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हाइड्रोकार्बन महानिदेशालय

पेट्रोलियम और प्राकृतिक गैस मंत्रालय
भारत सरकार

DIRECTORATE GENERAL OF HYDROCARBONS

Ministry of Petroleum & Natural Gas
Government of India

File Ref: DGH/PSC/Self-Certification/20-21

25-04-2020

Subject: Simplification of procedures and processes under Production Sharing Contract of Pre-NELP/NELP Blocks.

Ease of doing business is one of the focus areas of the Government in Exploration and Production (E&P) sector, with the objective to increase investment and production. Simplification of procedures and processes makes the system transparent and faster which facilitates investments in the sector.

2. A review of the processes for various approvals and submission of documents for the same under Production Sharing Contracts (PSC) under NELP/Pre-NELP was undertaken by the Government, following which the said processes were divided into the following three categories:

(A) Processes where documents shall be accepted on self-certification basis and no approval is required;

(B) Processes where approval will be deemed on expiry of 30 days of submission of documents under self-certification; and

(C) Processes where approvals shall be required under the Act/Rules or Contracts.

In all, 22 processes were identified under Category (A), 3 processes under Category (B) and 12 processes under Category (C).

3. Accordingly, following the said review of processes for various approvals and submission of documents for the same to Directorate General of Hydrocarbons and/or Ministry of Petroleum and Natural Gas (MoPNG) under PSC of Pre-NELP / NELP,

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Government has prescribed the following procedures in respect of the aforesaid Contracts.

3.1 Category A: Processes where documents shall be accepted on self-certification basis and no approval is required.

In respect of the following 22 processes, documents shall be accepted on self-certification basis and no further approval will be required:

S.N.	Process
1	Format-A: Information of discovery
2	Format-B: Potential Commercial Interest
3	Bank Guarantee and Legal Opinion, and renewal and revised Bank Guarantee
4	Notification to DGH for Test (DST/Well testing/Production testing)
5	Calibration of flow-meters, witness custody transfer operations
6	Inventory Report
7	Local goods & service report
8	Information about hiring of vendors through tenders
9	Change of MC members
10	Submission of G&G data
11	Submission of Insurance & Indemnity
12	Submission of operating agreement
13	Environment Impact Assessment report 1 & 2
14	Contingency Plan
15	Value of Production and Pricing Statement
16	Quarterly Reports
17	Vendor qualification Criteria
18	Appointment of Auditor by Operator under PSC
19	Well Location Review/ Change/ Deepening
20	Procedure for Measurement of Petroleum
21	Notice for entering next Phase or Relinquishment
22	Format-C: Commercial Discovery

3.2 Category B: Processes where approval will be deemed on expiry of 30 days of submission of documents under self-certification.

In respect of the following 03 processes, approval of Management Committee (MC)/Directorate General of Hydrocarbons (DGH)/Ministry of Petroleum and Natural Gas (MoPNG) is required at present. The documents against these processes may be submitted by the Contractor under self-certification; and approval will be deemed,

unless the documents are returned or rejected earlier, on expiry of 30 days of submission of the complete documents:

S.N.	Process
1	Work Programme & Budget — BE and RE
2	Appraisal Programme or its revisions
3	Field Development Plan or its revisions

3.3 Category C: Processes where approvals shall be required under the Act/Rules or Contracts.

(i) In respect of the following 12 processes, prior approval of Management Committee (MC)/Directorate General of Hydrocarbons (DGH)/Ministry of Petroleum and Natural Gas (MoPNG) will be required as per the requirements under the Act/Rules or Contracts.

S.N.	Process
1	Extension of Exploration Phase
2	Grant of Petroleum Exploration License (PEL) or extension application
3	Grant of Petroleum Mining Lease (PML) or re-grant application
4	Unit Development Plan
5	Liquidated Damages on account of Cost of Unfinished Work Programme
6	Assignment/Transfer of Participating Interest
7	Site Restoration Plan/Abandonment Plan
8	Extension of Production Sharing Contract (PSC)
9	Cost and Profit Petroleum Calculations
10	Accounting Procedure
11	End of the Year Annual Audited Statements
12	Audited Accounts

4. All self-certified documents shall be as per provisions of PSC and shall be duly supported with all the relevant documents duly attested by the authorized signatory/signatories of the Contractor.

5. All self-certified documents shall be subject to review by MoPNG/DGH at any time for alignment with the relevant provisions of PSC, policies/guidelines issued by


Government/DGH, Good International Petroleum Industry Practices (GIPIP) and other statutory requirements.

5. In case any material deviation is observed in facts/figures and substance submitted by the Contractor during review by MoPNG /DGH, the Contractor shall be notified for modification/rectification of the same as per provisions of PSC in a time bound manner.

6. DGH has, in consultation with the various stakeholders, developed standard formats which need to be submitted online for processes under Category A and B above. These are attached herewith as **Annexures-I** and **II** respectively.

7. This has the approval of the competent authority.

Encl: Annexures I and II


25.4.20
(Dr Anand Gupta)
ED, ADG(Development).