



Guidelines for
evaluation of cases
under various Policy
frameworks

Philip

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I. Guidelines for implementation of Policy Framework for relaxations, extensions and clarifications at the development and production stage under the PSC regime for early monetization of hydrocarbon discoveries dated 10.11.2014.

Clause 1: Extension of time-period for submission of DOC in respect of Hydrocarbon Discovery

Guidelines	Checklist/Timelines
<p>This clause enables the Contractor to seek extension of 6 months for onland blocks and 12 months for offshore blocks subject to payment of Liquidated Damages (LD) amounting to maximum 3 times of annual PEL fee pro-rated for the period of extension sought. Such proposals will be evaluated in DGH as per the Standard Operating Procedures (SOPs) for review of DoC, keeping in view the following guidelines:</p> <ol style="list-style-type: none"> i) DGH to review the proposal submitted by the contractor and check the following: <ol style="list-style-type: none"> a. OC approval b. Proposal for extension is submitted before date of submission of DOC. c. Valid PEL d. For group discoveries, proposal supporting non-viability of earlier discovery and viability of subsequent discovery. ii) DGH will examine the justification submitted by Contractor and the activities envisaged in proposed extended period on the following technical and operational reasons and will make appropriate recommendations to MC: <ol style="list-style-type: none"> a. Completion of MC reviewed Appraisal work program b. Appraisal work program to firm up DOC. c. Further G&G studies / production testing. 	<p>Extension application to be submitted by contractor at least 30 days prior to due date.</p> <p>Checklist will be as per as per the Standard Operating Procedures (SOPs) for review of DoC notified by DGH.</p>

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<p>iii) DGH will validate the LD amount applicable for the contract area at time of extension pro-rated for the period of extension sought as per policy.</p> <p>iv) MC will review the contractor's proposal and DGH views on the same.</p> <p>Based on MC recommendation, DGH shall make a decision on the grant of extension of time period for DoC submission subject to payment of LD by contractor.</p>	<p>DGH examination to be completed within 15 days.</p> <p>MC recommendation to be conveyed prior to due date. (within 15 working days) (Due date is the last day of submission of DoC as per PSC timeline)</p>
Total time for examining the proposal	30 working days

Clause 2: Extension of time-period for submission of FDP in respect of Hydrocarbon Discovery

Guidelines	Checklist/Timelines
<p>This clause enables the Contractor to seek extension of 3 months for onland blocks and 6 months for offshore blocks subject to payment of Liquidated Damages (LD) amounting to maximum 3 times of annual PEL fee pro-rated for the period of extension sought. Such proposals will be evaluated in DGH as per the SOPs for review of FDP keeping in view the following guidelines and will make appropriate recommendations to MC:</p> <p>i) DGH to review the proposal submitted by the contractor and check the following:</p> <ol style="list-style-type: none"> OC approval Proposal is submitted before date of submission of FDP. <p>ii) DGH will examine the justification submitted by Contractor and the activities envisaged in proposed extended period on the following technical and operational reasons:</p> <ol style="list-style-type: none"> Completion of MC reviewed Appraisal work program 	<p>Extension application to be submitted by contractor at least 30 days prior to due date.</p> <p>Checklist will be as per as per the Standard Operating Procedures (SOPs) for review of FDP.</p>

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<ul style="list-style-type: none"> b. Additional appraisal work program to firm up FDP. c. Further G&G studies / production testing. 	
<ul style="list-style-type: none"> iii) DGH will validate the LD amount applicable for the contract area at time of extension pro-rated for the period of extension sought as per policy. iv) MC will review the contractor's proposal and DGH views on the same. v) Based on MC recommendation, DGH shall make a decision on the grant of extension of time period for FDP submission subject to payment of LD by contractor. 	<p>DGH examination to be completed within 15 working days.</p> <p>MC recommendation to be conveyed prior to due date. (within 15 working days)</p> <p>(Due date is the last day of submission of FDP as per PSC timeline)</p>
Total time for examining the proposal	30 working days

Clause 3: Reduction of Minimum Work Program (MWP) in case of blocks overlapping with SEZ, Reserve Forest, Naval Excise Area, DRDO, danger zones, National parks, urban areas, firing ranges of Police/Armed Forces, etc.

