

April 9, 2009  
New Delhi

**Press Note by Ministry of Petroleum & Natural Gas on the occasion of launch of Eighth round of New Exploration Licensing Policy (NELP-VIII) and Fourth round of Coal Bed Methane (CBM-IV) Policy offering 70 blocks under NELP-VIII and 10 blocks under CBM -IV**

Shri Raghaw Sharan Pandey, Secretary, Ministry of Petroleum & Natural Gas (MOP&NG) launched the Eighth round of New Exploration Licensing Policy (NELP-VIII) and Fourth round of Coal Bed Methane (CBM-IV) today at New Delhi in Press Information Bureau (PIB) Conference Hall, Shastri Bhavan. Shri S.Sundareshan, Additional Secretary (MOP&NG), Shri B.S.Chauhan, Additional Director General, PIB, Shri D.N.Narasimha Raju, Joint Secretary (Exploration), MOP&NG and Shri V.K.Sibal, Director General, DGH were present during the launch of web-site and unveiling of Notice Inviting Offers (NIO) for NELP-VIII and CBM-IV.

2. Secretary (P&NG) emphasized that NELP has provided a major impetus to exploration efforts in the country. The deepwater offshore area in the country has been opened up through NELP. After seven rounds, the area under exploration has increased more than four times to 48% of Indian Sedimentary Basin area from 11% before implementation of NELP. Hydrocarbon reserves accretion has been more than 600 Million Metric Tonne of oil equivalent (MMTOE). As the exploration work is progressing in NELP blocks, new oil and gas discoveries are being made. Under NELP, 68 oil and gas discoveries have already been made in 19 exploration blocks. Now, India has become the oil and gas producer from deepwater area also. The success in deepwater production is attributed mainly to the investor-friendly NELP policy and concerted efforts made by private companies, i.e., Reliance Industries limited and Niko Resources Limited, a Canadian company; and State Public Sector Undertaking viz., Gujarat State Petroleum Corporation Limited. CBM Policy has also been quite successful in harnessing new alternative fuel in the form of CBM. Under three rounds of CBM, contracts for 23 CBM exploration blocks have been signed. More than 6 Trillion Cubic Feet (TCF) reserves have already been established in 4 CBM blocks. First commercial production of CBM commenced in the country from July 2007 at the rate of about 72,000 cubic metres per day bringing India into the map of select CBM producing countries.

**Eighth round of New Exploration Licensing Policy (NELP-VIII)**

3. NELP-VIII round offers 70 exploration blocks comprising of 24 deepwater blocks, 28 shallow water blocks, 18 onland blocks [ including 10 onland small sized (Type-S) blocks ]. These 70 blocks cover a sedimentary area of about 1.64 lakh sq. km., which is 5.2% of Indian sedimentary basin area. 18 onland blocks fall in the States of Assam (2), Gujarat (8), Haryana (1), Madhya Pradesh (3),

Manipur (2) and West Bengal (2). As regards offshore blocks, 28 shallow water and 24 deepwater blocks fall in Western, Eastern and Andaman offshore. List of offered exploration blocks is given at Annex-I .

4. In order to address concerns expressed by E&P companies in NELP-VIII, the Government undertook extensive consultations with various stakeholders including E&P companies and industry bodies. The views of various stakeholders have been factored into, while preparing bid documents for NELP-VIII.

5. The following are highlights of NELP-VIII:

i) There will be no distinction between Type –A and Type- B blocks. Blocks offered under NELP-VIII are under four categories, namely, Type-S Blocks (onland blocks having area less than 200 sq. kms.), onland blocks (area of 200 sq. kms. or more), shallow water blocks (offshore blocks of 400 meter bathymetry or less) and deepwater blocks (offshore blocks of more than 400 meter bathymetry).

ii) Bids will be evaluated on a score of 100 points on following evaluation criteria :

Criterion/Points	NELP-VIII		
	On-land Type-S Block	Other On-land blocks & shallow water blocks	Deepwater blocks
Technical Capability	Nil	Qualifying	25
Work Programme	50	50	25
Fiscal Package	50	50	50
Total	100	100	100

iii) For onland and shallow water blocks except Type-S blocks, technical capability is the qualifying criteria.

iv) In case of Type-S onland blocks, bid evaluation will be made on work programme and fiscal package parameters only. Technical capability will be neither qualifying criterion nor a bid evaluation criterion for Type-S blocks.

v) In order to encourage participation of experienced players in deepwater having production beyond 400 m bathymetry, higher points have been assigned in evaluation to companies with production in deepwater.

vi) Other Surveys will not be biddable. Only 2D, 3D seismic and number & depth of wells will be biddable under work programme criteria.

vii) Exploration period will be 7 years uniformly for all the blocks, however, minimum committed work programme would require to be completed in 4 years only. Further, extension of exploration period beyond four years is linked to commitment to drill wells by the bidder.

viii) Bank Guarantee amount reduced from 35% of annual to 7.5% of the total estimated value of committed work programme.

