comply with the provisions of the Act, the Rules, and the policies, notifications and directions issued by the Central Government made under the Act and the Rules and any other applicable law for the time being in force.

2.7 Subject to rule 18 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.

### 3. STABILISATION.—

3.1 In the event of a Change in Law resulting in reduction of economic benefit accruing to the lessee, the lessee shall be entitled to be restored, as nearly as possible, to the economic equilibrium which existed immediately prior to the date of the Change in Law in the manner contained herein.

3.2 Upon the occurrence of such a Change in Law, the lessee shall no later than ninety days from the date of occurrence of the Change in Law, inform the Central Government and the State Government of the Change in Law and the estimated reduction of economic benefit on account of such Change in Law and shall submit supporting documents evidencing the reduction in economic benefit along with the notice.

3.3 The lessee shall promptly provide any additional information or documents concerning the same as may be required by the Central Government and the State Government and the lessee shall provide the same within a period of sixty days.

3.4 Upon receipt of a notice as per clause 3.2 of this Lease, the Parties shall use their best efforts to amicably arrive at mutually acceptable solution within 1 (one) year from the date of occurrence of the Change in Law. To this end, the Parties may agree upon modifications to be made to this Lease or adoption of other reasonable measures to restore the Lessee, as nearly as possible, to the economic equilibrium which existed immediately prior to the date of the Change in Law.

3.5 If the Parties are unable to resolve the matter amicably, the Lessee, on or after the expiry of the period prescribed under clause 3.4, may commence provisional adjustment of such sums as it reasonably believes are necessary to restore it to the same financial position in the manner provided herein.

3.5.1 The deduction may, in the first instance, be made from any dues payable by the lessee under the contract, lease, the Act or these rules, to—

(i) the Central Government, where the change in law is made by Parliament; and

(ii) the State Government, where the change in law is made by the legislature of that State:

3.5.2 The lessee, after giving prior notice of not less than thirty days to both the Central Government and the State Government, may adjust any balance amount remaining after such deduction against the dues payable to—

(i) the State Government, where the change in law is made by Parliament; and

(ii) the Central Government, where the change in law is made by the legislature of the State.

3.5.3 The Lessee shall notify the Central Government or the State Government, as the case may be, of each such deduction made by it specifying the amount deducted and provide all other relevant and necessary information relating to the deduction to the State Government with a copy to the Central Government.

3.5.4 Any such deduction made by the Lessee shall be without prejudice to the rights of the Central Government and the State Government to dispute, differ or disagree with the Lessee's claim of existence of such Change in Law, the validity and quantum of any deductions made by the Lessee in respect thereof. Pending determination of the dispute raised by the Central Government or the State Government, the deduction made by the Lessee shall operate only as an interim measure.

3.5.5 Any dispute raised by the Central Government or State Government under clause 3.5.4 of this Lease, shall be resolved in accordance with the provisions of clause 6.4 of this Lease.

3.6 “**Change in Law**” shall mean a change in the following, namely: —

(i) the taxes, duties, levy, cess, fees, royalties, charges, impositions under the laws applicable in India payable by the lessee after the date of this petroleum lease resulting in reduction of economic benefit to the lessee, and

(ii) any laws for the time being in force in India governing labour and employment, protection of the environment, health or safety, or site

restoration and decommissioning, resulting in reduction of economic benefit to the lessee of more than USD 5,000,000 (United States Dollars Five Million) in any financial year after the date of this petroleum lease,

whether such change arises on account of a change in rates, change in the laws applicable in India or change in interpretation by judgement of a court which has become final, conclusive and binding, as compared to such interpretation or application prior to the date of this petroleum lease:

Provided that any notification made by the Central Government prescribing the rates for royalties for any Mineral Oil other than Crude Oil, Natural Gas and Condensate for the first time after the Execution Date, shall not be treated as a Change in Law.

#### 4. COMPENSATION.—

4.1 The State Government shall not nationalize or otherwise take away the rights, interests or assets of the Lessee relating to this Lease, except in compliance with the due process of law of India, for reasons of public purpose and payment of appropriate compensation:

Provided that no compensation shall be paid unless the Lessee has made a discovery and has submitted the notice of Discovery to the Central Government in respect of any area comprised under this Lease prior to the date of occurrence of the event set out in clause 4.1 of this Lease.

4.2 Upon occurrence of the events set out in clause 4.1 of this Lease, the Lessee shall be paid an adequate amount as compensation which shall be equal to the fair market value of the rights, interests (including those relating to undeveloped reserves) or assets nationalized or otherwise taken away by the State Government, as on the date immediately preceding the date of occurrence of such event. Valuation criteria shall include going concern value, asset value including declared tax value of tangible property, and other criteria, as appropriate, to determine fair market value.

4.3 The eligibility and quantum of the appropriate compensation under this clause shall be determined by the State Government on a case-by-case, fact-based inquiry, taking into account all relevant circumstances.

