

Clarification No. 1 To NIO/MRSC

Sl.	Reference Document	Reference Article	Query	Response
1.	MRSC	3.1, 11.1.3	Article: 3.1 & 11.1.3 Extension of the Duration of the Contract the Article 3.1 provides that Contract may be extended upon mutual agreement between the parties for a further period not exceeding 10 years. The Para 11.1.3 provides initial lease term of 20 years from the date of grant. The Lease may be further extended by mutual agreement between the Parties. Provided that such extension would be for a period up to 5 years or beyond as may be mutually agreed or as per extant Government policies/guidelines. Query/ Suggestion from operator: It is suggested that the Articles 3.1 and 11.1.3 may be in consonance. So, Article 11.1.3 may also mention the period of 10 years in place of 5 years.	Provisions of NIO and MRSC shall prevail
2.	MRSC	3.2	If there is a delay in the commencement of the commercial production due to the reasons out of control like lock-down restrictions etc., then Contractor should be given the extension for the same and should not be penalized.	Necessary provisions are available in MRSC to deal with cases of Force Majeure (Refer Article 29 of MRSC) and delays in clearances (refer Article 14.5 of MRSC).
3.	MRSC	3.3	Modification - The Contractor shall commence commercial production from Contract Area within the timelines stipulated in Article 3.2. In the event the Contractor fails, the entire Contract Area shall stand relinquished subject to compliance of Article 5.2 and Article 14. However, if the delay in commencement of commercial production is on account of reasons beyond the control of the Contractor and Contractor has completed BWP, the Contract Area shall not be relinquished. Justification - Contractor should not be penalized for failure to commence production on account of reasons beyond its control and where BWP has been completed by Contractor.	Necessary provisions are available in MRSC to deal with cases of Force Majeure (Refer Article 29 of MRSC).
4.	MRSC	3.4	Modification - In case of cessation of production for a period of over one (1) year at any instance (excluding on account of reasons beyond the Contractor's control such as FM)after the commencement of production as stipulated under Article 3.3 from the Contract Area, the Government may terminate the Contract. Justification - Contractor should not be penalized for cessation of production on account of reasons beyond its control.	MRSC Provisions shall prevail. Force Majeure situation shall be governed by Article 29 of MRSC.

Clarification No. 1 To NIO/MRSC

Sl.	Reference Document	Reference Article	Query	Response
5.	MRSC	8.1d	Can we purchase Data Packages after Award of Contract?	Purchase of technical Data Package is not mandatory to participate in bidding round. [However, it is recommended that a bidding company must analyse all available technical data including the Data Package before the bidding. Payment of Tender Fee, as provided in NIO, is only mandatory.]
6.	MRSC	8.1d	Whether purchase of data package is mandatory for bid. Please clarify.	No. [However, it is recommended that a bidding company must analyse all available technical data including the Data Package before the bidding. Payment of Tender Fee is only mandatory.]
7.	MRSC	8.4	In case of Open Acreage Blocks of DSF without present PML holder like ONGC, OIL, will one-time payment of book value of wells and facilities still applicable? After one-time payment of facilities, the ownership will be transferred to DSF Block holder?	The Book Value, if any will be intimated before the date of start of bid submission through E-bidding portal. Refer Chapter-2 of NIO.
8.	MRSC	8.4	Modification - The Contractor shall, in consideration of being awarded the Contract and in accordance with the provisions of the NIO, make the payment of the One Time Payment as specified in NIO to {ONGC/OIL} which is an amount of US \$ / Indian Rupees (INR) NIL, within a period of six (6) months from the date of execution of the Contract. Justification - In line with DSF I and II	The Book Value, if any will be intimated before the date of start of bid submission through E-bidding portal. Refer Chapter-2 of NIO.
9.	MRSC	8.4	Book Value of Assets: Book Value, if any, will be intimated before the date of start of Bid Submission, i.e. 1 <sup>st</sup> August 2021. By when it will be intimated?	The Book Value, if any will be intimated before the date of start of bid submission through E-bidding portal. Refer Chapter-2 of NIO.
10.	MRSC	10.6	Whether any flaring of the associated gas is allowed to produce oil alone?	Please refer Article 10.6 of MRSC.
11.	MRSC	11	Its observed that many of the contract area's PML has expired. Please elaborate the process that will be adopted for renewal of these contract areas, post award. By definition, DSF implies the fields where discovery has been made but couldn't put on sustained production due to various	Necessary provision is given in Article-11 of MRSC.

