

Government of India  
Ministry of Petroleum & Natural Gas  
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August 24, 2006  
Shastri Bhawan, New Delhi

DG, DGH  
New Delhi

Sub: Extension of exploration phases in respect of 19 blocks

Sir,

I am directed to convey the approval of the Government to the proposal sent by DGH in respect of 19 blocks as per the annexure. DGH is requested to take further action in the matter.

2. While examining the extension proposals, it was felt that to avoid a situation where contractors seek extension on the ground of delays in getting the Government approvals without making serious efforts to obtain the same, DGH should strictly monitor various clearances to be obtained by the contractor and where delays are anticipated, they should pursue with the concerned ministries and also inform this ministry for taking up appropriately with the concerned ministries. Also, in computing demonstrable excusable delays, DGH should take into account if any parallel work programme or activities are implemented.

3. DGH should also clearly lay down comprehensive guidelines / basis for computing moneys to be recovered from the contractors for the sake of adopting a consistent, fair and transparent approach.

4. In respect of extension proposals, DGH should compute the amount of mutually agreed pre-estimated liquidated damages and communicate the same along with extension to the respective contractors. The contractors may be given 15 days time to confirm agreement in royalty to the terms and conditions provided under the extension policy and also simultaneously remit the moneys required for extension. In case, the contractors do not agree to the terms and conditions, DGH should take immediate action to recover the money for the unfinished minimum work programme in terms of the provisions of the respective PSC.

5. In future, DGH while forwarding extension proposals under the extension policy should provide in sufficient details, the type under which the proposal falls in terms of extension policy and in case of excusable delays, chronology along with comments of DGH whether the contractor had made sincere efforts in getting approvals, despite which delays have been occasioned and whether the contractor has agreed to the terms and conditions of the extension as per the extension policy and also whether the contractor would be able to complete the unfinished work programme in the time proposed for extension.

Yours faithfully,

  
(S.C. Das)

Under Secy. to the Govt. of India

Encl. : aa

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Sl. No.	Block No.	Recommendation
1.	MB-OSN-97/4	Since ONGC has not agreed to accept terms and conditions applicable under the extension policy, the contract has expired on 7-5-2006 (taking into account 12 months extension already granted) and ONGC will be asked to pay money equivalent to unfinished work programme i.e. two exploratory wells.
2.	WB-OSN-2000/1	Due to delay in grant of environment clearance, exploration phase-I may be extended upto 10-11-2006 without setting off this period from phase-II.
3.	MN-OSN-97/3	Since ONGC has not agreed to accept terms and conditions applicable under the extension policy, the contract has expired on 18-11-2005 (taking into account 6 months extension already granted) and ONGC will be asked to pay money equivalent to unfinished work programme i.e. one exploratory wells.
4.	CY-OSN-2000/2	Due to delay in grant of environment clearance, exploration phase-I may be extended upto 23-3-2007 without setting off this period from phase-II.
5.	MB-OSN-2000/1	Since ONGC has not agreed to accept terms and conditions applicable under the extension policy, the contract has expired on 15-8-2005 (taking into account 12 months extension already granted) and ONGC will be asked to pay money equivalent to unfinished work programme i.e. two exploratory wells.
6.	MB-DWN-2000/1	Since ONGC has not agreed to accept terms and conditions applicable under the extension policy, the contract has expired on 15-8-2005 and ONGC will be asked to pay money equivalent to unfinished work programme i.e. three exploratory wells.
7.	MB-DWN-2000/2	Since ONGC has not agreed to accept terms and conditions applicable under the extension policy, the contract has expired on 15-8-2005 and ONGC will be asked to pay money equivalent to unfinished work programme i.e. two exploratory wells.
8.	GS-DWN-2000/1	Since ONGC has not agreed to accept terms and conditions applicable under the extension policy, the contract has expired on 15-8-2005 and ONGC will be asked to pay money equivalent to unfinished work programme i.e. one exploratory well.
9.	GS-DWN-2000/2	Since ONGC has not agreed to accept terms and conditions applicable under the extension policy, the contract has expired on 15-8-2005 and ONGC will be asked to pay money equivalent to unfinished work programme i.e. two exploratory wells.
10.	KK-DWN-2000/4	Since ONGC has not agreed to accept terms and conditions applicable under the extension policy, the contract has expired on 15-8-2005 and ONGC will be asked to pay money equivalent to unfinished work programme i.e. one exploratory well.
11.	KG-OSN-97/1	Since ONGC has not agreed to accept terms and conditions applicable under the extension policy and the fact that contractor has already completed MWP, they may be given the option to either go to phase-III as per the provisions of the PSC and relinquish area required under the PSC or relinquish the entire area. In case ONGC enters into phase-III, in that event the time lost from expiry of the phase-II i.e. 18-11-2005 and till the decision of the Government is conveyed will not be set off or counted in phase-III as the

		Government has taken some time in formulation of the policy in consultation with Ministry of Law and other ministry. Accordingly, the extension will be effective from 24-8-2006.
12.	SR-OS-94/1	Due to delay in getting environment clearance, exploration phase-II may be extended upto 3-7-2007.
13.	SR-OS-97/1	Due to delay in getting environment clearance, exploration phase-II may be extended upto 29-10-2006.
14.	GK-OSJ-3	Due to delay in getting environment clearance, exploration phase-I may be extended upto 26-4-2007.
15.	GS-OSN-2000/1	Due to delay in getting environment clearance, exploration phase-I may be extended upto 6-7-2008.
16.	KK-OSN-97/2	Due to delay in getting environment clearance, exploration phase-II may be extended upto 19-6-2007.
17.	MN-DWN-98/2	Due to delay in getting environment clearance, exploration phase-II may be extended upto 6-9-2007.
18.	NEC-OSN-97/1	Due to delay in getting environment and defence clearance, exploration phase-II may be extended upto 27-2-2007.
19.	KG-OSN-2001/3	DGH should send additional work programme to be carried out by the contractor in terms of extension policy. Thereafter, proposal will be processed for the approval.