

O-19025/8/2005. ONG.D.V
Government of India
Ministry of Petroleum & Natural Gas

Chandri Bhawan, New Delhi
the 25th May, 2006

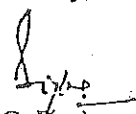
DG, DGH
New Delhi

Sub: Guidelines for announcement of new Discoveries under Production Sharing Regime

Sir,

I am directed to refer the proposal of DGH to set out guidelines for announcement of new discoveries under the PSC regime and reserve classifications and subsequent meetings held in the Ministry. These guidelines are forwarded herewith. DGH is requested to communicate these to all operators and other companies operating under the PSC regime. These guidelines may also be given wide publicity by putting on the website.

Yours faithfully,


(S.C. Das)

Under Secy. To the Govt. of India

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O-19025/8/2005. ONG.D.V
Government of India
Ministry of Petroleum & Natural Gas

Shastri Bhawan, New Delhi
the 25th May, 2006

To

All E&P Companies / Operators working in India

Sub: Guidelines for announcement of new Discoveries under Production Sharing Regime

Sir,

It is observed that the E&P companies operating in India have been announcing new discoveries without notifying the Government and without proper assessment of reserves, field size and production potential of the said Discovery. This may adversely influence the stake holders and is also not in keeping with good contract practices and spirit.

Therefore, the Government considers it expedient in the interest of public, and in accordance with Good International Petroleum Industry Practices (GIPIP), to lay down a uniform system for announcing a new Discovery to public, to be followed by all the E&P companies under Production Sharing Regime. Therefore Government, pursuant to relevant Articles of the contract, lays down the following guidelines to be followed by the companies before information on any new Discovery of oil / gas field is published in any Newspaper / Periodical.

- i) If and when a new Discovery is made within the contract area, it is mandatory that the Government and Management Committee be informed of the Discovery.
- ii) Information on any new Discovery made in the concerned block in any contract area is to be declared at large only after detailed technical analysis. The detailed information to the discoveries are to be submitted to the Management Committee / Government for review/approval (as applicable in the contract) at various stages as per the prescribed Formats A to D.

These guidelines do not supersede the contractual obligations as laid down in the applicable Production Sharing Contract.

Yours sincerely,

(S.C. Das)

Under Secretary to the Govt. of India
Tel. No. 23389464
Fax no. 3383585

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FORMAT - A

(TO BE SUBMITTED TO THE MANAGEMENT COMMITTEE / GOVT. PRIOR TO ANNOUNCING TO PUBLIC A DISCOVERY, BY THE CONTRACTOR IN THE CONTRACT AREA IN WHICH A NEW DISCOVERY HAS BEEN MADE BUT WHERE THE POTENTIAL COMMERCIAL INTEREST OF THE DISCOVERY IS YET TO BE ESTABLISHED)

To,

1. The Government of India
 2. The Management Committee
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Sub: Submission of information about hydrocarbon Discovery under the Production Sharing Contract signed on for Block

Sir,

In pursuance of Article of Production Sharing Contract signed on for Block and guidelines dt issued by the Government of India, I (name of the authorized signatory for and on behalf of M/s... (Name of the Contractor)) hereby notify that we have made on (date) a new Discovery in the Contract Area in the block mentioned herein above in terms of the provisions of the PSC, but the Potential commercial interest of the said Discovery is yet to be established. The required information about the new Discovery is furnished in the prescribed format given below:

1.	Block name & category (Pre-NELP/NELP)	:
2.	Contractor Party (ies) with participating interest	:
3.	Area of the block (Sq Km)	:
4.	Name of the location/ well	:
5.	Drilled depth of the well	:
6.	Number of hydrocarbon interesting zones with geological age/formation	:
7.	Zone and perforated interval tested	:
8.	Results of MDT (if any)	:
9.	Results of DST (if any)	:
	a. Production Rate (all fluids)	
	b. Well head pressure / temperature	

	c. Pressure transient studies results	
10.	Fluid properties	

A) It is also certified that till the date stated below we have not announced to public any information on the above mentioned Discovery and we undertake to restrict our announcement of the aforesaid information only as the information given above

or

B) After ensuring that the information required as per the above format was available with the contractor, we have disclosed information related to this Discovery on _____ (date) to _____ (name the statutory authority or authorities) in pursuance of our obligation under _____ (name the relevant statute or law), a copy of which was simultaneously endorsed to DGH and the Government.

Note : In case information of this Discovery has been made under provision 'B', the company shall furnish information in this format within 3 days of the date of making such disclosure.

Authorized signatory

Name of the Contractor

Date:

Place:

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FORMAT - C

(TO BE SUBMITTED BY THE CONTRACTOR TO MANAGEMENT COMMITTEE / GOVT. AFTER THE APPRAISAL IS COMPLETED AND THE DISCOVERY IS DECLARED AS COMMERCIAL AND NEEDS DEVELOPMENT FOR EXPLOITATION OF OIL AND GAS)

To,

1. The Government of India
2. The Management Committee

.....