Clarification No. 1 To NIO/MRSC

Sl.	Reference Document	Reference Article	Query	Response
			reasons. But some fields like "CB/ONDSF/Indrora/2021" which was with private operator for more than 15 years and relinquished post PSC expiry. Any specific reason to classify such fields as discovered small field (DSF).	
12.	MRSC	11.1.1 and 11.1.2	It is encouraging to note that the size of the individual clusters are large. However, in many cases, large part of the cluster are beyond the established pool limit. In such cases, will the contractor be given exemption of payment of the ML fee?	Fee is governed by PNG Rules, as amended from time to time.
13.	MRSC	14	Whether the 'Environmental Clearance (EC)" already obtained by ONGC for the new wells to be drilled would be shared with the new contractor?	As per EIA notification 2006, EC can be transferred from the original contractor/operator to the new one provided the transfer is during the validity of EC and there is no change in the project profile from the original work programme.
14.	MRSC	14	We request provision & procedure/guideline from DGH for regulatory clearance like EC obtained by original owner to be transferred to awarded party to help support quick operations & monetization.	As per EIA notification 2006, EC can be transferred from the original contractor/operator to the new one provided the transfer is during the validity of EC and there is no change in the project profile from the original work programme. If, any change is proposed to be carried out under the DSF block, the new operator would need to get EC amended/new EC. If the earlier EC is for exploratory drilling, the same cannot be transferred to the new operator for production and development to the undertaken in DSF activities.
15.	MRSC	14	Do we consider that for the DSF blocks might have EC clearance and therefore no further environmental clearances are required for drilling in the contract area?	Necessary clearances are required to be obtained by the successful bidder. However, in case of existing valid EC, as per EIA notification 2006, EC can be transferred from the original

Clarification No. 1 To NIO/MRSC

Sl.	Reference Document	Reference Article	Query	Response
				contractor/operator to the new one provided the transfer is during the validity of EC and there is no change in the project profile from the original work programme.
16.	MRSC	15	Whether revenue sharing must be paid monthly or on sales realization?	Please Refer Article-15 of MRSC.
17.	MRSC	16	GST & Sales Tax are they same? What's the Applicable Rate for Oil & Gas Sales?	GST is taxes on supply of goods or services and therefore it is a broader term as compared to sales tax. For applicable rates for O&G sales, please refer CST Act 1956/rules, and relevant state government VAT laws.  However, the contractor has to do the due diligence as per the applicable rules and laws.
18.	MRSC	16.3	Royalty on actual price realized than Crude oil basked price and PPAC prices for Oil and Gas	Royalty is to be paid as per the provisions of the relevant Rules and Act (ORD Act 1948 and P&NG Rules, 1959), as amended from time to time.
19.	MRSC	17	Evacuation of Products (Oil, Gas and Produced Water) – DGH should own the responsibility for reasonability and timely approvals if products to be handed over to buyer through ONGC/OIL.	Complete marketing freedom is provided to Contractor. Please refer Article 19 of MRSC.
20.	MRSC	26	In the event that a company initially bids for 100% stake in a Block and is successful, what is the time limit before which the RSC will be amended by the government when some partners join the successful bidder for participatory interest?	Cases pertaining to Assignment of Participating Interest will be dealt as per the provisions of Article 26 of MRSC.
21.	MRSC	26	Whether pledge on PI to raise capital need Govt Approval?	Please refer to Article 26.8 of MRSC.
22.	MRSC	26	What is provision for inclusion or exclusion of new consortium partners for the period of E & P of the DSF blocks?	Suitable provisions are available in Article 26 and Article 32 of MRSC.
23.	MRSC	26.6	What is the time required for assignment approval?	Assignment of Participating Interest related issues will be dealt as per the provisions of Article 26 of MRSC.

