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Business News > Industry > Energy > Oil & Gas > Govt notifies New Petroleum and Natural Gas Rules to boost investment, ease of doing biz

## Govt notifies New Petroleum and Natural Gas Rules to boost investment, ease of doing biz

### Synopsis

The rules, issued under the recently approved Oilfields (Regulation and Development) Amendment Act, 2025, replace the earlier system of multiple licences with a single petroleum lease covering exploration, development and production of all hydrocarbons, including shale, according to a gazette notification.



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The government has notified the new Petroleum and Natural Gas Rules, 2025, bringing into force a modern regulatory framework aimed at attracting investment and improving ease of doing business in the oil and gas sector.

The rules, issued under the recently approved Oilfields (Regulation and

Development) Amendment Act, 2025, replace the earlier system of multiple licences with a single petroleum lease covering exploration, development and production of all hydrocarbons, including shale, according to a gazette notification.

The new framework provides lease tenures of up to 30 years, extendable for the full economic life of a field, with terms protected from adverse changes.

Criminal penalties for violations have been removed and replaced with higher

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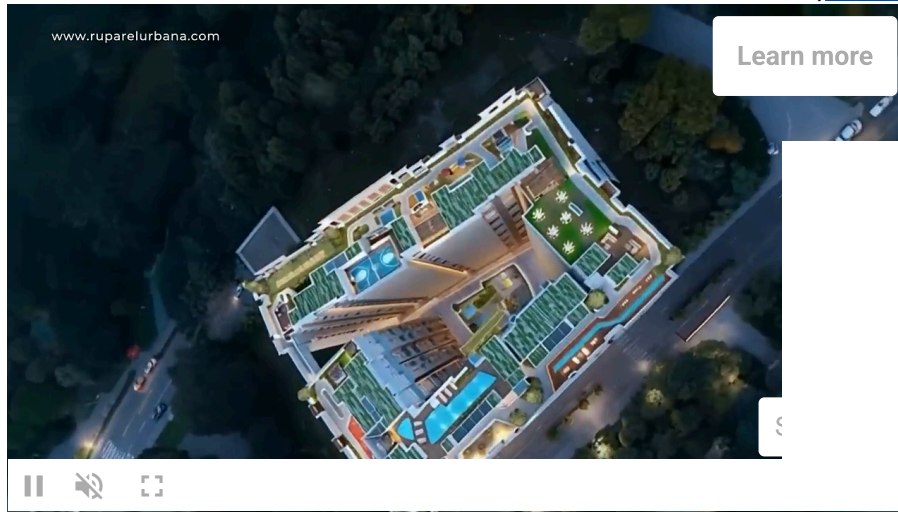
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breaches. The rules also allow lessees to share infrastructure to improve operational efficiency.

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Environmental provisions have mandated time-bound plans for zero gas flaring and reduced greenhouse emissions.

Applications for petroleum leases must now be decided within 180 days, and disputes may be resolved through an expedited mechanism, including a neutral arbitration seat for foreign investors.

The Oil Industry Safety Directorate has been designated as the competent authority for offshore safety, audits and standard-setting in exploration and production operations.

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Commenting on the move, Oil Minister [Hardeep Singh Puri](#) said, "In a landmark moment today, the Petroleum and Natural Gas Rules, 2025, have

been amended to offer ease of business and operations".

With a broader spectrum of rights under one petroleum lease, the lessees will have the right to carry out all types of mineral oil operations under one petroleum lease, he said, adding that they may undertake decarbonisation and comprehensive energy projects at oilfields.

Application for the grant of a petroleum lease will be decided within 180 days. Long-term leases of up to 30 years may be granted and may be extended up to the economic life of the field, allowing the lessee to make a planned investment decision.

Lessees will make an annual declaration to the government of the installed, utilised and excess capacity of the infrastructure facilities owned by it, he said.

The new rules permit lessees to jointly develop or share infrastructure facilities by mutual agreement.

Seat of arbitration of lease and contractual disputes, where all lessees or contractors are companies incorporated in India, will be New Delhi. Where any member is a foreign company as defined in the Companies Act, a neutral seat of arbitration may be opted for.

Rules require NOCs to promptly notify all existing and new discoveries, submit field development plans within prescribed time limits, obtain central government approval for development areas, and regularly report development and production activities.

**Vedanta Group** chairman Anil Agarwal said, "Notifying the landmark reforms to India's oil and gas regulatory framework" is "a truly historic development".

"The world has long recognised India's vast untapped hydrocarbon potential, and these new rules finally create the environment needed to unlock it," he said.

"India produces some of the most affordable oil and gas globally. These reforms will directly benefit consumers - especially the poorest - by enabling greater domestic production and reducing dependence on imports."

He said this is the kind of bold, inclusive policy that transformed the United States from a major importer into an energy surplus nation.

"I never imagined I would witness such a reform in my lifetime. Our energy security is both our greatest challenge and our greatest opportunity. With

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# Building financial resilience: Why short-term planning deserves a bigger seat at the table

ET Spotlight Last Updated: Dec 09, 2025, 01:10:00 PM IST

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#### Synopsis

Short-term financial stability is crucial for long-term wealth creation in India, especially amidst macro uncertainty. A structured short-term plan, utilizing instruments like corporate bonds, protects cash flows, limits behavioural mistakes, and provides the necessary breathing room for sustained investment growth.

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