- ix) Bidders have to submit nominal bid bonds along with the bids.
- x) Pre-determined Liquidated Damages amount will be indicated upfront for unfinished work programme

**Fourth round of Coal Bed Methane (CBM-IV) Policy**

6. CBM -IV round offers 10 CBM blocks covering an area of about 5,000 sq. km. These CBM blocks fall in the States of Assam (1), part Chhattisgarh & part Madhya Pradesh (1), Jharkhand (1), Madhya Pradesh (2), Maharashtra (2), Orissa (2) and Tamil Nadu (1). List of offered exploration blocks is given at Annex-II.

7. The highlights of CBM- IV are as follows:

i) The bids will be evaluated on 100 point basis. The inter-se weightage for evaluation criteria for CBM-IV will be as under :

<b>CRITERIA</b>	<b>POINTS UNDER CBM-IV</b>
Technical Capability	<b>30</b>
Financial Strength	<b>Qualifying</b>
Work Programme	<b>35</b>
Fiscal Package	<b>35</b>
Total	<b>100</b>

ii) In order to accelerate CBM exploration, total duration of exploration period has been reduced from 8 years to 5 years.

iii) Higher weightage has been given to experienced bidders having CBM reserves and production under Technical Capability criteria by increasing 10 points under this parameter as compared to previous round.

iv) Higher weightage has been given to exploratory core holes drilling in the work programme, which is the main activity of CBM exploration.

v) Under fiscal package, Production Linked Payment (PLP) bidding has been simplified by way of bidding at two levels of production tranches. The bidder offering the highest NPV of Government’s share in production over the field life would get the highest points i.e. 35 and other bidders would be ranked proportionately.

**Facilities for accessing technical data and promotional activities**

8. A dedicated website on NELP-VIII and CBM-IV containing relevant information has been launched. The online data would be hosted on the website shortly. Connectivity is also being provided through the website of the Ministry of Petroleum & Natural Gas and Directorate General of Hydrocarbons. The details can be seen at the following web sites:

[www.indianelpviii.com](http://www.indianelpviii.com)  
[www.petroleum.nic.in](http://www.petroleum.nic.in)  
[www.dghindia.org](http://www.dghindia.org)

9. Promotional road shows for NELP-VIII and CBM-IV have been planned at Mumbai (20<sup>th</sup> April, 2009), Perth (27-28<sup>th</sup> April, 2009), Brisbane (29<sup>th</sup> April, 2009), London (4 -5<sup>th</sup> May, 2009), Houston (7-8<sup>th</sup> May, 2009) and Calgary (14-15<sup>th</sup> May, 2009), and Investors' Meet at Washington (11-12<sup>th</sup> May, 2009). During the road shows, presentations will be made on the emerging geological prospectivity of Indian basins as well as the contractual and fiscal framework. Successful operating companies in India and financial consultants will also share their experience of the working / investment environment in the country. The road shows will also cover one-on-one meeting with E&P companies / investors. The objective of the road shows is to showcase India's discoveries and increase awareness about the policy framework as well as promote India as an attractive investment destination.

10. All geo-scientific data will be made available online through the internet to enable companies to view data at their own convenience and location. Work stations will be provided at Data Centres at Noida, London, Houston, Calgary, Brisbane and Perth. The work stations will be equipped with appropriate software enabling companies to analyze and interpret the data at the data centre itself. The software will enable companies to analyze data available on the blocks expeditiously. This would also facilitate companies to review and analyze data and obtain on-the-spot clarifications. Details of all operational blocks from earlier rounds such as work programme, fiscal terms etc. will be available at Data Centres. Companies can assess the existing work programme as well as other bidding parameters while formulating their own bids and can also firm up their views on strategic alliances.

11. In order to provide sufficient time to interested companies to review and buy data of a large number of blocks, finalize strategic alliances etc., four months time is provided and the bid closing date for NELP-VIII and CBM-IV will be 10<sup>th</sup> August, 2009. Thereafter, the Government will evaluate the bids, make awards, finalize and sign the Contracts under CBM-IV and Production Sharing Contracts under NELP-VIII within 4 months.