Clarification No. 1 To NIO/MRSC

Sl.	Reference Document	Reference Article	Query	Response
24.	MRSC	29	If Covid-like situation pandemic situation arises and the work programme could not be completed in time, What will happen to the CWP and their respective LD? Will DGH allow to revise the CWP without paying LD?	Force Majeure cases shall be governed by Article 29 of MRSC.
25.	MRSC	-	How DSF(iii) MRSC ' Revenue Sharing Model' could be rated as " Operator- friendly", particularly wrt the earlier Models with provision of 100% Cost Recovery of Capex + Opex for the first Five-Years of the contract operation , followed by 50% - Cost Recovery with some multiplier factor in subsequent years?	Revenue Sharing Contract model is a simple and easy to administer contractual model which require minimum regulatory burden.
26.	NIO	Chapter 1, Clause-II /17&18	Whether prevailing infrastructure & logistics in the field would duly be maintained in active condition till the new Contractor acquires the contract of the field and same should be handed over to the new Contractor without any alterations?	Field including associated infrastructure available within the Contract Area will be handed over on 'as is where is' basis as per NIO provisions.
27.	NIO	Chapter 1, Clause-II /17&18	Please confirm that all details of the assets in the Indrora field shall discretely be mentioned in the docket which can be cross checked prior to handing over. Details necessarily should include individual well items with well site details, pipelines details, installation items with infrastructure, land details with terms of acquisition / hiring etc.	Details of offered Contract Area including the wells are given in Information Docket.
28.	NIO	Chapter 1- Clause IV(3) and VI(1)	What will be the participating interest value of the work program commitment, and its impact on the net-worth?	Please refer Clause VII of Sl.No.3 of Chapter-3 of NIO (Format for submission of Bids)
29.	NIO	Chapter 1- Clause IV(3) and VI(1)	If the company has a net-worth amounting to INR 8.00 cr. but the turnover of previous year is nil, will it be eligible for participation?	Minimum Net-Worth requirement to participate in DSF bidding is as per Clause IV of Chapter-1 of NIO. For Net-Worth format please refer Clause –IX of Chapet-3 of NIO (Format for submission of Bids.) Turnover requirement has no relevance here.
30.	NIO	Chapter 1, Clause- IV/5 (MRSC Article 15 & 16)	Biddable Government share of revenue (net of Royalty) shall be payable by the Contractor since onset of production. Please clarify if the royalty is part of cost incurred by the contractor and same can be used for calculating revenue and ultimately govt's share	It is a revenue sharing contract. Please refer Article 15 of MRSC

Clarification No. 1 To NIO/MRSC

Sl.	Reference Document	Reference Article	Query	Response
31.	NIO	Chapter 1, Clause- VI/2	If a company or consortium is bidding for more than one block, please explain in detail why does it need to provide a priority?	If Networth is found insufficient for multiple blocks that were bid, Networth would be allocated according to priority for determination of eligibility of the bidder for various blocks that were bid.
32.	NIO	Chapter 1, Clause-VI/3	Understanding of the MWP slabs and its BEC impact. Is there any specific provision to include Exploration upside in the BEC.	Please refer Point VI of Chapter-1 of NIO for BEC
33.	NIO	Chapter 1, Clause VI 3 (b)	Clause - (B) EVALUATION OF BIDDABLE GOVERNMENT SHARE OF REVENUE MODIFICATION - The Net Present Value (NPV) of Revenue share offered to Government by applying ten percent (10%) discount rate will be computed under four scenarios taking into account four notional revenue profile scenarios. The bid with the highest Government NPV (Net Present Value) and positive Contractor NPV will be given the maximum points. CLARIFICATION/JUSTIFICATION - By ensuring that Contractor NPV is also positive, non viable bids can be discouraged. By rejecting bids with negative Contractor NPV 10, GOI can weed out the unrealistic bids and ensure only serious bids are considered.	The bidding parameters are evaluated against the standard assumptions in order to decide the relative positions of different Contractors. This computation is to protect GOI share of Revenue from H1 Bidder.
34.	NIO	Chapter 1, Clause-IX /4	Bid Bond Validity is 1yr from Bid Closing Date or Bid Submission?	Validity should be at least 1 year from Bid submission date. Refer IX-4 of Chapter-1 of NIO.
35.	NIO	Chapter I, Clause IX/4	Bid Bond – Bid bond should be returned to unsuccessful bidders as soon as work is awarded to successful bidder.	Refer IX-4 of Chapter-1 of NIO.
36.	NIO	Chapter I, Clause IX/5	PBG – As soon as DSF operator declares non-viability to develop the field, the PBG should be returned within two months after completing the procedure.	The fields awarded under the DSF rounds are Discovered fields. A Contractor is to do the due diligence for development of the field. Return of PBG to be guided as per MRSC Provisions.
37.	NIO	Chapter 1, Clause- IX/5 (MRSC Article 27)	Is there a minimum biddable work program defined for the contract areas. If not, then the minimum bank guarantee stipulated in the NIO should be completely waived off, in case the bidder decides not to bid for work program	NIO / MRSC provisions shall prevail.
38.	NIO	Chapter 1, Clause-IX/8	Provision for LD amount may fixed be equivalent INR rather than specifying it in only USD. The applicable exchange rate (USD to INR) for	NIO / MRSC provisions shall prevail.

