



# **Standard Operating Procedures for PSC processes**

## **General Guidelines**

1. The objective of this document is to develop a Standard Operating Procedure (SOP) regarding the contractual processes under production sharing contract in a bid to fast track the entire process by bringing uniformity and simplicity.
2. The SOPs are the guiding principles and shouldn't be treated as an exhaustive list of checkpoints in the evaluation of any case and concerned department may take into account the all relevant aspects of the case while examination.
3. These SOPs cannot be taken to over-ride the PSC provisions or active MoPNG policy notifications or any other statutory provision including standard accounting standards and commercial practices, which will continue to prevail unless the competent authority issues a separate notification.
4. These guidelines are generally applicable for E & P operations in the realm of PSC regime.
5. PSC/PF group would be the responsible for initiating the process under this SOP, regarding coordination, examination and approval starting from submission of the proposal till signing of Management Committee Resolution (MCR).

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## 1. Standard Operating Procedure for PSCs

### 1.1. Work Programme & Budget – BE and RE

#### Article of PSC:

NELP I to IX: Article 5 & 10

Pre NELP Exploration & Pre NELP field: Article 4

#### Standard Operating Procedure:

#	Department	Procedure
1.	<b>PF/PSC dept.</b>	<b>Operator submits WP&amp;B for the particular FY</b>
	<b>Prerequisites</b>	<ul style="list-style-type: none"> <li>a. WP&amp;B document</li> <li>b. Signed OC resolution</li> <li>c. Variance Statement BE versus RE with justifications</li> </ul>
	<b>Checks</b>	<ul style="list-style-type: none"> <li>a. Block is active with active PEL/ML.</li> <li>b. WP&amp;B has been submitted within due date i.e. 31<sup>st</sup> December of FY.               <ul style="list-style-type: none"> <li>○ Reasons for delay in submission of WP&amp;B is recorded.</li> <li>○ In case of non-submission, show-cause notice may be issued to operator.</li> <li>○ In case of non-submission despite issuance of show-cause notice, termination notice to be issued.</li> </ul> </li> <li>c. OC resolution has been submitted along with WP&amp;B               <ul style="list-style-type: none"> <li>○ In case OCR is not submitted, query may be raised</li> <li>○ In cases of delay in submission of OCR, WP&amp;B proposal may be summarily rejected.</li> </ul> </li> </ul>
2.	<b>Technical</b>	<b>G&amp;G/Drilling/Production/Reservoir – As the case may be</b>
	<b>Prerequisites</b>	<ul style="list-style-type: none"> <li>a. MCR of previous FY approved WP&amp;B BE</li> <li>b. Proposal of previous WP&amp;B RE</li> <li>c. Fact-sheet of the block.</li> <li>d. In case well/s are proposed in WP&amp;B then technical details of the well/s may be provided in requisite format.</li> <li>e. If the well/s proposed are exploratory wells, then the MWP depths against which the well/s are proposed.</li> <li>f. In case of RE proposals; approved BE proposal, variance between BE and RE and justification for same.</li> </ul>
	<b>Checks</b>	<b>G&amp;G department:</b>

#	Department	Procedure
		<ul style="list-style-type: none"> <li>a. Find current year MC-approved BE, RE with actual for Q1-Q2-Q3 and proposed for Q4</li> <li>b. Separate out activities related to G&amp;G (API and analysis or interpretative reports) and ask reports of activities accomplished.</li> <li>c. Find activities which are repetitive, dropped and/or any new added.</li> <li>d. Review next year BE vis-à-vis spill-over from current year and new activities for next year.</li> <li>e. Regard all future activities as contractual/MC mandate like MWP, Appraisal Plan, Commerciality Plan, FDP/ RFDP, EIML, Phase exit etc.</li> <li>f. Check out budgetary quotes or actual costs if proposed seemingly high and ask for CF attention</li> <li>g. Send back to PSC/PF with queries if any for clarification and addendum. Else review as conclusive and agreeable.</li> </ul> <p><b>Drilling department:</b></p> <ul style="list-style-type: none"> <li>a. If well/s proposed are appraisal wells: Check technical data of well/s vis-a-vis approved Appraisal Programme.</li> <li>b. If well/s proposed are development wells: Check technical data of well/s vis-a-vis approved FDP/RFDP.</li> <li>c. If technical details of well/s are in order then Work Programme may be agreed.</li> <li>d. Else, query may be sought from operator until satisfactory replies are provided.</li> <li>e. RE proposals: Variance between BE and RE and justification for same may be reviewed.</li> <li>f. If variance between BE and RE, and justification for same are found to be in order then Work Programme may be agreed.</li> <li>g. Else, query may be sought from operator until satisfactory replies are provided.</li> <li>h. In case replies/ satisfactory replies are not provided by the operator the Work Programme may NOT be agreed and same may be intimated to PSC/PF for necessary action.</li> </ul> <p><b>Production department:</b></p> <p>BE case</p>