4.4 In the first instance, the Parties shall endeavor to agree upon an appropriate compensation within 180 (one hundred and eighty) Days of a Party's notice to the other Party inviting discussion of the appropriate compensation. If no agreement is concluded, the matter may be referred to dispute resolution under clause 6.4 of this Lease.

#### 5. CANCELLATION OF LEASE.—

5.1 The cancellation of this Lease shall be in accordance with rule 18 of the Rules.

5.2 Notwithstanding anything contained in the foregoing, this Lease shall terminate upon the termination of the Contract.

## 6. MISCELLANEOUS.—

### 6.1 Transfer or Assignment of Lease—

Any transfer or assignment of the Lease shall be undertaken in accordance with rule 20 of the Rules. In the event of such transfer or assignment, the 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.

### 6.2 Notices—

6.2.1 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 the other addresses as the Parties may notify to each other in writing from time to time.

6.2.2 The addresses of the Parties for the purposes of the Lease are:  
[*insert for all parties*]

6.2.3 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.

### 6.3 Governing Law and Jurisdiction—

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

### 6.4 Dispute Resolution—

6.4.1 In the event of any disputes, differences, disagreements, or claims arising out of or in connection with this Lease or the performance thereof, including any question regarding its existence, validity, cancellation or termination (“Dispute(s)”), the Parties shall at the first instance use their best efforts to achieve amicable resolution of such Disputes through good faith negotiations within 90 (ninety) Days from the date such dispute arises.

6.4.2 If the Dispute is not resolved amicably within the period specified above, the Parties may seek resolution of the Dispute either (a) through mediation or conciliation, by referring the dispute to the Committee of External Eminent Persons (“CEEE”) or experts notified by the Government of India from time-to-time, or (b) through mediation, by engaging a mediator in accordance with the Mediation Act, 2023, as mutually agreed. Any mediated settlement reached and signed by the Parties shall be final and binding and enforceable in accordance with sub-section (2) of section 27 of the Mediation Act, 2023. Any costs associated with such mediation shall be borne equally between the Parties.

6.4.3 If the Dispute remains unresolved following mediation or conciliation for a period of more than 90 (ninety) Days or the parties choose not to opt for resolution of the Dispute through mediation and conciliation, as the case may be, any of the Parties to the dispute may refer the dispute to arbitration.

6.4.4 The governing law of this Lease and the arbitration agreement, including questions relating to its scope, validity, and interpretation shall be Indian law.

6.4.5 The arbitration shall be conducted by a tribunal of 3 (three) arbitrators—one appointed by each Party, and the third (presiding arbitrator) appointed in accordance with the rules of \_\_\_\_\_ [insert name of arbitral institution chosen by the parties].

*OR*

The arbitration shall be conducted by a tribunal of 3 (three) arbitrators—one appointed by each Party. The two arbitrators appointed by the parties shall appoint the third arbitrator (presiding arbitrator).

*[Applies if parties do not choose institutional arbitration]*

6.4.6 The language of arbitration shall be English.

6.4.7 The seat of arbitration shall be \_\_\_\_\_. *[Insert seat of arbitration as per Rule 51(2) of the Rules.]*

Provided that nothing under this Lease shall exclude the applicability of Sections 9, 27, clause (a) of sub section (1) and sub section (3) of Section 37 of the Arbitration and Conciliation Act, 1996 (26 of 1996).

Provided further that, in the event of a change of lessee, the lessee may apply to the Government for amendment of the seat of arbitration, subject to the requirements set out in Rule 51 (3) of the Rules.

6.4.8 Pending the resolution of any Dispute, the Parties shall, unless otherwise agreed or directed by the arbitral tribunal or a court of competent jurisdiction, continue to perform their respective obligations under this Lease to the extent practicable.

6.4.9 The costs of arbitration shall be allocated in accordance with the applicable institutional rules. The arbitral tribunal shall have the power to make orders on costs in its final award.

6.4.10 The award of the arbitral tribunal shall be final and binding on the Parties and may be enforced in accordance with the Arbitration and Conciliation Act, 1996.

6.4.11 Where multiple arbitrations arise under the Lease, the Contract executed by the Lessee and the Central Government or any related agreement, the Parties shall use their best efforts to consolidate such proceedings into a single arbitration. The arbitral tribunal shall have the power, with the consent of all relevant Parties, to consolidate proceedings or permit the joinder of additional Parties, provided that no such consolidation or joinder shall unduly delay the proceedings.

#### **6.5 Continuation of obligations—**

During the pendency of 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 the Lease to the extent practicable.

#### **6.6 Mandatory intimation of dispute to Central Government where Lessor is the State Government—**

In the event of any disputes, differences, disagreements, or claims arising out of or in connection with the Lease, the Parties herein shall upon commencement of legal proceedings intimate the **Central Government through the Ministry of Petroleum and Natural Gas** within 7 (seven) days of commencement. It is clarified that the obligation to intimate the Central Government shall independently arise at each stage of the dispute resolution mechanism.