Guidelines	Checklist/Timelines
<p>This clause facilitates contractor to either exit from Contract if the contract area is reduced or to work in reduced contract area with proportionate reduction in MWP due to denial of clearances by Govt. agencies. Such proposals will be evaluated in DGH as per Govt. approved SOPs dated 28.08.2018 keeping in view following guidelines and will make appropriate recommendations to MC:</p> <ul style="list-style-type: none"> i) DGH will examine the proposal of contractor for reduction in area and commensurate work program reduction for the following: <ul style="list-style-type: none"> a. OC approval b. Documentation in support of the reduction in area/overlap issue with respective statutory agency. c. Adherence to timelines as mentioned in policy. 	<p>DGH to examine within 15 working days. (From date of receipt of complete proposal)</p>

<ul style="list-style-type: none"> d. PEL grant e. Application/s made by contractor for statutory clearance. f. Approval/rejection letter/s by statutory agency. 	
<ul style="list-style-type: none"> ii) Multi-Disciplinary Committee constituted in DGH will examine all such proposals pursuant to Govt. approved SOPs dated 28.08.2018 and make recommendation to MC. 	MDC to examine within 10 working days.
<ul style="list-style-type: none"> iii) MC will review the contractor's proposal and DGH views on the same. Based on MC recommendation, DGH shall make a decision regarding exit from the Contract or continuation of exploration in reduced contract area. 	MC recommendation and DGH decision within 5 working days
Total time for examining the proposal	30 working days

Clause 4: Swapping of 2D and 3D Seismic MWP

Guidelines	Checklist/Timelines
<p>This clause enables Contractor to swap 2D seismic program of MWP with 3D seismic and vice versa which may be required due to technical or logistical reasons. DGH will evaluate such proposals keeping in view the following guidelines:</p> <ul style="list-style-type: none"> i) DGH to evaluate the proposal based on technical or logistical merits as submitted by Contractor such as: <ul style="list-style-type: none"> a. Better mapping of sub-surface b. Land acquisition constraint c. Logistical constraint d. Difficult terrain e. Weather conditions f. Any other local agitation/strike/disturbance ii) Technical committee set up in DGH will review all such proposals and recommend to MC. iii) MC will review the contractor's proposal and DGH views on the same. 	<p>DGH examination within 10 working days (From date of receipt of complete proposal)</p> <p>Technical Committee to review in 10 working days</p>

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Based on MC recommendation, DGH shall make a decision regarding approval of swapping of 2D API data and 3D API data with each other.	MC recommendation and DGH decision within 5 working days
Total time for examining the proposal	25 working days

Clause 5: Entry into subsequent exploration phase after paying the cost of unfinished MWP of previous phases vide Article 5 of policy dated 10.11.2014 which is further modified by Clause 1 of "Policy framework for streamlining the operations, relaxations of timelines and delegation of powers to DG-DGH under PSCs" dated 25.06.2018.

Guidelines	Checklist/Timelines
<p>Policy dated 10.11.2014 states that Contractor will be allowed to enter subsequent exploration phase of contract by paying cost of unfinished MWP as per Article 5.6/5.7 of relevant PSC. Subsequent policy 25.06.2018 further allowed that in case of disagreement in the cost of unfinished MWP approved by Govt. and pending resolution of such disagreement, Contractor would be allowed to enter subsequent exploration phase by submission of BG for the differential unpaid amount of unfinished MWP i.e. the difference of cost of unfinished work program as per policy and approved by Govt. & amount paid by the contractor towards unfinished MWP.</p> <p>DGH will follow the guidelines as below for implementation of notification dated 10.11.2014 and notification dated 25.06.2018 for entry in next exploration phase:</p> <p>i) DGH will calculate Cost of Unfinished Minimum Work Program (COUMWP) as per Article 5 of PSC based on Government guidelines dated 17.12.2007 for calculation of COUWP for different exploration activities i.e. drilling of wells and 2D-3D seismic work. Such calculated cost will be sent to Govt. for approval.</p>	<p>DGH examination within 20 working days following the end of relevant exploration phase or early termination of contract.</p>

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<p>ii) Once Govt. approval is accorded, Operator will be advised to pay COUMWP. After payment of COUMWP by contractor, DGH shall make a decision for allowing the contractor to enter the subsequent exploration phase.</p>	<p>Govt. approval within 10 working days of DGH recommendation.</p>
<p>iii) In case, the Contractor disputes the calculation of DGH and deposits different amount as per their calculation, then DGH will ask Contractor to submit the BG for the differential amount between DGH calculation and amount deposited by the Contractor. If no amount is deposited, then full cost as calculated by DGH will be the BG amount required to be deposited by the Contractor.</p>	<p>Payment of LD/ Submission of BG within 10 working days of Govt. approval.</p>
<p>iv) Based on Clause 5 of policy dated 10.11.2014 and Clause 1 of Policy dated 25.06.2018 the proposal to entry in next exploration phase pending resolution on amount payable for Unfinished Minimum Work Programme (MWP) against submission of Bank Guarantee for differential amount in Operational blocks will be examined as below:</p> <p>a. If Contractor disagrees with the amount of calculation of COUMWP approved by Govt. and proposes to avail the policy dispensation for entry in subsequent phase by submission of BG and deposits the same, then DGH will verify the adequacy of the Bank Guarantee (BG) submitted by the contractor along with the proposal for entry into subsequent exploration phase. BG should be equivalent to the differential amount of COUMWP as approved by Govt. and amount paid by Contractor, if any, towards unfinished work program.</p> <p>b. The policy dated 25.06.2018 further envisages that the decision regarding amount payable to COUMWP will be conveyed to contractor within one year from entry in next phase but not later than 3 months before expiry of exploration phase. To resolve the disputed amount of</p>	<p>15 working days</p>