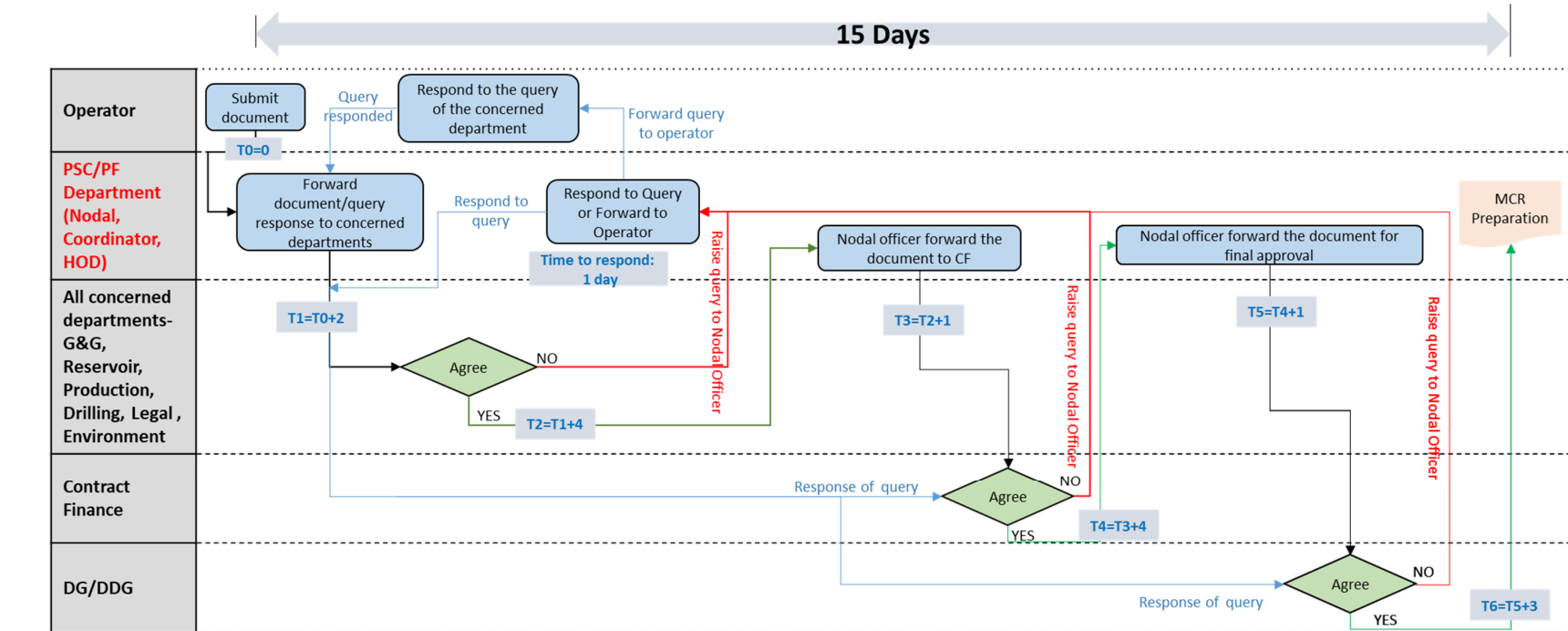
#	Department	Procedure																																																																																		
		<p>I. Calculate Production Performance against the targets of current year in terms of percentage achievement.</p> <p>a. Estimate the likely production at the end of the current Financial Year as below:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Annual Target for Current FY</th> <th>Target for current FY up to the month of evaluation.</th> <th>Actual for current FY up to the month of evaluation</th> <th>% achievement</th> <th>Estimated production for current FY</th> </tr> <tr> <td></td> <td>A</td> <td>B</td> <td>C</td> <td><math>D = C/B \times 100</math></td> <td>E</td> </tr> </thead> <tbody> <tr> <td>Oil</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Gas</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>b. Programme Quantity (PQ) / Target for next Financial Year to be compared (E in table under 1) with the oil and gas PQ/ targets given in BE proposal as below:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Estimated production for current FY</th> <th>BE PQ next FY</th> <th>Difference</th> <th>Reason(s) for Variance</th> </tr> <tr> <td></td> <td>E</td> <td>F</td> <td><math>G = E - F</math></td> <td></td> </tr> </thead> <tbody> <tr> <td>Oil</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Gas</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>c. Evaluate the deviation of WP &amp; B from FDP/ IFDP/ RFDP etc. quantities in terms of % of Programme Quantity:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Development Plan (DP) Quantity for next FY</th> <th>BE PQ next FY</th> <th>PQ proposed as % of DP Quantity</th> <th>Reason(s) for Variance</th> </tr> <tr> <td></td> <td>H</td> <td>I</td> <td><math>J = I/H \times 100</math></td> <td></td> </tr> </thead> <tbody> <tr> <td>Oil</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Gas</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>II. Evaluation of Production related activities proposed</p> <p>a. Note down proposed production related commitment items/activities of WP&amp;BE for next FY.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Commitment item (Activity)</th> <th>WP&amp;BE</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>Drilling of Development Wells</td> <td></td> </tr> <tr> <td>02</td> <td>Work-Over (with Details) of wells</td> <td></td> </tr> <tr> <td>03</td> <td>Well Stimulation (Details)</td> <td></td> </tr> <tr> <td>05</td> <td>Artificial Lift</td> <td></td> </tr> <tr> <td>05</td> <td>Surface Facilities</td> <td></td> </tr> </tbody> </table>	Description	Annual Target for Current FY	Target for current FY up to the month of evaluation.	