#### **6.7 Consolidation of proceedings in certain cases—**

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

#### **6.8 Site Restoration—**

Lessee shall carry out site restoration and maintain a site restoration fund in accordance with the provisions of the Rules and the guidelines, schemes and policies issued by the Central Government.

#### **6.9 Alteration—**

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

**APPENDIX-A**

3. AREA OF THE LEASE: \_\_\_\_\_ sq kms

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

## FORMAT OF OFFSHORE PETROLEUM LEASE

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

**PARTIES:**

The President of India \_\_\_\_\_, acting through the \_\_\_\_\_ (hereinafter referred to as the “Government”), of the FIRST PART;

AND

[Insert name of the Company], a company incorporated under the laws of \_\_\_\_\_, (hereinafter referred to as “\_\_\_\_\_) having its registered office at \_\_\_\_\_, which expression shall include its successors and permitted transferees and assigns, of the SECOND PART;

AND

[Insert name of the Company], a company incorporated under the laws of \_\_\_\_\_, (hereinafter referred to as “\_\_\_\_\_) having its registered office at \_\_\_\_\_, which expression shall include its successors and permitted transferees and assigns, of the THIRD PART;

**[ADD party clause for each relevant party who is to be the lessee]**

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 [(ADD if there is a contract for mineral oil operations between Lessee and the Government) in pursuance of the \_\_\_\_\_ contract dated \_\_\_\_\_ (hereinafter referred to as the “Contract”) and] in accordance with the Oilfields (Regulation and Development) Act, 1948, (hereinafter referred to as the “Act”), and the Petroleum and Natural Gas Rules, 2025, (hereinafter referred to as the “Rules”), has applied for a petroleum lease over the area as more fully described in the **Appendix-A** (“Leased Area”), in accordance with rule 5 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 5 of the Rules.

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 AND INTERPRETATION.—**

- 1.1 Unless defined otherwise, the expressions used in this Lease shall have the same meaning as assigned 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 earlier in accordance with the Act and the 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 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 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 the 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 purposes of the Lease or for fulfilling its obligation under the Lease;
  - 2.2.3 the rights and obligations to carry out site restoration, abandonment, and decommissioning of oil wells, installations, and associated facilities;
  - 2.2.4 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;
  - 2.2.5 the right to use 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.
- 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 as under and comply with all the covenants and agreements contained herein.

*[Insert rent table as provided in rule 9 at the time lease is entered into]*

Amount (in Rupees) per square kilometer of leased area	Year
_____	_____

- 2.5 This Lease shall become effective on the date of receipt of the payment 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.
- 2.6 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 made under the Act and the Rules and any other applicable law for the time being in force.
- 2.7 Subject to rule 18 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.

### **3. STABILISATION.—**

- 3.1 In the event of a Change in Law resulting in reduction of economic benefit accruing to the lessee, the lessee shall be entitled to be restored, as nearly as possible, to the economic equilibrium which existed immediately prior to the date of the Change in Law in the manner contained herein.
- 3.2 Upon the occurrence of such a Change in Law, the lessee shall no later than ninety days from the date of occurrence of the Change in Law, inform the Central Government and the State Government of the Change in Law and the estimated reduction of economic benefit on account of such Change in Law and shall submit supporting documents evidencing the reduction in economic benefit along with the notice.
- 3.3 The lessee shall promptly provide any additional information or documents concerning the same as may be required by the Central Government and the State Government and the lessee shall provide the same within a period of sixty days.
- 3.4 Upon receipt of a notice as per clause 3.2 of this Lease, the Parties shall use their best efforts to amicably arrive at mutually acceptable solution within 1 (one) year from the date of occurrence of the Change in Law. To this end, the Parties may agree upon modifications to be made to this Lease or adoption of other reasonable measures to restore the Lessee, as nearly as possible, to the economic equilibrium which existed immediately prior to the date of the Change in Law.
- 3.5 If the Parties are unable to resolve the matter amicably, the Lessee, on or after the expiry of the period prescribed under clause 3.4, may commence provisional adjustment of such sums as it reasonably believes are necessary to restore it to the same financial position in the manner provided herein.—
  - 3.5.1 The deduction may, in the first instance, be made from any dues payable by the lessee under the contract, lease, the Act or these rules, to—
    - (i) the Central Government, where the change in law is made by Parliament; and

(ii) the State Government, where the change in law is made by the legislature of that State:

3.5.2 The lessee, after giving prior notice of not less than thirty days to both the Central Government and the State Government, may adjust any balance amount remaining after such deduction against the dues payable to—

- (i) the State Government, where the change in law is made by Parliament; and
- (ii) the Central Government, where the change in law is made by the legislature of the State.