.....

Sub: Submission of information about Commercial Discovery under the Production Sharing Contract signed on for Block

Sir,

In pursuance of Article of Production Sharing Contract signed on for Block and guidelines dt..... issued by the Government of India, I (name of the authorized signatory for and on behalf of M/s... (Name of the Contractor)) hereby notify that the Discovery notified on..... (date) of Potential Commercial Interest, based on the further operations through appraisal, the Discovery is found a Commercial Discovery and needs development, details of which as per the prescribed format are given as under:

1. Block name & category (Pre-NEIP/NELP)
2. Contractor Party (ies) with participating interest
3. Area of the block (Sq Km)
4. Name of the Field
5. No. of wells drilled
6. Date of declaration of Commercial Discovery
7. Number of hydrocarbon interesting zones with geological :
age/formation
8. Zone and perforated interval tested
9. Results of MDT (if any)
(zone thickness, fluid properties etc)
10. Results of DST (if any)
 - a. Well production potential / AOFP
 - b. Reservoir properties
 - c. Reservoir Pressure & Temperature

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11. Fluid properties / PVT properties
12. Fluid contact (if any)
13. Oil & gas in place (proved, probable & possible categories)
14. Recoverable (Ultimate Reserves)
(proved, probable and possible categories)
15. Expected production profile of oil and gas (BOPD /
MMSCFD)
16. Aerial extent of the pool / field
17. Likely date of submission of development plan
18. Expected development expenditure
19. Likely facility to be employed

A) It is also certified that till the date stated below we have not announced to public any information on the above mentioned Discovery except that information in Format-A & B submitted on _____ and _____ respectively and we undertake to restrict our announcement of the aforesaid information only as the information given above

OR

B) After ensuring that the information required as per the above format was available with the contractor, we have disclosed information related to this Discovery on _____ (date) to _____ (name the statutory authority or authorities) in pursuance of our obligation under _____ (name the relevant statute or law), a copy of which was simultaneously endorsed to DGH and the Government (copy enclosed for ready reference).

Note : In case information of this Discovery has been made under provision 'B', the company shall furnish information in this format within 3 days of the date of making such disclosure.

Authorized signatory

Name of the Contractor

Date:

Place:

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FORMAT - D

(TO BE SUBMITTED BY THE CONTRACTOR TO MANAGEMENT COMMITTEE / GOVT. AFTER DEVELOPMENT PLAN IS APPROVED BY GOVT/THE MANAGEMENT COMMITTEE)

To,

1. The Government of India
2. The Management Committee

.....
.....

Sub: Submission of information about development plan for commercial discovery / Field under the Production Sharing Contract signed on for Block

Sir,

In pursuance of Article of Production Sharing Contract signed on..... for Block and guidelines dt..... issued by the Government of India, I (name of the authorized signatory for and on behalf of M/s. (Name of the Contractor)) hereby notify that pursuant to the approval by the Management Committee of the development plan submitted by the contractor and based on the data obtained from the petroleum operations, the required information in the prescribed format is given as under:

1. Block name & category (Pre-NELP/NELP) :
2. Consortium party (ies) with participating interest :
3. Area of the block (Sq Km) :
4. Name of the Field :
5. Date of Commercial Discovery of the field :
6. No. of wells drilled :
7. Number of hydrocarbon interesting zones with geological age/formation :
8. Results of reservoir studies
a. Well Production potentials
b. Reservoir properties
c. Fluid properties / Fluid contact (if any)
d. Drive mechanism
9. Oil & gas in place (proved, probable & possible categories)
10. Recoverable (Ultimate Reserves)
(proved, probable and possible categories)

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11. Areal extent of the pool / field
12. No. of wells to be drilled under the development plan
13. Expected production profile (BOPD/MMSCFD)
14. Techno-economics (CAPEX, OPEX, IRR, NPV etc.)
15. Likely date of start of production
16. Possible market (consumer/consumers)
17. Potential IOR/ EOR techniques to be employed in future

A) It is also certified that till the date stated below we have not announced to public any information on the above mentioned Discovery except that information in Format-A, B & C submitted on ----, ----- & ----- respectively and we undertake to restrict our announcement of the aforesaid information only as the information given above

OR

B) After ensuring that the information required as per the above format was available with the contractor, we have disclosed information related to this Discovery on ----- (date) to ----- (name the statutory authority or authorities) in pursuance of our obligation under ----- -- (name the relevant statute or law), a copy of which was simultaneously endorsed to DGH and the Government (copy enclosed for ready reference).

Note: In case information of this Discovery has been made under provisions 'B', the company shall furnish information in this format within 3 days of the date of making such disclosure.

Authorized signatory

Name of the Contractor

Date:

Place:

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