Actual for current FY up to the month of evaluation	% achievement	Estimated production for current FY		A	B	C	$D = C/B \times 100$	E	Oil						Gas						Description	Estimated production for current FY	BE PQ next FY	Difference	Reason(s) for Variance		E	F	$G = E - F$		Oil					Gas					Description	Development Plan (DP) Quantity for next FY	BE PQ next FY	PQ proposed as % of DP Quantity	Reason(s) for Variance		H	I	$J = I/H \times 100$		Oil					Gas					No.	Commitment item (Activity)	WP&BE	01	Drilling of Development Wells		02	Work-Over (with Details) of wells		03	Well Stimulation (Details)		05	Artificial Lift		05	Surface Facilities	
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		<table><tr><td>06</td><td>Pipelines/ piping</td><td></td></tr><tr><td>07</td><td>Any other production related activity</td><td></td></tr></table> <p>a. Above activities to be examined whether acceptable from production point of view.</p> <p>b. Query if required for seeking clarification.</p> <p>c. Following points are checked while evaluation of proposal:</p> <ul style="list-style-type: none"><li>Activities proposed must be in line with MC approved FDP/ IFDP/RFDP etc.</li><li>Activities and budget heads proposed must be within PSC provisions.</li></ul> <p>III. Seek estimated production figures for the three consecutive years in the proposed WP&amp;BE of the next FY and seek the estimated production figures for three subsequent years next to FY for which BE is proposed, as per PSC.</p> <p><b><u>RE case</u></b></p> <p>I. Calculate Production Performance against the targets of current year in terms of percentage achievement.</p> <p>a. Estimate the likely production at the end of the current Financial Year as below:</p> <table><tr><th rowspan="2">Description</th><th>Annual Target for Current FY</th><th>Target for current FY up to the month of evaluation.</th><th>Actual for current FY up to the month of evaluation</th><th>% achievement</th><th>Estimated production for current FY</th></tr><tr><th>A</th><th>B</th><th>C</th><th>D = C/B x 100</th><th>E</th></tr><tr><td>Oil</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Gas</td><td></td><td></td><td></td><td></td><td></td></tr></table> <p>II. Performance of WP committed production related activities of current year and reasons for variance, if any:</p> <p>a. Reasons for variance between proposed production related activities of WP&amp;RE with activities as per MC approved WP&amp;BE for current FY to be recorded as below:</p> <table><tr><th>No.