Clarification No. 1 To NIO/MRSC

Sl.	Reference Document	Reference Article	Query	Response
			LD amount could be either launch date of NIO or signing of RSC or end of respective exploration period as considered appropriate.	
39.	NIO	Chapter 1, Clause-IX/8	Kindly clarify, if contractor has made a commitment to drill 2 wells and if these wells turn out to be dry or unviable for production or stop producing after 6 months, Would the Contractor still need to hold the blocks and would penalties still apply ?	Applicable Liquidated Damages (LD) will be as per Article 5.2 of MRSC.
40.	NIO	Chapter 1, Clause-IX/10 (MRSC-Article 1.80 and 10.3)	Understanding the provision of further exploration, particularly w.r.t unconventional resources and its development implication viz. operational flexibility and fiscal terms.	DSF policy provides Single license for exploration & exploitation of both conventional and unconventional hydrocarbons and Exploration is allowed throughout the Contract duration. Please refer Point II of Chapter-1 of NIO.
41.	NIO	Chapter 1, Clause-IX/11	The time for drilling of Appraisal / Development Wells may be modified to within (4) years in case of Onland, and (5) years in case of Shallow water offshore.	Provisions of NIO / MRSC shall prevail.
42.	NIO	Chapter 1, Clause-IX/14 (MRSC-Article 3.1)	What happens in the case if the field life is more than 20 years? Please clarify if you would provide any upfront provisions for contract to be extended on same terms and conditions?	Necessary provisions are available in Revenue Sharing contract. Refer Article 3 of MRSC.
43.	NIO	Chapter 1, Clause-IX/15	Most of the fields are under ML area of ONGC. Will this be transferred to New ML will be granted? In this case is the previous ML terminated?	Necessary provision is given in Article-11 of MRSC.
44.	NIO	Chapter 1, Clause IX / 24	DGH and Government should allow the free flow of equipment which were brought under custom duty exemption between all DSF contract areas without asking for any paperwork/ block transfer. This will save time, cost and increase efficiency.	Essentiality Certificate requirements are governed by Custom Act and IGST Act. Exempting the transaction from requirement of EC is beyond the control of MoPNG/DGH.
45.	NIO	Chapter 1, Clause XII	Revision of Block area for S 20: The present block boundary includes a vast area with no exploratory inputs or discovery in the north. Only a small area around 250 SKM with discoveries B 203, B 218, and B 219 fields in the southern part may be carved out as a Development block.	Please refer to relevant Information Docket and Data Package for details pertaining to the Contract Area.
46.	NIO	Chapter 4	Contract area wise data package cost to be provided.	Data Package purchase process is through National Data Repository Data