3.5.3 The Lessee shall notify the Central Government or the State Government, as the case may be, of each such deduction made by it specifying the amount deducted and provide all other relevant and necessary information relating to the deduction to the State Government with a copy to the Central Government.

3.5.4 Any such deduction made by the Lessee shall be without prejudice to the rights of the Central Government and the State Government to dispute, differ or disagree with the Lessee's claim of existence of such Change in Law, the validity and quantum of any deductions made by the Lessee in respect thereof. Pending determination of the dispute raised by the Central Government or the State Government, the deduction made by the Lessee shall operate only as an interim measure.

3.5.5 Any dispute raised by the Central Government or State Government under clause 3.5.4 of this Lease, shall be resolved in accordance with the provisions of clause 6.4 of this Lease.

3.6 “**Change in Law**” shall mean a change in the following, namely:—

- i. the taxes, duties, levy, cess, fees, royalties, charges, impositions under the laws applicable in India payable by the lessee after the date of this petroleum lease resulting in reduction of economic benefit to the lessee, and
- ii. any laws for the time being in force in India governing labour and employment, protection of the environment, health or safety, or site restoration and decommissioning, resulting in reduction of economic benefit to the lessee of more than USD 5,000,000 (United States Dollars Five Million) in any financial year after the date of this petroleum lease,

whether such change arises on account of a change in rates, change in the laws applicable in India or change in interpretation by judgement of a court which has become final, conclusive and binding, as compared to such interpretation or application prior to the date of this petroleum lease:

Provided that any notification made by the Central Government prescribing the rates for royalties for any Mineral Oil other than Crude Oil, Natural Gas and Condensate for the first time after the Execution Date, shall not be treated as a Change in Law.

#### **4. COMPENSATION.—**

4.1 The Government shall not nationalize or otherwise take away the rights, interests or assets of the Lessee relating to this Lease, except in compliance with the due process of law of India, for reasons of public purpose and payment of appropriate compensation.

Provided that no compensation shall be paid unless the Lessee has made a discovery and has submitted the notice of Discovery to the Government in respect of any area comprised under this Lease prior to the date of occurrence of the event set out in this clause of the Lease.

4.2 Upon occurrence of the events set out in clause 4.1 of this Lease, the Lessee shall be paid an adequate amount as compensation which shall be equal to the fair market value of the rights, interests (including those relating to undeveloped reserves) or assets nationalized or otherwise taken away by the Government, as on the date immediately preceding the date of occurrence of such event. Valuation criteria shall include going concern value, asset value including declared tax value of tangible property, and other criteria, as appropriate, to determine fair market value.

4.3 The eligibility and quantum of the appropriate compensation under this clause shall be determined by the Government on a case-by-case, fact-based inquiry, taking into account all relevant circumstances.

4.4 In the first instance, the Parties shall endeavor to agree upon an appropriate compensation within 180 (one hundred and eighty) Days of a Party's notice to the other Party inviting discussion of the appropriate compensation. If no agreement is concluded, the matter may be referred to dispute resolution under clause 6.4 of this Lease.

#### **5. CANCELLATION OF LEASE.—**

5.1 The cancellation of this Lease shall be in accordance with rule 18 of the Rules.

5.2 Notwithstanding anything contained in the foregoing, this Lease shall terminate upon the termination of the Contract.

#### **6. MISCELLANEOUS.—**

##### **6.1 Transfer or Assignment of Lease—**

Any transfer or assignment of the Lease shall be undertaken in accordance with rule 20 of the Rules. In the event of such transfer or assignment, the

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.

## 6.2 Notices—

6.2.1 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 the other addresses as the Parties may notify to each other in writing from time to time.

6.2.2 The addresses of the Parties for the purposes of the Lease are:

**[insert for all parties]**

6.2.3 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.

## 6.3 Governing Law and Jurisdiction—

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

## 6.4 Dispute Resolution—

6.4.1 In the event of any disputes, differences, disagreements, or claims arising out of or in connection with this Lease or the performance thereof, including any question regarding its existence, validity, cancellation or termination (“Dispute(s)”), the Parties shall at the first instance use their best efforts to achieve amicable resolution of such Disputes through good faith negotiations within 90 (ninety) Days from the date such dispute arises.

6.4.2 If the Dispute is not resolved amicably within the period specified above, the Parties may seek resolution of the Dispute either (a) through mediation or conciliation, by referring the dispute to the Committee of External Eminent Persons (“CEEE”) or experts notified by the Government of India from time-to-time, or (b) through mediation, by engaging a mediator in accordance with the Mediation Act, 2023, as mutually agreed. Any mediated settlement reached and signed by the Parties shall be final and binding and enforceable in accordance with sub-section (2) of section 27 of the Mediation Act, 2023. Any costs associated with such mediation shall be borne equally between the Parties.