</th><th>Commitment item (Activity)</th><th>BE current FY (MC approved)</th><th>RE current FY</th><th>Reasons for variance</th></tr><tr><td>1</td><td>Drilling of Development Wells</td><td></td><td></td><td></td></tr></table>	06	Pipelines/ piping		07	Any other production related activity		Description	Annual Target for Current FY	Target for current FY up to the month of evaluation.	Actual for current FY up to the month of evaluation	% achievement	Estimated production for current FY	A	B	C	D = C/B x 100	E	Oil						Gas						No.	Commitment item (Activity)	BE current FY (MC approved)	RE current FY	Reasons for variance	1	Drilling of Development Wells			
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		3	Well Stimulation (Details)			
		4	Artificial Lift			
		5	Surface Facilities			
		6	Pipelines/ piping			
		7	Any other production related activity			
		<p>b. Check if reasons for variance are acceptable or not</p> <p>c. For additional activities proposed and budget amount revision, reasons to be sought from operator.</p> <p><b>Reservoir Department:</b></p> <p>BE: Data acquisition and analysis need to be specified and budget need to be itemized activity wise separately for Reservoir related Data Acquisition and Analysis.</p> <p>RE: Activities performed need to be specified and expenditure need to be itemized activity wise separately for Reservoir related Data Acquisition and Analysis.</p> <p>The related reports are to be submitted.</p> <p>Budgeted amount (plan and actual) for respective activities shall be evaluated as per prevailing standard industry competitive rates, quantum of work and reasonable justification.</p>				
3.	<b>Contract finance</b>	<b>Contract finance receives all the files for their examination.</b>				
	<b>Prerequisites</b>	<p>a. OC approval of WP&amp;B BE and RE</p> <p>b. MC approved BE for current year RE</p> <p>c. Concurrence from technical departments.</p>				
	<b>Checks</b>	<p>a. Budget should be submitted line item wise</p> <p>b. Work estimate vs. Actual</p> <p>c. If block is producing, SRF account open or not.</p> <p>d. Cost benefit analysis in terms of Revenue vs. Production cost</p> <p>e. FDP approval for producing field.</p> <p>f. Cost submitted should be as per Appendix H of PSC</p>				