Clarification No. 1 To NIO/MRSC

Sl.	Reference Document	Reference Article	Query	Response
				Package cost also available at NDR. Please refer to <a href="http://ndrdgh.gov.in">ndrdgh.gov.in</a>
47.	NIO	Chapter 4	Whether each member of any consortium has to purchase data package or only lead operator can purchase data on behalf of consortium. Please clarify.	Data Package purchase is not a mandatory for bidding purposes.
48.	NIO	Chapter 4	What additional information are to be provided at Data Booklet after from technical booklet.	Data Package comprises available technical information.
49.	NIO	Chapter 4	Data Viewing Facility: Is the data viewing facility is mandatory for bid submission or only the purchase of tender document will suffice the purpose? The details are also sent through mail	Payment of Tender Fee by way of purchasing of information Docket is mandatory. [However, it is recommended that a bidding company must analyse all available technical data including the Data Package before the bidding. Payment of Tender Fee is only mandatory.]
50.	NIO	Chapter 4	Validity of Data Purchase: DIGITAL SETS OF DATA PACKAGE: What will be the validity period of this data package?	Five years normally. In case the block gets awarded the validity will be the Contract Period.
51.	NIO	Chapter 4	Registration for data viewing: How many persons from a company are allowed to register for online data viewing?	Single log-in will be provided to the Company for accessing Virtual Data Room.
52.	NIO	Chapter 4	Payment of Tender Fee? All Onland / offshore Contract Areas: US\$ 100	Please Refer Chapter-4 of NIO for Price list.
53.	NIO	Chapter 4/ 2	Bank details to be provided to make the payment for Field Information Docket/Tender fee via SAP system.	Details are available through E-bidding portal.
54.	NIO	Chapter 4, Clause-2C	Due to the Pandemic Situation, could you please arrange to provide the Technical Data Sets at a reduced prices so that we can avoid the visit of Data Rooms.	Applicable cost of data is as per the NDR data policy which is quite reasonable.
55.	NIO	-	After Selan departed, whether ONGC is presently operating the field? That being the case, whether as per the DGH NIO norm, can ONGC participate in this bid for a future contract?	BID QUALIFYING CRITERIA & BID REJECTION CRITERIA are mentioned at Clause V & VI, Chapter 1, of NIO.
56.	Others	-	Will the block on offer be provided with single window clearance on a fast-track basis for all Statutory clearances for faster monetization	DGH / MoPNG is continuously facilitating for fast tracking of clearances.



Clarification No. 1 To NIO/MRSC

Sl.	Reference Document	Reference Article	Query	Response
57.	Others	-	Whether any GST is applicable for royalty?	Contractor has to do the due diligence. As on date GST on Royalty is applicable, as per GST rules.
58.	Others	-	For production disposal is there any tie up with ONGC or IOCL?	Supply Sale, Disposal of production is guided by Article 17 of MRSC
59.	Others	-	Well Head Cost – There must be clarity on well head cost. Royalty applicability should be on well head cost as per GOI circular.	The same is governed by ORD Act 1948 and as amended time to time.
60.	Others	Clearances	Whether Indian-owned offshore supply vessels duly contracted by the successful bidder need to obtain MoD clearance or not?	Yes
61.	Others	Data Package	Please advise whether Reservoir reports/Core analysis /PVT sample analysis data and reports for the wells indicated in the Contract Areas will be made available in the data package.	No. Only WCR is included in the Data Package. Rest can be purchased separately.
62.	Others	Data viewing	DGH assistance provision for new bidders in DSF process and data viewing facilities for offered blocks..	DGH is committed to provide all possible support and assistance for DSF bidding procedure. Both Virtual and Physical data viewing facilities are operational, same can be booked through smooth online process.
63.	Others	Data viewing	It has been observed, that the data viewing slots are yet to be uploaded on the platform, and it is requested that the slot calendar may please be uploaded upon	Availability of data viewing slots are available on DGH website
64.	Others	Incentive	Partial Cost Recovery for difficult fields – To incentivize DSF operators for developing logistically very difficult fields, GOI should share the partial cost. This condition should apply if reserves are more than 2 MM bbls and Capex is more than US \$50 MM. In such case, the expenditure above US \$ 50 MM should be shared 50:50 by GOI and DSF operator and may be recovered from the revenue share. This incentive will facil	Provisions of NIO and MRSC Shall prevail.
65.	Others	Technical	In KG/OSDSF/G4/YS-9-1 field reported vast variation in volume estimates.	Volumes represent around well bore (500-meter radius) and field level including additional reporting
66.	Others	Technical	In Indrora Field it is mentioned 24 Wells whereas in the Map there are 12 wells.	Total 24 wells are there within the Contract Area as per NDR record. Out