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**List of offered blocks under NELP-VIII**

SL.NO.	BASIN	BLOCK NAME	APPROX. AREA (SQ.KM)	OFFSHORE / STATE
<b>DEEP WATER BLOCKS</b>				
1	MUMBAI (1)	MB-DWN-2009/1	2961	WESTERN OFFSHORE
2	KERLA-KONKAN (4)	KK-DWN-2009/1	5349	
3		KK-DWN-2009/2	5361	
4		KK-DWN-2009/3	5374	
5		KK-DWN-2009/4	5390	
6	KRISHNA-GODAVARI (1)	KG-DWN-2009/1	1800	EASTERN OFFSHORE
7	ANDAMAN (18)	AN-DWN-2009/1	4981	ANDAMAN OFFSHORE
8		AN-DWN-2009/2	3995	
9		AN-DWN-2009/3	3992	
10		AN-DWN-2009/4	3990	
11		AN-DWN-2009/5	4002	
12		AN-DWN-2009/6	3999	
13		AN-DWN-2009/7	4009	
14		AN-DWN-2009/8	4006	
15		AN-DWN-2009/9	4017	
16		AN-DWN-2009/10	4014	
17		AN-DWN-2009/11	4024	
18		AN-DWN-2009/12	4021	
19		AN-DWN-2009/13	4007	
20		AN-DWN-2009/14	4014	
21		AN-DWN-2009/15	3518	

22		AN-DWN-2009/16	3524	
23		AN-DWN-2009/17	4034	
24		AN-DWN-2009/18	4040	
<b>SHALLOW WATER BLOCKS</b>				
25	GUJARAT-KUTCH (2)	GK-OSN-2009/1	1264	WESTERN OFFSHORE
26		GK-OSN-2009/2	1242	
27	MUMBAI (7)	MB-OSN-2009/1	2299	
28		MB-OSN-2009/2	1635	
29		MB-OSN-2009/3	1492	
30		MB-OSN-2009/4	1309	
31		MB-OSN-2009/5	1477	
32		MB-OSN-2009/6	1876	
33		MB-OSN-2009/7	1865	
34	KERLA-KONKAN (9)	KK-OSN-2009/1	2004	
35		KK-OSN-2009/2	1860	
36		KK-OSN-2009/3	1874	
37		KK-OSN-2009/4	2475	
38		KK-OSN-2009/5	2088	
39		KK-OSN-2009/6	2107	
40		KK-OSN-2009/7	1914	
41		KK-OSN-2009/8	2295	
42		KK-OSN-2009/9	2032	
43	CAUVERY (3)	CY-OSN-2009/1	1362	EASTERN OFFSHORE
44		CY-OSN-2009/2	1621	
45		CY-OSN-2009/3	2385	
46	KRISHNA-GODAVARI (4)	KG-OSN-2009/1	1472	EASTERN OFFSHORE
47		KG-OSN-2009/2	1471	
48		KG-OSN-2009/3	1988	
49		KG-OSN-2009/4	835	
50	BENGAL (3)	WB-OSN-2009/1	2621	
51		WB-OSN-2009/2	1915	
52		WB-OSN-2009/3	1695	

<b>ONLAND BLOCKS</b>				
53	ASSAM- ARAKAN (4)	AA-ONN-2009/1	2217	MANIPUR
54		AA-ONN-2009/2	1740	MANIPUR
55		AA-ONN-2009/3	84	ASSAM
56			AA-ONN-2009/4	84
57	BENGAL (2)	WB-ONN-2009/1	1519	WEST BENGAL
58		WB-ONN-2009/2	1887	WEST BENGAL
59	VINDHYAN (3)	VN-ONN-2009/1	1405	MADHYA PRADESH
60		VN-ONN-2009/2	1562	MADHYA PRADESH
61		VN-ONN-2009/3	1250	MADHYA PRADESH
62	HIMALAYAN FOOTHILL (1)	HF-ONN-2009/1	1930	HARYANA
63	CAMBAY (8)	CB-ONN-2009/1	113	GUJARAT
64		CB-ONN-2009/2	68	GUJARAT
65		CB-ONN-2009/3	90	GUJARAT
66		CB-ONN-2009/4	69	GUJARAT
67		CB-ONN-2009/5	165	GUJARAT
68		CB-ONN-2009/6	177	GUJARAT
69		CB-ONN-2009/7	144	GUJARAT
70		CB-ONN-2009/8	136	GUJARAT

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**List of offered blocks under CBM-IV**

<b>Sl.No.</b>	<b>Block Name</b>	<b>Coal Field</b>	<b>Area (Sq. Km.)</b>	<b>State</b>
1	RM(E)-CBM-2008/IV	RAJMAHAL	1128	JHARKHAND
2	TL-CBM-2008/IV	TALCHIR	557	ORRISA
3	IB-CBM-2008/IV	IB VALLEY	209	ORISSA
4	SR(W)-CBM-2008/IV	SINGRAULI	269	MP
5	SP(NE)-CBM-2008/IV	SOHAGPUR(NE)	339	MP & CHATTISGARH
6	ST-CBM-2008/IV	SATPURA	714	MP
7	AS-CBM-2008/IV	NORTH EAST	113	ASSAM
8	WD(N)-CBM-2008/IV	WARDHA	442	MAHARASHTRA
9	WD(E)-CBM-2008/IV	WARDHA	503	MAHARASHTRA
10	MG-CBM-2008/IV	MANNARGUDI	766	TAMILNADU