#	Department	Procedure
		g. Cost of disallowed activity as vetted by technical department will not be considered in WP&B.
4.	DDG	<b>PSC/PF department receives the evaluated WP&amp;B and submits the proposal for approval of DDG.</b>
	<b>Prerequisites</b>	WP&B evaluation summary sheet with concurrence from all technical departments and CF department.
	<b>Process Output</b>	Approval sheet
5.	PSC/PF	<b>PSC/PF department prepares the MCR</b>

## Process Flow:



## 1.2. Appointment of auditor

### Article of Contract:

NELP I to IX & Pre NELP Exploration:- Article 25

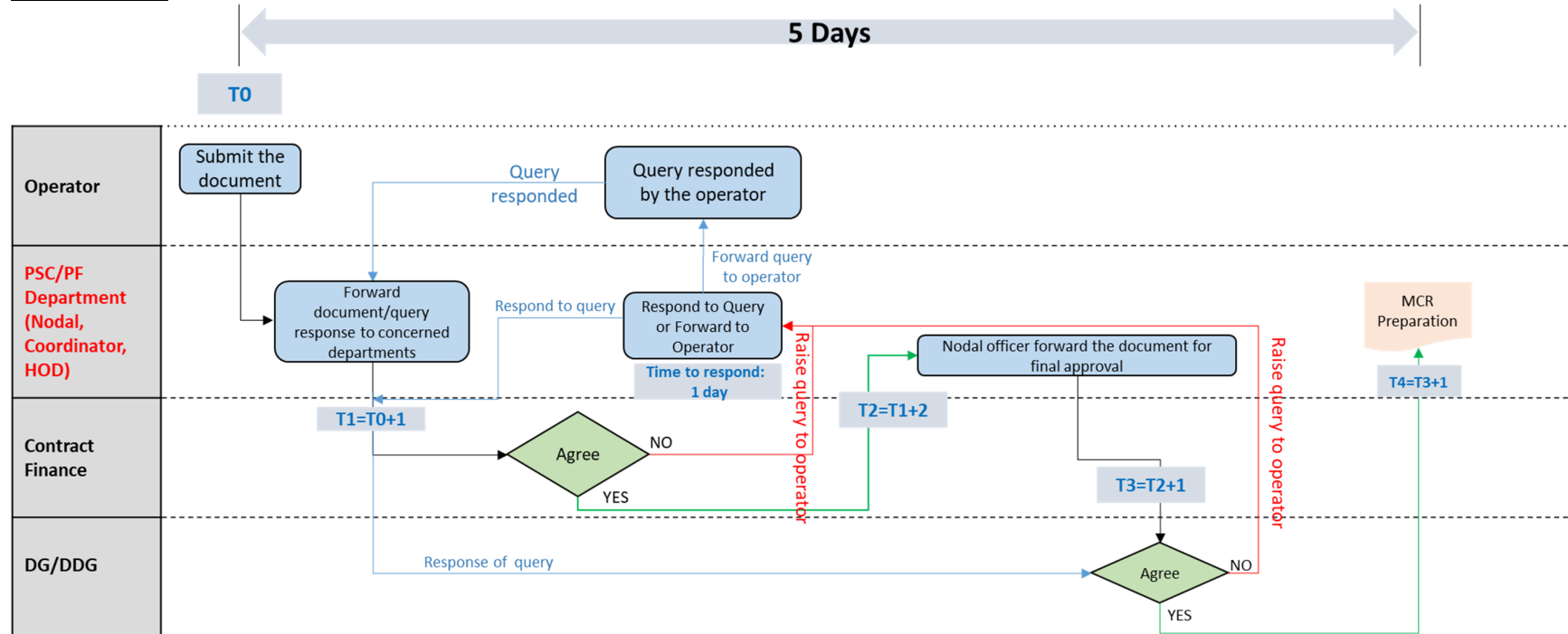
Pre NELP field :- Article 24

### Procedure:

#	Department	Process Flow Step
1	PSC/PF	<b>Operator submits proposal for Appointment of auditor for a particular FY to DGH</b>
	<b>Prerequisites</b>	OC approval for appointment of auditor
	<b>Checks</b>	a. Check that proposal is submitted within sixty (60) days from the end of the Financial Year through the approved auditor as per appointment of auditor procedure. b. Check that the proposal includes adequate details on the Auditors (Name, Fees and Address).
2	<b>Contract finance</b>	<b>Contract Finance receives all the files for their examination.</b>
	<b>Prerequisites</b>	a. Previous year MCR for approved appointment of auditor
	<b>Checks</b>	a. Auditor is not the same for the previous three FY
3	DDG	<b>Evaluated documents are submitted for approval of DDG by PSC/PF Dept.</b>
	<b>Prerequisites</b>	Summary sheet of proposal along with comments of CF and nodal section.
	<b>Checks</b>	Concurrence by CF
4	PSC/PF	<b>Prepare draft MCR for signature.</b>