Clarification No. 1 To NIO/MRSC

Sl.	Reference Document	Reference Article	Query	Response
				these, data of 12 wells are without reliable location coordinates. Therefore, 12 well are there in the Map. Remaining well data will be made available for purchase once coordinates are received.
67.	Others	Technical	In KG/OSDSF/G4/YS-9-1, seismic section are without basemap and direction.	This is as received from erstwhile Operator
68.	Others	Technical	In KG/OSDSF/GS21, well bore estimates shows huge Gas inplace.	Volumes represent around well bore (500-meter radius) and field level including additional reporting
69.	Others	Technical	DSF block Indrora has been offered in 2 parts (Mewar and Indrora) almost 40 Kms apart. Is it mandatory to bid for both or can be chosen one of them?	Bidding units/ Offered Contract Areas are well defined in NIO.
70.	Others	Technical Information Booklet	In certain Blocks successful wells are indicated within certain contract areas. Please clarify whether wells will be a part of Contract Area or not as results of these wells have not been indicated in the information booklet.	Details of offered Contract Area including the available wells are given in Information Docket.
71.	Others	Technical Information Booklet	Only in-place resource is provided. What is the remaining reserve of each field?	Related available information are given in Information Docket as well as in Technical Booklet.
72.	Others	Technical Information Booklet	Current resource figure to be given after production of each contract area	Related available information are given in Information Docket as well as in Technical Booklet.
73.	Others	Technical Information Booklet	Unlike DSF I/ II, the resources for each field has not been provided as part of NIO / technical booklet. Form where can we get these estimates?	Related available information are given in Information Docket as well as in Technical Booklet.
74.	Others	Technical Information Booklet	Why there was no technical booklet provided along with NIO. In the previous DSF rounds the Technical booklet was useful in shortlisting the blocks before booking the data room for viewing the data.	Technical booklet is available at DGH website.
75.	Others	Technical Information Booklet	We found that there was mention of the Field D33 in the MB/OSDSF/B203/2021 Block. But we could not find any information about the D33 field in the Information Booklet. Is it the same D33 block that came in DSF-3 round?	No. Details of D-33 Field can be found as GS01-B1.

Clarification No. 1 To NIO/MRSC

Sl.	Reference Document	Reference Article	Query	Response
76.	Others	Technical Information Booklet	The area CB/ONDSF/INDRORA/2021 as shown in the NIO has three fields but the Information Booklet shows details of only one field. Will the details of West Mewad and Cambay be shared separately?	Available details are given in respective Information Docket and Data Package.
77.	Others	-	Why the last Pvt Operator Co., " Selan Exploration Technology Ltd " (SETL), surrendered Indrora field w/o availing the contractual provision of enhancing the contract period beyond original contract period ? Or is it that Govt did'nt approve to SETL's extension-application ? If yes, why?	Confidential information/ reports of earlier Operator cannot be shared
78.	Others	-	For facilitating our bid preparation, can we be shared with the profitability status of SETL , with the Government, before it was handed over to ONGC ??	All available data will be shared with the prospective bidders. However, confidential information/ reports of earlier Operator will not be available.
79.	Others	--	Was there any accumulative loss for SETL during handing over the field ? Whether the field to be handed over to the new Contractor with "Zero-Liability "?	Confidential information/ reports of earlier Operator cannot be shared
80.	Others		For facilitating the bid preparation, whether the present operator of the field, ONGC, are to reveal the figures of current Monthly/ quarterly/ Annual Opex of the field before bidding process?	All available data will be shared with the prospective bidders. However, confidential information/ reports of earlier Operator will not be available.