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<p>COUMWP, the contractor may refer, the case to Dispute Resolution Committee (DRC) being set-up as per Govt. notification 28.02.2019 to ensure earliest resolution.</p> <p>c. DRC recommendations shall be communicated to Contractor for final payment. If contractor doesn't agree with the recommendations of DRC, then legal recourse will be followed for recovery of Cost of Unfinished Work Program.</p>	
Total time for examining the proposal	55 working days

Clause 6: Condoning delays in submission of notice for entering into next phase.

Guidelines	Checklist/Timelines
<p>This clause empowers DGH to condone delays in submission of notice for entering into next phase by Contractor. DGH will examine condonement of delay cases as per the SOPs keeping in view the following guidelines:</p> <p>i) DGH to review the proposal submitted by the contractor and check the following:</p> <ol style="list-style-type: none"> OC approval Whether delay in submission is justifiable, such as: <ul style="list-style-type: none"> Operational constraints/difficulties Technical inputs for firming up decisions Any other Reasonable endeavor has been made by Contractor to expedite the submission of the proposal. <p>ii) DGH shall make a decision on condoning delays in the submission of notice for entering into next phase.</p>	<p>DGH examination within 10 working days (From date of receipt of complete proposal)</p>
Total time for examining the proposal	10 working days

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Clause 7: Condoning delays in submission of Annual Work Program and Budget and Appraisal Work Program and Budget.

Guidelines	Checklist/Timelines
<p>This clause empowers DGH to condone delays in submission of annual/appraisal Work Program and Budget by Contractor. DGH will examine condonement of delay cases as per the SOP of evaluation of Work Program and Budget, keeping in view the following guidelines:</p> <p>i) DGH to review the proposal submitted by the contractor and check the following:</p> <p>a. OC approval</p> <p>b. Whether delay in submission is justifiable such as:</p> <ul style="list-style-type: none"> Operational constraints/difficulties Technical inputs for firming up decisions <p>c. Reasonable endeavor has been made by Contractor to expedite the submission of the proposal.</p> <p>DGH shall make a decision on condoning delays in the submission of Annual Work programme and Budget and Appraisal Work programme and Budget.</p>	<p>DGH examination within 10 working days (From date of receipt of complete proposal)</p>
Total time for examining the proposal	10 working days

Clause 8: Drilling of appraisal well after submission of Declaration of Commerciality.

Guidelines	Checklist/Timelines
<p>This clause enables the Contractor to carry out appraisal activities after submission of DOC. The cost incurred in such appraisal work is recoverable as per PSC. DGH will evaluate such proposals as per the SOP for review of appraisal activity, keeping in view the following guidelines:</p> <p>i) DGH to examine whether the appraisal activities (such as seismic API, drilling, testing etc.) relate to the discovered</p>	<p>DGH examination within 7 working days</p>

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<p>reservoir(s) alone or there is additional attempt to target 'likely' reservoir(s), separated from the discovered reservoir(s) vertically and laterally in the contract area.</p> <p>ii) MC will review the contractor's proposal and DGH views on the same.</p> <p>Based on MC recommendation, DGH shall make a decision on granting approval for carrying out the appraisal activities after submission of DOC but prior to submission of FDP.</p>	5 working days
Total time for examining the proposal	12 working days

Clause 9: Probing additional reservoir during appraisal program

Guidelines	Checklist/Timelines
<p>This clause allows the Contractor to probe additional reservoir at shallower/deeper depths or laterally separated reservoirs within the discovery area during appraisal program. DGH will evaluate such proposals as per the SOPs for evaluation of appraisal work program keeping in view the following guidelines:</p> <p>i) DGH will evaluate the possibility of finding additional likely reservoirs at the shallower/deeper depths or laterally separate reservoirs within the discovery area. The lateral reservoir may not be a connected reservoir but should be within the discovery area.</p> <p>ii) Multi-disciplinary Technical Committee (MTC) will review the discovery area submitted by the contractor for reasonable inference and probability of finding petroleum to ensure the claim of contractor that there is possibility of existence of petroleum from the discovery area as per the contractor's claim.</p> <p>iii) MC will review the contractor's proposal and DGH views on the same.</p>	<p>DGH examination within 15 working days</p> <p>MTC will review within 10 working days for recommendation</p> <p>5 working days</p>

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Based on MC recommendation, DGH shall make a decision on granting approval for probing of additional reservoirs during the appraisal programme.	
Total time for examining the proposal	30 working days

Clause 10: Acceptance of discoveries for which notification for the Govt. has not been made as per Article 10.1 and/or Notification for testing as per Article 10.2 of PSC has not been made.

