



हाइड्रोकार्बन महानिदेशालय

पेट्रोलियम और प्राकृतिक गैस मंत्रालय
भारत सरकार

DIRECTORATE GENERAL OF HYDROCARBONS

Ministry of Petroleum & Natural Gas
Government of India

Ref.: DGH/PSC/Self-certification/21-22

Date: 12.07.2021

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

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

2. A review of the processes for various approvals and submission of documents under Production Sharing Contracts (PSC) of NELP/Pre-NELP blocks was undertaken and the extant processes were divided into three categories: (A) Processes where documents shall be accepted on self-certification basis and no approval is required: **22**; (B) Processes where approval will be deemed on expiry of 30 days of submission of self-certification of documents: **03**; (C) Processes where approvals shall be required under the Act/Rules or contracts: **12**. These were duly conveyed by DGH vide letter No. DGH/PSC/Self-Certification/20-21 dated 25.04.2020 (*Annexure I*).

3. In order to enhance the ease of doing business, the above processes have been further rationalized and limited to: (A) Processes where documents shall be accepted on self-certification basis and no approval is required: **09**; (B) Processes where approval will be deemed on expiry of 30 days of submission of self-certification of documents: **03**; (C) Processes where approvals shall be required under the Act/Rules or contracts: **06**. Thus the 37 erstwhile processes of contract compliance are now covered by 18 processes of contract compliance by merging or subsuming in other process or in the Factsheet, as per *Annexure II*. Further, submission of all documents will be made online as per the given templates. These further simplified processes are as follows:

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

In respect of the following **09** processes, documents shall be accepted on self-certification basis online as per the given templates, and no further approval will be required.

Sr. No.	Process
1.	Bank Guarantee and Legal Opinion, and renewal and revised Bank Guarantee
2.	Inventory Report
3.	Submission of Insurance and Indemnity
4.	Quarterly Reports
5.	Appointment of Auditor
6.	Well Location Review/ Change/ Deepening
7.	Measurement of Petroleum
8.	Notice for entering next Phase or Relinquishment
9.	Format-C: Commercial Discovery (Declaration of Commerciality)



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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, documents may be submitted by the Contractor online under self-certification, and approval of Management Committee (MC) or Directorate General of Hydrocarbons (DGH) or Ministry of Petroleum and Natural Gas (MoPNG), as the case may be, will be deemed, unless the documents are returned or rejected earlier, on expiry of 30 days of submission of the complete documents.

Sr. No	Process	Timeline
1.	Work Programme & Budget – BE and RE	30
2.	Appraisal Programme or its revision	30
3.	Field Development Plan or its revision	30


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

In respect of the following **06** processes, prior approval of MC, DGH or MoPNG will be required as per the Act/Rules or contracts. Further, documents will be submitted online as per the given templates.

Sr. No.	Process
1.	Extension of Exploration Phase
2.	Liquidated damages on account of Cost of Unfinished Work Programme
3.	Assignment/Transfer of Participating Interest
4.	Site Restoration Plan/Abandonment Plan
5.	Extension of Production Sharing Contract
6.	End of Year Statement (audited) and Annual Audited Accounts in accordance with relevant article and accounting procedure of PSC.

4. All the above 18 processes and Factsheet have been standardized and made online, in consultation with stakeholders, and may be accessed through the following link:
PSC Management System Link: <https://online.dghindia.org/PSCDashboard/Login>
5. Against all the aforementioned processes, Contractor shall make submissions in the prescribed online mode only and no hard copy will be entertained in DGH after 15th August 2021. DGH will separately issue Guidance Document for facilitation of Contractors in this regard.
6. This has the approval of the competent authority.

Encl. *Annexures I and II*


(Dr. C. Laxma Reddy)
ADG (Exploration)



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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,

Signature



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).

PSC Self-Certification: Further simplification of processes for ease of doing business

Sl. No.	Category-A: Processes where documents shall be accepted on self-certification basis and no approval is required	Further simplification and standardization
1	Information of discovery	Update in Factsheet
2	Potential Commercial Interest	Update in Factsheet
3	Bank Guarantee and Legal Opinion, and renewal and revised Bank Guarantee	Retained
4	Notify DGH for Test (DST/Well testing/Production testing)	Witnessing not required. Operator to maintain detailed report of the testing.
5	Calibration of flowmeters, witness custody transfer operations	Subsumed in "Measurement of Petroleum"
6	Inventory Report	Retained
7	Local goods & service report	Monitored through ECMS.
8	Information about hiring of vendors through tenders	Operator to maintain the documents as per relevant PSC article.
9	Change of MC members	Subsumed in Factsheet
10	Submission of G&G data	Operator to keep sending E&P data (including G&G) data to NDR with intimation to respective Coordinator
11	Submission of Insurance & Indemnity	Retained
12	Submission of operating agreement	Upload in Factsheet
13	Environment Impact Assessment report 1 & 2	Upload in Factsheet
14	Contingency Plan	Upload in Factsheet. Operator to prepare and follow Contingency Plan as per provisions of PSC and GOI policy/guidelines issued in this regard.
15	Value of Production and Pricing Statement	Subsumed in "Quarterly Reports"
16	Quarterly Reports	Retained
17	Vendor qualification Criteria	Operator to maintain record of vendor qualification criteria.
18	Appointment of auditor	Retained
19	Well Location Review/ Change/ Deepening-Exploration	Retained
20	Procedure for Measurement of Petroleum	Retained
21	Notice for entering next Phase or Relinquishment	Retained
22	Commercial Discovery (Declaration of Commerciality)	Retained

	Category-B: Processes where approval will be deemed on expiry of 30 days of submission of documents under self-certification	Further simplification and standardization
1	Work Programme & Budget – BE & RE	Retained
2	Appraisal programme or its revision	Retained
3	Field Development Plan or its revisions	Retained

	Category C: Processes where approvals shall be required under the Act/Rules or Contracts	Further simplification and standardization
1	Extension of Exploration Phase	Retained.
2	Grant of Petroleum Exploration License (PEL) or extension application	Contractor to submit the application in existing online PEL-PML application system.
3	Grant of Petroleum Mining Lease (PML) or re-grant application	Contractor to submit the application in existing online PEL-PML application system.
4	Unit Development Plan	Merged with "Field Development Plan or its revisions" in Category-B
5	Liquidated damages on account of Cost of Unfinished Work Programme	Retained
6	Assignment/Transfer of Participating Interest	Retained
7	Site Restoration Plan/Abandonment Plan	Retained
8	Extension of Production Sharing Contract (PSC)	Retained
9	Cost & Profit petroleum calculation	Subsumed in "Quarterly Report" in Category-A
10	Accounting Procedure	Merged
11	End of Year Statement	
12	Audited Accounts	