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Assam and Nagaland Sign a Historic Oil-and-Gas Pact Across Their Disputed Border

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Source: ujjyari.com — Free UPSC & State PCS Current Affairs

✓ Every fact web-verified against primary sources **HOW**

WHY IN NEWS

The **Centre, Assam and Nagaland** signed a historic **tripartite Memorandum of Understanding (MoU)** to jointly explore and produce **crude oil and natural gas along their long-disputed border**, ending nearly three decades of deadlock. Signed at the Ministry of Home Affairs in the presence of Union Home Minister Amit Shah, Assam CM Himanta Biswa Sarma and Nagaland CM Neiphiu Rio, the pact sets a **50:50 revenue-sharing** arrangement and is being hailed as a model of cooperative federalism.

WHAT THE PACT DOES

ASPECT	DETAIL
Parties	The Centre, Assam and Nagaland (tripartite)
Purpose	Joint exploration and production of oil and natural gas along the disputed border
Revenue sharing	50:50 between Assam and Nagaland
Area	Over 1,000 sq km in the disputed belt (the boundary itself runs about 512 km; the MoU covers a roughly 434-km stretch)
Current output	About 1,000 to 1,500 barrels per day
Potential	More than a tenfold increase; a single field could yield over Rs 15,000 crore
Signed at	The Ministry of Home Affairs, New Delhi

Crucially, the two states agreed to set aside their territorial dispute over the resource-rich belt in order to unlock the reserves jointly, rather than letting the boundary question block extraction.

THE BACKGROUND: AN OLD AND BLOODY DISPUTE

The **Assam-Nagaland boundary dispute** traces to Nagaland's statehood (December 1963): Nagaland rejected the boundary fixed by the **Nagaland State Act, 1962** (based on a 1925 notification), claiming a larger area. The contested tract, the **Disputed Area Belt (DAB)** of reserved forest along the border, saw repeated violence, including the **1985 Merapani clash** between the two states' police that left around 40 people dead. Assam took the dispute to the Supreme Court under its **original jurisdiction (Article 131)** in 1988, where it remains pending; earlier boundary commissions (the Sundaram Commission, 1971, and the Shastri Commission, 1985) were rejected by Nagaland.

The presence of oil and gas in this belt made exploration impossible for decades. The MoU's innovation is to **decouple the resource question from the boundary question**, agreeing to share revenue equally while the boundary issue is resolved separately.

THE ARTICLE 371A KNOT

The deeper reason exploration stalled is constitutional. Under **Article 371A**, a special provision for Nagaland, **no Act of Parliament on Naga customary law or on the ownership and transfer of land and its resources applies to Nagaland unless the State Assembly so decides.**

- Nagaland reads "land and its resources" to include **sub-soil oil and gas**, and so claims ownership of the hydrocarbons.
- The Centre regulates petroleum under **Entry 53 of the Union List** (regulation of mines and mineral development), treating it as a Union resource.
- This clash is what halted past extraction: ONGC discovered oil at **Changpang (Wokha)** in the 1970s and produced from the 1980s, but operations stopped in the **1990s** over royalty and ownership disputes.

The MoU's real achievement is to reconcile **Nagaland's Article 371A resource claim with the Centre's regulatory role**, through a negotiated revenue-sharing model, rather than wait for the courts. (Note: Nagaland is governed by **Article 371A, not the Sixth Schedule.**)

WHY IT MATTERS

Cooperative Federalism in Action

The pact is a textbook example of the Centre brokering cooperation between two states.

- **Resolving disputes through economics:** Instead of a zero-sum boundary fight, the states chose a positive-sum revenue-sharing deal.

- **Part of a North-Eastern arc:** It extends a series of Centre-brokered settlements, the **Assam-Meghalaya pact (2022)** and the **Assam-Arunachal “Namsai Declaration” (2023)**, that have resolved long-standing inter-state disputes through negotiation rather than litigation.
- **The Centre’s facilitating role:** The Union government acted as an honest broker, in the spirit of cooperative federalism and bodies like the **Inter-State Council (Article 263)**.
- **Energy security and regional development:** Assam is India’s oldest oil province (home to **Digboi, Asia’s first refinery, 1901**); unlocking these reserves supports energy security and regional revenue.

The Cautions

The pact must be implemented carefully:

- **Environmental clearances** for exploration in an ecologically sensitive forest region.
- **Indigenous land and resource rights** under **Article 371A** (not the Sixth Schedule, which does not cover Nagaland), and the sensitivities of the Naga peace process; groups such as the NSCN have warned against extraction without local safeguards.
- **Local consent and benefit-sharing**, so that communities, not just state treasuries, gain.

UPSC RELEVANCE

Prelims

- A **tripartite MoU** (Centre, Assam, Nagaland), **50:50 revenue sharing**, signed at the **Ministry of Home Affairs**
- **Article 371A** gives Nagaland a say over land and resources, the constitutional knot behind the deal; petroleum is regulated under **Entry 53, Union List**
- Constitutional articles in play: **Article 3** (altering state boundaries), **Article 131** (SC original jurisdiction; Assam’s 1988 suit), **Article 263** (Inter-State Council), **Article 371A** (special provision for Nagaland)
- **Nagaland is under Article 371A, not the Sixth Schedule**
- The boundary dispute traces to the **Nagaland State Act, 1962** and statehood (1963); the **1985 Merapani clash** was its bloodiest episode
- Precedents: the **Assam-Meghalaya (2022)** and **Assam-Arunachal (2023)** pacts; **Digboi (1901)** is Asia’s first refinery

Mains Angles

- 1 **GS2 Federalism:** “Inter-state boundary disputes are increasingly resolved through negotiated, Centre-brokered settlements rather than adjudication.” Examine, with reference to the Assam-Meghalaya, Assam-Arunachal and Assam-Nagaland pacts.
- 2 **GS2 Constitution:** Analyse the tension between **Article 371A** (Naga ownership of land and resources) and the Centre’s regulatory power over petroleum (**Entry 53, Union List**), and how the MoU reconciles it.
- 3 **GS3 Energy / Resources:** Discuss the significance of unlocking North-Eastern hydrocarbons for energy security and regional development, and the environmental and indigenous-rights cautions.

FACTS CORNER

FACT	DETAIL
Pact	Tripartite oil-and-gas MoU (Centre, Assam, Nagaland); 50:50 sharing
Area	Over 1,000 sq km in the Disputed Area Belt; boundary ~512 km
Output potential	10x rise; a field worth over Rs 15,000 crore
Constitutional knot	Article 371A (Naga land/resources) vs Entry 53, Union List
Dispute origin	Nagaland State Act, 1962 / statehood 1963; 1985 Merapani clash
Court	Assam’s suit under Article 131 (1988), still pending
Precedents	Assam-Meghalaya (2022), Assam-Arunachal (2023) pacts
Energy context	Digboi (1901), Asia’s first refinery; ONGC Changpang

Sources: *PIB, The Tribune, Ministry of Home Affairs*

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