Guidelines	Checklist/Timelines
<p>The clause empowers DGH to accept the discoveries for which the contractor has failed to submit notification to the government within the stipulated timelines as per PSC. DGH will examine such proposals as per the SOPs for notification of discovery keeping in view the following:</p> <ul style="list-style-type: none"> i) DGH to ensure that the delay in submission is justifiable. Reasons for delay may be the following: <ul style="list-style-type: none"> a. Operational constraints/difficulties b. Technical inputs for firming up decisions ii) DGH to ensure that the results of Drill Stem Test or conventional well test are provided. iii) MC will review the contractor's proposal and DGH views on the same. <p>Based on MC recommendation, DGH shall make a decision regarding acceptance of the discoveries for which contractor has not submitted notification as per Article 10 of PSC.</p>	<p>DGH examination within 7 working days</p> <p>5 working days</p>
Total time for examining the proposal	12 working days

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II. Guidelines for implementation of Policy Framework for Early Monetization of Coal Bed Methane (CBM) dated 11.04.2017.

Clause 2: Contractual Issues

Clause 2.1: Entry into subsequent Phase, after paying cost of Unfinished Minimum Work Programme (MWP)

Guidelines	Checklist/Timelines
<p>This clause enables the Contractor to enter subsequent phase of contract by paying cost of unfinished MWP to Government. DGH will evaluate such proposals as per the SOP for calculation of Cost of Unfinished Work Program, keeping in view the following guidelines:</p> <p>i) DGH to calculate cost of unfinished work program (COUWP) based on Clause 2.8 of policy dated 11.04.2017.</p> <p>ii) DGH will seek approval of Govt. for COUWP. Once approval is accorded, Operator will be advised to pay COUWP.</p> <p>After Contractor makes the payment of COUWP, DGH shall make a decision on Contractor's entry into subsequent phase.</p>	<p>Data to be submitted:</p> <ol style="list-style-type: none"> Subsurface interpretations Subsurface maps/models WCRs Well logs – raw and/or processed/interpreted Well testing reports Core/Gas analysis reports <p>i) DGH to examine the case within 7 working days.</p> <p>ii) Govt. approval within 5 working days.</p> <p>DGH decision within 2 working days of full payment.</p>
Total time for examining the proposal	14 working days

Clause 2.2: Condoning delays in submission of notice for entering into next phase or for the Extension of Phase in Phase-I to Phase-III

Guidelines	Checklist/Timelines
<p>This clause empowers DGH to condone delays in submission of notice by Contractor for entering the next phase from Phase-I to Phase-II or Phase-II to Phase-III. DGH will examine condonement</p>	<p>Documents to be submitted by contractor citing</p>

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<p>of delay cases as per the SOPs keeping in view the following guidelines:</p> <p>i) Whether delay in submission is justifiable such as:</p> <p>a. Operational constraints/difficulties</p> <p>b. Technical inputs for firming up decisions</p> <p>ii) Reasonable endeavor has been made by Contractor to expedite the submission of the proposal.</p> <p>After examining the submissions made by the contractor, DGH shall make a decision on condoning delay in submission of notice period.</p>	<p>reasons for delay along with appropriate justification and proof.</p> <p>DGH to examine and dispose of the case within 10 working days.</p>
Total time for examining the proposal	10 working days

Clause 2.3: Condoning delays in submission of Annual Work Program and Budget.

Guidelines	Checklist/Timelines
<p>This clause empowers DGH to condone delays in submission of annual Work Program and Budget by Contractor. DGH will examine condonement of delay cases as per the SOP of Work Program and Budget keeping in view the following guidelines:</p> <p>i) OC approval</p> <p>ii) Whether delay in submission is justifiable such as:</p> <p>a. Operational constraints/difficulties</p> <p>b. Technical inputs for firming up decisions</p> <p>iii) Reasonable endeavor has been made by Contractor to expedite the submission of the proposal.</p> <p>After examining the above, DGH shall make a decision on condoning delay in submission of Annual Work Program and Budget.</p>	<p>Documents to be submitted by contractor citing reasons for delay with appropriate justifications and proof.</p> <p>DGH to examine and dispose of the case within 10 working days.</p>
Total time for examining the proposal	10 working days

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Clause 2.4: Excusable delay in development phase due to land acquisition / force majeure issues or any other such matter beyond the control of Operator.