6.4.3 If the Dispute remains unresolved following mediation or conciliation for a period of more than 90 (ninety) Days or the parties choose not to opt for resolution of the Dispute through mediation and conciliation, as

the case may be, any of the Parties to the dispute may refer the dispute to arbitration.

6.4.4 The governing law of this Lease and the arbitration agreement, including questions relating to its scope, validity, and interpretation shall be Indian law.

6.4.5 The arbitration shall be conducted by a tribunal of 3 (three) arbitrators—one appointed by each Party, and the third (presiding arbitrator) appointed in accordance with the rules of \_\_\_\_\_ [*insert name of arbitral institution chosen by the parties*].

*OR*

The arbitration shall be conducted by a tribunal of 3 (three) arbitrators—one appointed by each Party. The two arbitrators appointed by the parties shall appoint the third arbitrator (presiding arbitrator).

*[Applies if parties do not choose institutional arbitration]*

6.4.6 The language of arbitration shall be English.

6.4.7 The seat of arbitration shall be \_\_\_\_\_. [*Please specify seat of arbitration as per Rule 51(2) of the Rules.*]

Provided that nothing under this Lease shall exclude the applicability of Sections 9, 27, clause (a) of sub section (1) and sub section (3) of Section 37 of the Arbitration and Conciliation Act, 1996 (26 of 1996).

Provided further that, in the event of a change of lessee, the lessee may apply to the Government for amendment of the seat of arbitration, subject to the requirements set out in Rule 51 (3) of the Rules.

6.4.8 Pending the resolution of any Dispute, the Parties shall, unless otherwise agreed or directed by the arbitral tribunal or a court of competent jurisdiction, continue to perform their respective obligations under this Lease to the extent practicable.

6.4.9 The costs of arbitration shall be allocated in accordance with the applicable institutional rules. The arbitral tribunal shall have the power to make orders on costs in its final award.

6.4.10 The award of the arbitral tribunal shall be final and binding on the Parties and may be enforced in accordance with the Arbitration and Conciliation Act, 1996.

6.4.11 Where multiple arbitrations arise under the Lease, the Contract executed by the Lessee and the Government or any related agreement, the Parties shall use their best efforts to consolidate such proceedings into a single arbitration. The arbitral tribunal shall have the power, with the consent of all relevant Parties, to consolidate proceedings or permit the joinder

of additional Parties, provided that no such consolidation or joinder shall unduly delay the proceedings.

#### **6.5 Continuation of obligations—**

During the pendency of 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 the Lease to the extent practicable.

#### **6.6 Consolidation of proceedings in certain cases—**

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

#### **6.7 Site Restoration—**

Lessee shall carry out site restoration and maintain a site restoration fund in accordance with the provisions of the Rules and the guidelines, schemes and policies issued by the Government.

#### **6.8 Alteration—**

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

#### **APPENDIX-A**

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

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

#### **Schedule – III** **(Application for Extension of Term of Petroleum Lease)** [See rule 10 (3)]

##### **1. General Information:**

S1. No.	Description	Details
(i)	(a) Covering Letter No. & Date for Extension request addressed to MoPNG and DGH and if applicable, details of contract executed between Government and applicant	
	(b) Applicant Name	
	(c) Qualification	
	(d) Address	

	(e) Nationality		
(ii)	Details of Petroleum Lease		
(iii)	Name of State (applicable for onland)		
(iv)	Name of Basin / Asset (if applicable)		
(v)	Regime		
(vi)	Type of Company (Public/private)		
(vii)	Details of the Petroleum Exploration License from which area applied for conversion to Petroleum Lease (if applicable)		
(viii)	Area of the lease applied		
(ix)	Existing area		
(x)	Field(s)/Structure in Lease area (if applicable)		
(xi)	Effective Date for existing Lease		
(xii)	Duration applied for Extension	From _____	To _____
(xiii)	Production Commencement Date		
(xv)	Statutory Fees Paid	Amount	Date of payment
	Application Fee		
	Preliminary Expenses		
	Security Deposit		
	Relinquishment (if any) sq.km.		

## 2. Proposed Petroleum Lease Area Details:

(i) Co-ordinates of the Applied Area:

(a) Projection System (in WGS-84).

