MOPNG

PSC extension policies revised for 22 fields and 7 Pre-NELP blocks

MoPNG's two policies of November 10, 2026: apply at least 2 years before a PSC expires; Government profit petroleum share 10% higher in years 1 to 10.

THE MINISTRY OF Petroleum and Natural Gas (MoPNG) has revised its policies for extending production sharing contracts (PSCs): one for 22 small, medium sized and discovered fields awarded to private joint ventures, and one for 7 Pre-New Exploration Licensing Policy (Pre-NELP) exploration blocks. Both are notifications dated November 10, 2026, under F. No. Expl-11019(18)/33/2026-ONG-IV, signed by Vinod Seshan, Joint Secretary. The fields policy is published in the Gazette of India, Extraordinary, Part I, Section 1, No. 339 (CG-DL-E-17112026-277975), and the blocks policy in No. 340 (CG-DL-E-17112026-277976), both dated November 10, 2026 and put online on November 17, 2026.

KEY FACTS

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DOCUMENTS

Two notifications, F. No. Expl-11019(18)/33/2026-ONG-IV: Policy for the Grant of Extension to Production Sharing Contracts (PSC) signed by the Government of India awarding small, medium sized and discovered fields to private Joint Ventures; and the same policy for Pre-New Exploration Licensing Policy (Pre-NELP) Exploration Blocks

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MoPNG · November 10, 2026

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Each policy says that, "Consequent upon the Notification of Oilfields (Regulation and Development) Amendment Act, 2025 and Petroleum and Natural Gas Rules, 2025", it "is now revised". The fields policy replaces one dated March 28, 2016, and the blocks policy one dated April 7, 2017. Extensions already granted under those earlier policies "shall subsist and remain valid until its respective scheduled expiration date". Any application for a first extension beyond the original PSC period, or a further one beyond an approved extension, "will be governed, exclusively, by the provisions of this policy document".

Under both policies, the Contractor "should submit" an application approved by the Operating Committee to MoPNG, with a copy to the Directorate General of Hydrocarbons (DGH), at any time after half the contract term has expired but at least 2 years before the contract expires. DGH "will make a recommendation" within 6 months of the application, and the Government "will take a decision" within 3 months of receiving DGH's proposal. An extension may run till the end of the economic life of the field, "in one or more instalments of not more than thirty years each". The Contractor may choose the seat of arbitration under Rule 51 of the Petroleum and Natural Gas Rules, 2025.

The Government's share of profit petroleum during an extension is 10% higher than the share under the normal PSC provisions in years 1 to 10, 5% higher in years 11 to 20 and 2.50% higher in years 21 to 30, and as normal after year 30. The policies give an example: a normal share of 20% becomes 30% (20% + 10%) in years 1 to 10. Royalty and cess during the extension are payable at prevailing rates of the nomination regime, by all Contractors in proportion to their participating interest. The fields policy adds that this is "not at concessional rates as stipulated in the PSC for both small and medium sized fields".

An application "should fulfil" these conditions, among others: a Third-Party Reserves Audit report showing balance recoverable reserves, done by a consultant of international repute from DGH's empanelled list where remaining 2P/P50 reserves of a development area are more than 5 MMBBL; a Revised Field Development Plan (in the blocks policy, a Field Development Plan or Revised Field Development Plan) for the extension period; proof of technical expertise; the record of wells drilled and production, planned against actual, since inception; and all statutory

dues to the Government cleared. Past performance is judged on drilling at least 70% of the development wells of the approved field development plan, or achieving 70% of committed production, for the last 10 years, and on compliance with the Site Restoration Fund and Site Restoration Plan. The Contractor "shall provide" a bank guarantee equal to 10% of the total estimated annual expenditure of the work programme approved by the Management Committee, and a fresh one each year.

The two policies differ on which areas qualify. The fields policy covers areas where test or commercial production has commenced, areas under a development plan submitted to the Management Committee, and areas with a firm exploration programme backed by a bank guarantee. The blocks policy covers fields already under production; the extension area is determined before the current PSC expires, "in simple geometric shape" around producing or injection wells and wells in new development plans, and other areas within the contract area may be considered with a firm exploration work programme backed by a bank guarantee, reviewed and finalized by DGH.

If a Contractor fails the conditions in clauses 3 and 4, the Government "shall have the option to invite fresh bids" and award the field to the most competitive bid. A Contractor not agreeable to the policy will have its field considered for rebidding "on as-is where-is basis". The Government may add conditions for a particular PSC, may refuse an extension "without assigning any reason thereof", and has the right to assign the field to ONGC or OIL. The policy's conditions "will override the existing provisions of the PSC".

The 22 fields are Kharsang and Ravva (awarded as medium sized fields) and Dholka, Wavel, Asjol, Cambay, Bhandut, Hazira, PY-1, Baola, Modhera, Bakrol, Lohar, Karjisan, Allora, Amguri, Dholasan, Kanwara, North Balol, North Kathana, Unawa and PY-3 (awarded as small sized fields). The 7 Pre-NELP blocks are RJ-ON-90/1 and SGL (RJ-ON/6) in Rajasthan, Dirok AAP-ON-94/1 in Assam, Tarapur (CB-ON/2), Palej-Pramoda (CB-ON/7) and CB-ON/3 in Gujarat, and AA-ONJ/2 in Assam-Mizoram.

Issued by	Ministry of Petroleum and Natural Gas
Documents	Two notifications, F. No. Expl-11019(18)/33/2026-ONG-IV: Policy for the Grant of Extension to Production Sharing Contracts (PSC) signed by the Government of India awarding small, medium sized and discovered fields to private Joint Ventures; and the same policy for Pre-New Exploration Licensing Policy (Pre-NELP) Exploration Blocks
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Replaces	Policies dated March 28, 2016 (fields) and April 7, 2017 (Pre-NELP blocks)
Applies to	22 small and medium size fields and 7 Pre-NELP exploration blocks
When to apply	After half the contract term has expired, and at least 2 years before the contract expires
Timelines	DGH recommends within 6 months; the Government decides within 3 months of DGH's proposal
Length of extension	Till the end of the economic life of the field, in one or more instalments of not more than thirty years each
Royalty and cess	At prevailing rates of the nomination regime
Bank guarantee	10% of the total estimated annual expenditure of the approved work programme, plus a fresh one for each forthcoming year
Past performance test	At least 70% of development wells drilled, or 70% of committed production achieved, for the last 10 years
Earlier extensions	Remain valid until their scheduled expiration date
Signed by	Vinod Seshan, Joint Secretary

Government share of profit petroleum during an extension (both policies)

Extended period of PSC (beyond original term of PSC)	Rate of GoI PP
Year 1 to year 10 of extension	10% higher than the share as calculated using the normal PSC provisions
Year 11 to year 20 of extension	5% higher than the share as calculated using the normal PSC provisions
Year 21 to year 30 of extension	2.50% higher than the share as calculated using the normal PSC provisions
Beyond year 30	As per the share as calculated using the normal PSC provisions

The notification (policy) (PDF, 899 KB)

Source: Gazette of India, CG-DL-E-17112026-277975.

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