Guidelines	Checklist/Timelines
<p>This clause empowers DGH to approve excusable delay due to land acquisition issues or force majeure issues or any such matter beyond control of Contractor. DGH will examine all such proposals as per SOPs approved by Government vide letter no. O-22013/6/2016-ONG-D-V (FTS-44334) dated 28.08.2018, keeping in view the following guidelines:</p> <p>i) DGH will check all relevant documents submitted by contractor in support of the case & check whether contractor fulfills conditions as per Article 28-Force Majeure of contract.</p> <p>ii) Multi-Disciplinary Committee constituted within DGH will examine the proposal. MDC will examine the case on following points:</p> <p>a. Complete Compliance to the procedure for land acquisition and force majeure.</p> <p>b. Submission of complete documents for different stages of clearance and the responses to queries raised/ supplementary information.</p> <p>c. No unreasonable gaps for completion/submission of documents for the process.</p> <p>Based on recommendation of MDC, DGH shall make a decision on proposal for excusable delay of Contractor.</p>	<p>a. Documents to be submitted by contractor in support of the case. Efforts made to acquire land and to avert force majeure conditions be provided and events be enumerated chronologically.</p> <p>b. Complete Compliance to the procedure for land acquisition and force majeure.</p> <p>c. Submission of complete documents for different stages of clearance and the responses to queries raised/additional information.</p> <p>MDC to evaluate the case within 10 days.</p> <p>DGH to take decision within 4 days.</p>
Total time for examining the proposal	14 days

Clause 2.5: Reduction in minimum work programme

Guidelines	Checklist/Timelines
<p>This clause facilitates contractor to either exit from Contract if the contract area is reduced or to work in reduced contract area with proportionate reduction in MWP due to denial of clearances by</p>	<p>a. Documents supporting Compliance to the procedure for getting clearance</p>

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<p>Govt. agencies. Such proposals will be evaluated by DGH keeping in view the following guidelines:</p> <p>i) DGH will examine the proposal of contractor for reduction in area & commensurate work program reduction for following:</p> <p>a. Documentation in support of the reduction in area by with respective statutory agency.</p> <p>b. Adherence to timelines as mentioned in policy.</p> <p>ii) Multi-Disciplinary Committee constituted within DGH will examine all such proposals pursuant to contractual provisions.</p> <p>Based on observations of MDC, DGH shall make a decision to approve exit or approve continuation of exploration in reduced contract area.</p>	<p>from Statutory agencies.</p> <p>b. Submission of complete documents for different stages of clearance and the responses to queries raised/additional information.</p> <p>c. Documentation in support of reduction in area by respective statutory agency.</p> <p>MDC to evaluate the case in 10 days.</p> <p>DGH to take decision within 4 days.</p>
Total time for examining the proposal	14 days

Clause 2.6: Effective date of the contract

Guidelines	Checklist/Timelines
<p>This clause empowers DGH to permit Contractor to exit from the block without paying cost of unfinished work program if PEL is not granted by State Govt. beyond two years of submission of PEL application by contractor. Such proposals will be evaluated by DGH keeping in view the following guidelines:</p> <p>a. DGH will examine the proposal based on completeness of PEL application submitted by contractor and necessary documentation in support of the proposal.</p> <p>b. Multi-Disciplinary Committee constituted within DGH will examine the proposal if reasonable endeavor has been made by contractor while applying PEL and subsequent follow-up with State Government.</p> <p>c. Based on observations of MDC, DGH to approve exit option exercised by contractor.</p>	<p>a. Complete PEL application submitted and relevant documents submitted with the application.</p> <p>b. Efforts made by contractor to follow up the PEL Appn.</p> <p>MDC to evaluate the case in 10 days.</p> <p>DGH to take decision within 4 days.</p>
Total time for examining the proposal	14 days

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Clause 2.7: Non-grant or delayed permission of clearances by State Government and Central Government

Guidelines	Checklist/Timelines
<p>This clause empowers DGH to permit Contractor to exit from the block without paying cost of unfinished work program if clearances by State and Central Government is not granted by beyond two years of submission of requisite application by contractor. Such proposals will be evaluated by DGH as per SOPs approved by Government vide letter no. O-22013/6/2016-ONG-D-V (FTS-44334) dated 28.08.2018, keeping in view the following guidelines:</p> <ol style="list-style-type: none"> DGH will examine the proposal based on completeness of application submitted by contractor to respective State/Central Govt. and necessary documentation in support of the proposal. Multi-Disciplinary Committee constituted within DGH will examine the proposal if reasonable endeavor has been made by contractor while applying for the clearance and subsequent follow-up with State/Central Government. Multi-Disciplinary Committee constituted within DGH will examine all such proposals pursuant to Govt. approved SOPs dated 28.08.2018. Based on observations of MDC, DGH shall make a decision on exit option exercised by contractor. 	<ol style="list-style-type: none"> Complete application submitted and relevant documents submitted with the application. Efforts made by contractor to follow up the Application. MDC to evaluate the case in 10 working days taking cognizance of Govt. approved SOPs dated 28.08.2018. DGH to take decision within 5 days.
Total time for examining the proposal	15 working days

