



GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM & NATURAL GAS
(EXPLORATION DIVISION)

MOST IMMEDIATE 777

Shastri Bhavan
New Delhi-110001

No. O-19024/09/2000-ONG-D-V

16th April, 2012
18th

To

Shri S.K. Srivastava
Director General
Directorate General of Hydrocarbons
OIDB Bhawan, Sector -73
NOIDA-201301.

Subject: Issues of Essentiality Certificate for pre-development activities.

Sir,

I am directed to refer to this Ministry's letter F.No.O-19025/42/2007-ONG-D-V dated 16.06.2008 on the above subject vide which DGH was instructed to issue Essentiality Certificate only for those items which are part of the Management Committee (MC) approved FDP or reviewed budget. The above instruction has been reconsidered in this Ministry and it has been decided as follows:-

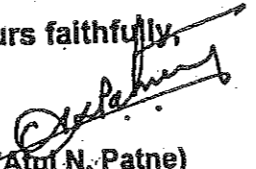
- (i) The Management Committee (MC) may allow the contractor to carry out pre-development activities like Geo Technical Investigation and Geo-physical Survey required for preparation of FDP. Such approval shall be given by the MC after considering the essentiality of the work and MC may also look into the cost of such operation.
- (ii) The cost of such pre-development activities shall be part of the FDP and shall be allowed for cost recovery only after FDP for the particular discovery is approved by the MC as per the provisions of the PSC.
- (iii) The above instructions are limited to the pre-development activities required for the purpose of preparation of FDP.

(iv) The cost apportionment of the common pre-development activities undertaken by the contractor shall be decided by the MC, based on similar investigations/surveys done before for preparation of FDP in line with generally accepted GIPIIP.

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3. The above instruction would apply uniformly to all such similar cases and DGH is advised to follow the above instruction scrupulously.

Yours faithfully,



(Atul N. Patne)
Deputy Secretary (E. II)
Tel.: 23383678

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