Projection System	Spheroid	Zone

(b) Co-ordinates of existing lease:

Points	X	Y	Longitude			Latitude		
			Degree	Minute	Second	Degree	Minute	Second

(c) Map of the petroleum lease applied:

Whether the proposed area or part thereof falls within any reserve forest. If so, mention the area in sq.km that falls within Reserve Forest along with the name of Reserve Forest:

(d) In case of village, the name of the village & area covered:

(e) Lists of Districts:

(f) Status of applicable statutory clearances:

## 3. List of Maps/figures:

Map/ Fig No	Description
1	Gas/Oil isopay map
2	Seismic Attribute map
3	Seismic cross section
4.	Net pay map
5	1P / 2P / 3P polygon with well location
6	Well log correlation
7	Shape file of block boundary
8	Structure contour / depth contour map
9	Representative log sections marking interesting zones
10	Any other maps/figures

*Note: Maps/figures as applicable may be attached as annexures*

4. Details of existing/envised infrastructure:

5. Justification for Petroleum Lease extension:

6. Field Development Plan proposed (if applicable):

7. Work Programme Proposed for the lease area (if applicable):

8. Projected investment:

Signature of Authorised Representative of Lessee

**Schedule – IV**  
**(Extension of Term of Petroleum Lease)**  
[See rule 10 (8) & (9)]

To:

[Name of the Lessee]

[Registered Address of the Lessee]

**Subject: Approval of application for extension of term of Petroleum Lease for**  
[Description of Leased Area/Block/Field]

Sir/Madam,

I am directed to refer to your application dated [\_\_\_\_], submitted pursuant to Rule [\_\_\_\_] of the Petroleum and Natural Gas Rules, 2025 (hereinafter referred to as “the Rules”), seeking extension of the term of the Petroleum Lease deed dated [\_\_\_\_], originally granted on[\_\_\_\_], for [Location/Description].

Upon review of your application, supporting documents, and in accordance with the Rules, the [Central Government/State Government with prior approval of the Central Government], hereby approves the application for extension of the term of Petroleum Lease deed dated [\_\_\_\_] over the Leased Area admeasuring \_\_\_\_, as described in Appendix-A, for a further period of [\_\_\_\_] years, commencing from [Effective Date of Extension] and continuing up to [End Date of Extension], subject to the terms and conditions below.

**(a) Continuity of terms:** All terms, conditions, covenants, and obligations in the original Lease Deed dated \_\_\_\_ shall, unless expressly modified herein, remain in full force and effect throughout the extended term of the petroleum lease.

**(b) Rent:** The Lessee shall pay rent at the rate applicable as per Rule 9 of the Rules, treating the original and extended term as a continuous period for rent escalation and other purposes. Accordingly, the rent is payable as under:

*[Insert table of rent as applicable as per Rule 9]*

**(c) Compliance:** The Lessee shall comply with all applicable laws in India.

**(d) Guarantees and security:** Where applicable, the Lessee shall replenish or renew any bank guarantees, security deposits, or insurance required under the original Lease Deed dated \_\_\_\_ for the extended term.

**(e) Reporting and monitoring:** The Lessee shall file regular progress reports, production data, and any other information as may be required by the Government of India/State Government during the extended term.

**(f) No Waiver:** This extension does not waive or prejudice any rights or remedies of the Government under the original lease or applicable law concerning any breach or default by the Lessee.

(g) **Cancellation:** Failure to observe any provisions of the lease or these conditions during the extended term may result in cancellation of the lease prior to expiry of the extended term, without prejudice to other rights of the Government.

(h) **Other Conditions:** The extension and continued operation shall be subject to any other specific or general conditions stated in Annexure – 1 annexed to this approval.

**Effective Date:**

This extension shall come into effect from *[Start Date of Extension]* and shall remain valid until *[End Date of Extension]*, unless terminated earlier in accordance with law and terms herein.

**Acknowledgment:**

The Lessee is required to acknowledge receipt and acceptance of the terms of this extension by countersigning and returning a copy of this approval within \_\_\_\_\_ days of its issuance. Whereafter, the term of the Lease specified in \_\_\_\_\_ of the Lease deed Dated \_\_\_\_\_ shall be read as \_\_\_\_\_.

For and on behalf of  
[Central Government/State Government]  
[Name, Designation, and Department]  
[Seal and Date]

Countersigned and Accepted:  
[Name of Lessee/Authorised Signatory]  
[Designation]  
[Date]

*Annexure -1*

*Provide List of any other specific or general conditions, if any, that is necessary*

**APPENDIX-A**

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

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

**Schedule – V**  
**(Application for Extension of Area of Petroleum Lease)**  
[See rule 12 (3)]

## 1. General Information:

S. No.	Description	Details
(i)	(a) Details of contract executed between Government and applicant (if applicable)	
	(b) Applicant Name	
	(c) Address	
	(d) Place of incorporation	
(ii)	Name of Petroleum Lease (if applicable)	
(iii)	Name of State (applicable for onland)	
(iv)	Name of Basin / Asset (if applicable)	
(v)	Regime	
(vi)	Type of Company (Public/private)	
(vii)	Details of existing Petroleum Lease/License or approval for Grant of Petroleum Lease/License	
(viii)	Date of execution of the lease deed/license	
(ix)	Existing area of the Lease	
(x)	Extension of Area applied	
(xi)	State and District of the extension of area	
(xii)	Effective Date for existing Lease	

## 2. Proposed Petroleum Lease Area Details:

(i) Co-ordinates of the Applied Area:

(a) Projection System (in WGS-84).