Clause 2.8: Calculation of Cost of Unfinished Work Program

Guidelines	Checklist/Timelines
<p>This clause provides clarity to DGH on calculation of cost of unfinished work program by giving a fixed amount of 0.25 million USD per corehole and 0.6 million USD per test well as well as pilot</p>	<p>Data to be submitted:</p> <ol style="list-style-type: none"> Subsurface interpretations

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<p>well irrespective of depth and will be applicable for all CBM blocks. In case low prospectivity is observed in CBM blocks after drilling of coreholes, DGH is empowered to waive off cost of test/pilot wells depending upon technical requirement. DGH will examine cases as per the SOP for calculation of Cost of Unfinished Work Program, keeping in view the following guidelines:</p> <p>a. DGH will examine proposals submitted by Contractor wherein it has been submitted that there is low prospectivity in the block. Poor CBM potential will be ascertained by DGH constituted Expert Technical Committee (ETC). While analyzing the CBM potential of the block, the Committee will examine if the deviation/variance in the potential of the block is arising due to any deviation/variance in the data furnished by DGH at the time of bidding and the realistic data acquired by the contractor after the award of contract. During the time of bidding, DGH shares data with the bidders to assist them in envisaging the geological settings/depositional environment of the blocks awarded. Wherever the exact data of the block is unavailable, DGH provides data of the adjacent areas to the bidders. After, acquiring the block, the contractor acquires realistic data in the block to gain a better understanding on the geological settings/depositional environment of the block.</p> <p>The cases wherein the operators have represented substantively reduced prospectivity at variance with the data provided by DGH, ETC will examine the data in Information Docket and Data Package vis-à-vis corehole and test well data generated by the contractor to ascertain the gap in CBM prospectivity. The committee will also examine if sufficient coreholes have been drilled by the Contractor for assessing the prospectivity in the block.</p>	<ul style="list-style-type: none"> b) Subsurface maps/models c) WCRs d) Well logs – raw and/or processed/interpreted e) Well testing reports f) Core analysis reports g) Desorption studies, Gas composition studies & Lab studies h) All supporting G&G data and coal seam data relevant and in support of application. <p>ETC will examine the case within 15 working days.</p>
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<p>If it is ascertained by the ETC that there is reduction in CBM resource to an extent of more than 50% because of the data gap, ETC will submit the observations with reasons for consideration of exit from the block without paying COUWP based on low prospectivity.</p> <p>b. Calculation of COUWP, if applicable, will be carried out by arithmetic multiplication of balance work program with approved cost of 0.25 million USD per corehole and 0.6 million USD per test well as well as pilot well.</p> <p>c. Based on ETC observations, DGH will take a decision on contractor's proposal exit from the block based on low prospectivity.</p>	<p>DGH to take decision within 5 working days after ETCs recommendation.</p>
Total time for examining the proposal	20 working days

Clause 2.9: Relaxation of Notice Period for submission as per CBM Contract

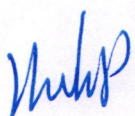
Guidelines	Checklist/Timelines
<p>The clause empowers DGH to review and examine delays in submission of various notice periods in CBM contracts. Guidelines for examination of such cases is as below:</p> <p>i) DGH will examine the proposal for condonement of delay in submission of applications pursuant to contractual provisions.</p> <p>ii) DGH to check whether reasonable endeavor has been made by Contractor to expedite the submission of the proposal.</p> <p>After examining the submissions made by the contractor, DGH shall make a decision on condoning delay in submission of notice period.</p>	<p>a. Date of application submission and relevant documents submitted with the application.</p> <p>b. Efforts made by contractor to expedite submission of the Application.</p> <p>DGH to take decision within 10 working days.</p>
Total time for examining the proposal	10 working days

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III. Guidelines on Policy framework for Streamlining the working of PSCs in respect of Pre-NELP and NELP blocks dated 14.08.2018

Clause 2: Extended Exploration Period in North Eastern Region and Marketing including pricing freedom for Natural Gas produce in North Eastern Region (NER)

Guidelines	Checklist/Timelines
<p>The clause allows the contractor to avail an additional extension for maximum two years in the exploration period. These extensions are envisaged to extend the existing exploration period; hence, Contractor has to exhaust all possible extensions which are presently available under the PSC and extant extension policy dated 18.04.2006 before availing the extension under North-east policy. Further, the NE policy allows extension of one-year for appraisal period, this can be exercised for appraisal of the discovery at any given time. Additionally, the clause provides Marketing & pricing freedom to contractor for gas produced in the block. The proposals seeking extension will be evaluated by DGH as per SOPs keeping in view the following guidelines:</p> <ol style="list-style-type: none"> i) DGH will review the proposal submitted by the contractor and check the following: <ol style="list-style-type: none"> a) OC approval b) Whether adequate justifications/reasons have been submitted for seeking extended time-period with supporting documentation such as: <ul style="list-style-type: none"> • Logistical and operational constraints • Additional work program to firm up DOC/FDP ii) DGH will examine the justifications submitted by the contractor and the additional activities envisaged in the proposed extended time-period. 	<p>DGH to examine the case within 10 working days.</p> <p>MC recommendation and DGH decision to be conveyed within 5 working days.</p>



