

Discovered small field Policy (bid round III)

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In news

Discovered Small Field (DSF) bid round-III for international competitive bidding was launched recently

Key updates on DSF bid round-III

- DSF bid round-III is offering 32 Contract Areas which comprise 75 discoveries.
- These fields are spread over 9 sedimentary basins covering more than 13,000 square kilometers with Inplace Hydrocarbon estimated to be around 230 MMT.
- Geoscientific data for fields on offer will be showcased through the Data Room with interpretation facilities which would assist the potential bidder in making informed decisions.

DSF bid rounds-I &II

- In the DSF Round – I launched in 2016, 134 bids were submitted for 34 contract areas by 47 companies. 30 Revenue Sharing Contracts were signed.
- In DSF Round – II launched in 2018, 145 bids were submitted for 24 contract area.

Discovered Small Field (DSF) Policy

- It was launched by the government of India in 2015 for awarding discovered acreages and monetizing the unmonetized discoveries.
- The DSF policy has multiple attractive features like revenue sharing contract model with low regulatory burden, no minimum biddable work programme, no prior technical qualification required, no upfront signature

bonus, etc.

Background

Government has initiated key reforms in the Upstream Hydrocarbon E & P Sector to increase domestic production of oil and gas. Marginal Field Policy (MFP) was notified on 14th October, 2015 to monetize marginal fields of Oil and Natural Gas Corporation (ONGC) and Oil India Limited (OIL) under nomination regime which remained undeveloped for a long period of time. This policy was subsequently renamed as Discovered Small Field (DSF) Policy which is now among the country's flagship energy policies, in alignment with other initiatives for securing energy needs of the country

Key features of the policy

- **Single license** for conventional and non-conventional hydrocarbons under oilfields Regulation and Development (ORD) Act, 1948, and Petroleum and Natural Gas (PNG) Rules, 1959
- **No restriction on exploration activity** during Contract Period and exploration will be at the sole risk and cost of the contractors.
- Under this policy, bids will be invited for the **Marginal Fields on a Revenue Sharing Contract (RSC) Model**.
- It **promotes ease of doing business** with simple and easy administrative contractual model
- Under this policy, **contractors will be free to sell the crude oil exclusively in domestic market** through a transparent bidding process on arm's length basis.
- Royalty rates applicable under Hydrocarbon Exploration Licensing Policy (HELP) regime will be adopted in this Policy.
- **No oil cess** shall be applicable on crude oil / condensate production from Discovered Small Field
- **Exemption from custom duty** will be provided under this
- It also provides for transfer/assign the Mining Lease

(ML) or Petroleum Exploration License (PEL) along with all available clearances to the awardee

- **The contract duration** for development and production from the offered Discovered Small Fields would be a maximum of twenty (20) years from the effective date