Projection System	Spheroid	Zone

**(b) Co-ordinates of existing lease:**

(c) Co-ordinates of the area applied for extension:

(d) Map of the petroleum lease along with the area applied for extension:

(e) Whether the applied extended area or part thereof falls within any reserve forest.  
If so, mention the area in sq.km that falls within Reserve Forest along with the name of Reserve Forest (for onshore):  
In case of village, the name of the village & area covered (for onshore):

(f) Lists of Districts (for onshore):

(g) Lists of States (for onshore):

(h) List of Maps/figures:

Map/ Fig No	Description
1	Gas/Oil isopay map
2	Seismic Attribute map
3	Seismic cross section
4.	Net pay map
5	1P / 2P / 3P polygon with well location
6	Well log correlation
7	Shape file of block boundary
8	Structure contour / depth contour map
9	Representative log sections marking interesting zones
10	Any other maps/figures

*Note: Applicable Maps/figures may be attached as annexures*

(ii) Does the area applied for extension share boundary with any other petroleum lease  
(If yes, Details of the lease and operator):

3. Justification for Extension of the area of the Petroleum Lease:
4. Field Development Plan proposed (if applicable):
5. Work Programme Proposed for the area applied for extension (if applicable):
6. Projected investment:
7. Copies of documents, reports, studies, models indicating extension of the reservoir in the area for which extension is being sought.

**Schedule – VI****(Extension of Area of Petroleum Lease)**

[See rule 12 (6) &amp; (7)]

To:

[Name of the Lessee]

[Registered Address of the Lessee]

**Subject: Approval of application for extension of area of Petroleum Lease for [Description of Leased Area/Block/Field]****Sir/Madam,**

I am directed to refer to your application dated [\_\_\_\_], submitted pursuant to rule [\_\_\_\_] of the Petroleum and Natural Gas Rules, 2025 (hereinafter referred to as “the Rules”), seeking extension of the area of the Petroleum Lease deed dated [\_\_\_\_], originally granted on[\_\_\_\_], for [Location/Description].

Upon review of your application, supporting documents, and in accordance with the Rules, the [Central Government/State Government with prior approval of the Central Government], hereby approves the application for extension of the area of Petroleum Lease deed dated [\_\_\_\_]. The revised Leased Area now admeasures \_\_\_\_\_, as described in Appendix-A attached hereto, and shall be subject to the terms and conditions given below.

**Conditions of Extension:**

(a) The Lessee shall continue to be bound by all terms, conditions, covenants, and obligations in the Lease deed dated \_\_\_\_\_ in respect of the entire revised Leased Area.

(b) **Rent:** The Lessee shall pay rent at the rate applicable as per rule 9, for the entire revised Leased Area.

(c) **Compliance:** The Lessee shall comply with all applicable laws in India.

(d) **No Waiver:** This extension does not waive or prejudice any rights or remedies of the Government under the original lease or applicable law concerning any breach or default by the Lessee.

(e) **Other Conditions:** The extension shall be subject to any other specific or general conditions stated in Annexure – 1 annexed to this approval.

**Effective Date:**

This extension shall come into effect on \_\_\_\_\_.

**Acknowledgment:**

The Lessee is required to acknowledge receipt and acceptance of the terms of this extension by countersigning and returning a copy of this approval within [\_\_\_\_] days of issuance. Whereafter, the Leased Area specified in the Appendix-A of the Lease deed dated \_\_\_\_\_ shall be read as \_\_\_\_\_ and the map provided therein shall deemed to have been substituted with the map annexed hereto.

For and on behalf of  
[Central Government/State Government]  
[Name, Designation, and Department]  
[Seal and Date]

Countersigned and Accepted:  
[Name of Lessee/Authorised Signatory]  
[Designation]  
[Date]

*Annexure -1*

*Provide List of any other specific or general conditions, if any, that is necessary*

**APPENDIX-A**

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

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

**Schedule – VII**  
**(Form for Submission of Monthly Return Indicating the Quantity of Mineral Oils**  
**Produced)**  
*[See rule 14 (2)]*

<b>Contract Details</b>						
Petroleum Details	Lease					
Petroleum Grant Date	Lease					
Petroleum Expiry Date	Lease					
Name of Lessee/Contractors						
Name of Field/ Block/ Area						
Month & Year						
<b>Indicate type of mineral oil (Crude Oil / Condensate)</b>						
(1) Total Mineral Oil Produced (Barrels)	(2) Mineral Oil returned to the Reservoir (Barrels)	(3) Mineral oil used for drilling or other operatio ns relating to the producti on of mineral oils (Barrels)	(4) Mineral Oil Unavoida bly Lost (Barrels)	(5) = (1)-(2)- (3)-(4) (Barrels)	Remarks	
(1) Total Mineral Oil Produced (Metric Tonnes)	(2) Mineral Oil returned to the Reservoir (Metric Tonnes)	(3) Mineral oil used for drilling or other operatio ns relating to the producti on of mineral oils	(4) Mineral Oil Unavoida bly Lost (Metric Tonnes)	(5) = (1)-(2)- (3)-(4) (Metric Tonnes)	Remarks	