<p>iii) MC will review the contractor's proposal and DGH views on the same and take decision on the proposal extended exploration/ appraisal period as per policy.</p> <p>Based on MC recommendation, DGH shall make a decision on granting approval for extended exploration/appraisal period as per policy.</p>	
Total time for examining the proposal	15 working days

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IV. Guidelines on policy framework for streamlining the operations, relaxation of timelines and delegation of powers to DG-DGH under PSCs dated 25.06.2018

Clause 2: Grant of area extending beyond Contract Area for appraisal prior to Development Area

Guidelines	Checklist/Timelines
<p>The clause allows the contractor to conduct appraisal activities and avail right of exploration and exploitation of reservoir in the adjacent area outside the Contract Area during the Appraisal phase based on recommendations of MC. There are explicit provisions in Article 10 and Article 11 of PSCs for enlargement of development area in case commercial discovery extends beyond contract area. The proposal submitted by the contractor will be evaluated by DGH as per the following guidelines:</p> <p>i) DGH will check the following as per policy dated 25.06.2018 that the area sought for extension:</p> <ul style="list-style-type: none"> a) Is not of strategic importance, or b) Has not been awarded to any other company by the Government, or c) Is not held by any other party or d) Is not on offer by Government and no application for a license or lease or Expression of Interest (EoI) in Hydrocarbon Exploration Licensing Policy (HELP) is pending with the Government. e) Proposal for extension/enlargement area is pending with DGH/Government, no EoI under HELP/OALP will be entertained for the area under consideration. <p>ii) A Multi-Disciplinary Technical Committee (MTC) constituted in DGH shall ascertain whether the commercial discovery made by the contractor (reservoir) extends beyond the</p>	<p>Data to be submitted by contractor:</p> <ul style="list-style-type: none"> a. Subsurface interpretation b. WCR c. Well Log data and formation evaluation d. Sub-surface maps/models e. Reservoir studies, f. Well testing data <p>DGH will examine the case within 15 working days.</p> <p>MTC will re-examine the case within 10 working days.</p> <p>MC and DGH recommendation will be conveyed to Govt. within 5 working days.</p>

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contract area and, if so, the extended area thereof based on technical merits.	
iii) Recommendations of MTC will be put up to the Management Committee (MC) for review.	
Based on MC recommendation, DGH will make recommendations to the Government for taking appropriate decision on the grant of PEL/PML for the additional area where reservoir is extending, and which is not part of the original contract area.	
Total time for examining the proposal	30 working days

Clause 3: Delegating powers to Director General, Directorate General of Hydrocarbons (DGH), under PSCs

- i. Empowering DG, DGH for approval of excusable delays under the policy for extension in exploration phase dated 18.04.2006

Guidelines	Checklist/Timelines
<p>The clause empowers DGH to approve cases of demonstrable delays as excusable delays under policy dated 18.04.2006. The evaluation of cases shall be done keeping in view the following guidelines:</p> <p>i) Multi-Disciplinary Committee (MDC) constituted within DGH will examine the operator's proposal as per MoPNG approved SOPs dated 28.08.2018.</p> <p>Keeping in view the MDC recommendations, DGH will make decision regarding approval of excusable delays.</p>	<p>Documents to be submitted pursuant to MoPNG approved SOPs dated 28.08.2018.</p> <p>MDC to evaluate the case within 10 working days.</p> <p>DGH to make decision within 4 working days.</p>
Total time for examining the proposal	14 working days.

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- ii. Empowering DG, DGH for approval of cost recovery in excess of Appendix H estimates in respect of PSCs signed under NELP-V to NELP-IX, except in case of S-type exploration blocks