		(Metric Tonnes)			

## Royalty incentive details, if applicable (Oil)

Gazette Notification No. / Policy (Attach reference document as Annexure)	<i>Gazette Notification No., Date / Policy reference, date</i>	Royalty reduction percentage as per Gazette Notification/ policy	
Quantity qualifying for royalty reduction (Barrels)			
Quantity qualifying for royalty reduction (Metric Tonnes)			

## Indicate type of mineral oil (Gas)

(1) Total Mineral Oil Produced (Standard Cubic Meters)	(2) Mineral Oil returned to the Reservoir (Standard Cubic Meters)	(3) Mineral oil used for drilling or other operations relating to the production of mineral oils (Standard Cubic Meters)	(4) Mineral Oil Unavoida- bly Lost (Standard Cubic Meters)	(5) = (1)-(2)- (3)-(4) (Standar- d Cubic Meters)	Flared (Standard Cubic Meters)	Remarks

(1) Total Mineral Oil Produced (Million British Thermal Units)	(2) Mineral Oil returned to the Reservoir (Million British Thermal Units)	(3) Mineral oil used for drilling or other operations relating to the production of mineral oils (Million British Thermal Units)	(4) Mineral Oil Unavoida- bly Lost (Million British Thermal Units)	(5) = (1)-(2)- (3)-(4) (Million British Thermal Units)	Flared (Standard Cubic Meters)	Remarks

Royalty Incentive Details, if applicable (Gas)			
Gazette Notification No. / Policy (Attach reference document as Annexure)	<i>Gazette Notification No., Date / Policy reference, date</i>	Royalty reduction percentage as per Gazette Notification/ policy	
Quantity qualifying for royalty reduction (Standard Cubic Meters)			
Quantity qualifying for royalty reduction (Million British thermal Units)			

Declaration: I hereby declare that the information submitted herein is correct to the best of my knowledge. I further confirm that the data submitted complies with the applicable regulations, including but not limited to the Petroleum and Natural Gas Rules, 2025, and any directives issued by the relevant governmental authorities. I understand that providing false or misleading information may result in legal and regulatory consequences.

Name:

Designation:

Company:

Date:

Signature:

**Schedule – VIII**  
**(Application for grant of Special petroleum lease)**  
**[See rule 62(2)]**

## 1. General Information:

Sl. No.	Description	Details	
(i)	(a) Details of contract executed between Government and applicant (if applicable)		
	(b) Applicant Name		
	(c) Address		
	(d) Place of incorporation		
(ii)	Name of Petroleum Lease (if applicable)		
(iii)	Name of State (applicable for onland)		
(iv)	Name of Basin or Asset (if applicable)		
(v)	Regime		
(vi)	Type of Company (Public or private)		
(vii)	Detail(s) of related Petroleum Exploration License or Petroleum Lease (if applicable)		
(viii)	Area of the lease applied		
(ix)	Field(s) or Structure in Lease area (if any)		
(x)	Duration applied for Grant	From _____ to _____	
(xi)	Statutory Fees Paid	Amount	Date of payment
	Security Deposit		

2. List of the specific petroleum operations proposed to be carried out in the special petroleum lease area

### 3. Projected investment/expenditure:

#### 4. Justification for seeking special petroleum lease and not petroleum lease:

## 5. Proposed special petroleum lease area details:

**(i) Co-ordinates of the applied area:**

(a) Projection system (in World Geodetic System 1984).

Projection System	Spheroid	Zone

(b) Co-ordinates of the lease:

- (c) Map of the petroleum lease applied:
- (d) Whether the proposed area or part thereof falls within any reserve forest. If so, mention the area in sq.km that falls within reserve forest along with the name of reserve forest :
- (e) In case of village, the name of the village & area covered:
- (f) Lists of Districts:
- (g) List of Maps/figures:

Map/ Figure No.	Description	
1	Gas/Oil isopay map	
2	Seismic Attribute map	
3	Seismic cross section	
4.	Net pay map	
5	1P / 2P / 3P polygon with well location	
6	Well log correlation	
7	Shape file of block boundary	
8	Structure contour / depth contour map	
9	Representative log sections marking interesting zones	
10	Any other maps/figures	
11	Copy of the contract	

*Note: Applicable Maps/figures may be attached as annexures*

Signature of Authorised Representative of Lessee

[F. No. Expl- 11032(11)/6/2025-EXPL-II-PNG (E 52681)]

VINOD SESHAN, Jt. Secy.