Guidelines	Checklist/Timelines
<p>The Clause empowers DGH to approve the excess cost recovery up to 20% in excess of Appendix-H estimates in respect of PSCs signed under NELP-V to NELP-IX except in case of S-type exploration blocks. The evaluation of cases shall be as per the following guidelines:</p> <ul style="list-style-type: none"> i) Operator shall submit the OC approved proposal with reasons for the excess expenditure with respect to Appendix-H of the PSC. ii) A committee constituted in DGH as per Policy dated 25.06.2018-3 (ii) for the purpose will examine the proposal to ensure the following and recommend to MC: <ul style="list-style-type: none"> a. Work Program carried out by Contractor is MC reviewed and activities are eligible for cost recovery. b. Committee will check the essentiality of doing the extra work and whether additional work program was approved in MC. c. That any material expenditure over the benchmark costs as in Appendix-H is due to change in circumstances after the Contract came in effect. d. Ensure that the reasons submitted by the Contractor for excess expenditure are justifiable. The reasons may be technical/operational/logistical/any other. <p>Based on MC decision, DGH will make decision regarding approval of the excess cost recovery up to 20% in excess of Appendix-H estimates.</p>	<p>Document submission:</p> <ul style="list-style-type: none"> a. Contractors application b. Reason for excess expenditure c. MC approved Work Program & Budget d. Audit Statements for corresponding years e. Justification for extra work <p>MTC to evaluate the case within 15 working days.</p> <p>MC recommendation and DGH decision to be conveyed to Government within 5 working days</p>
Total time for examining the proposal	20 working days

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- iii. Empowering DG, DGH for notification of Audit exceptions in PSC and prescribing timeframe for appointment of Auditors and carrying out of Audit

Guidelines	Checklist/Timelines
<p>a. Appointment of Government auditor and carrying out the audit under sections 1.9.1 and 1.9.4 OF Accounting procedure of PSC:</p> <p>i) DGH shall appoint the auditor after the closure of financial year to conduct the audit for that FY.</p> <p>ii) DGH shall ensure that the rights of the Govt. to conduct Audit and Inspection be exercised after the completion of respective financial year.</p>	<p>In advance, within 6 months from the closure of the financial year</p> <p>Within six (6) months from the date of award of audit.</p>
<p>b. Notification of audit exceptions under section 1.9.4 of Accounting procedure to PSC by DG-DGH</p> <p>DG-DGH or his authorized representative shall notify the audit exceptions to the contractor in writing.</p>	<p>Within 60 days from the date of receipt of audit report.</p>

MHP

V. Guidelines for evaluating completion of MWP well based on achievement of Geological Objective

Guidelines	Checklist/Timelines
<p>Article 5 of Production Sharing Contract (PSC) defines the Minimum Work Programme (MWP) to be completed by the contractor within a stipulated timeframe. The MWP majorly comprises of, inter alia, 2D seismic API, 3D seismic API and a defined number of exploration wells to be drilled.</p> <p>The exploratory well is to be completed as per Article 5 of PSC.</p> <p>The actual depth objective, for each of the wells shall be determined by the contractor in light of the advise of the Management Committee before the commencement of drilling.</p> <p>Each well which reaches the geological objective for which the depth objective was determined, shall be deemed to have been drilled to the depth objective or to the actual total depth, whichever is greater. For ascertaining the above conditions, the following guidelines are formulated:</p> <ol style="list-style-type: none"> 1. While examining such cases, following will be reviewed, whether: <ol style="list-style-type: none"> a) The Depth Objective and/or Geological Objective of the MWP well has been reviewed by the Management Committee (MC). b) The MWP well has achieved the Depth Objective or Target Depth to meet the Geological Objective as reviewed by the MC. c) To ascertain whether the well has achieved the Geological Objective or not in line with the MC reviewed Depth Objective/Target Depth, the case shall be referred to Multi-Disciplinary Technical Committee (MTC). MTC shall examine thickness of geological formation penetrated by the well. If the well drills through the entire 	<p>Document submission:</p> <ol style="list-style-type: none"> a. Contractor's proposal b. G&G interpretation reports c. Well log data & Formation evaluation d. WCR e. Subsurface Maps/models <p>DGH examination within 10 working days</p> <p>MTC to examine the case within 10 working days.</p>

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<p>geological formation in line with the MC reviewed Depth Objective/Target Depth, the geological objective of the well shall be treated as complete.</p> <p>d) If the Contractor terminates the well within the geological formation without drilling through the entire geological formation, MTC shall examine and ensure that the well penetrates at least 10% of the prognosticated geological formation in the block for which MWP is being evaluated, as per the MC reviewed geological objective. Further, MTC shall examine and assure that at least one of the following conditions is satisfied:</p> <p>Condition 1: If the contractor submits that the probability of not finding the reservoir below the drilled depth is very unlikely based on nearby well, and/or seismic attributes and the same is ascertained/confirmed by the Multi-Disciplinary Technical Committee based on the available data of the nearby area having similar geological settings, the geological objective of the well shall be treated as complete.</p> <p>Condition 2: If the contractor submits that any further drilling beyond the drilled depth is impracticable owing to geological settings/drilling complications etc. and the same is ascertained/confirmed by the Multi-Disciplinary Technical Committee based on the available data of the nearby area in the same geological setting the geological objective of the well shall be treated as complete.</p> <p>Based on MTC views, the case shall be put up to the Management Committee (MC) for taking a decision on completion of MWP well.</p>	<p>MC to take a decision within 5 working days.</p>
<p>Total time for examining the proposal</p>	<p>25 working days</p>

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