**Process Flow:**



### 1.3. Well Location Review/ Change/ Deepening-Exploration & Development

#### Article

NELP 1 to 9:- Article 5

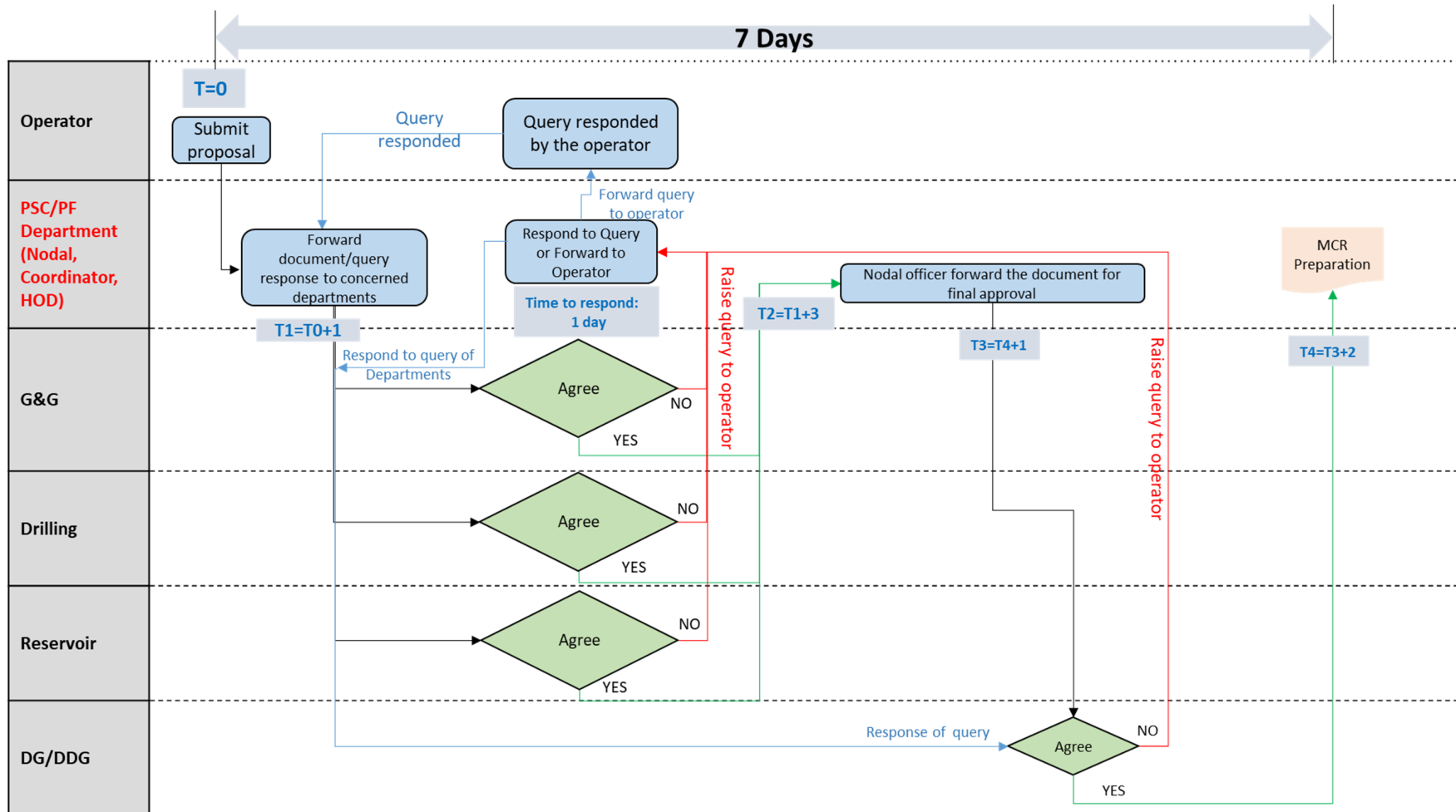
Pre NELP Exploration & Pre NELP discovered field:- Article 4

#### Procedure:

#	Department	Procedure
1.	<b>PSC/PF</b>	<b>Proposal for Well Location Review/ Change/ Deepening-Exploration &amp; Development is examined</b>
	<b>Prerequisites</b>	OC approval.
	<b>Checks</b>	a) Operator's proposal is in line with MWP commitment as per PSC b) Phase validity of the block c) If the proposed well is a Development well, then to check whether the well is in line with the MC approved FDP. d) For Change/Deepening of Well Depth: To check whether the operator has submitted Justifications for the same
2	<b>Technical</b>	<b>Technical department receives files for their examination.</b>
	<b>Prerequisites</b>	– Proposal for Well Location Review/ Change/ Deepening-Exploration & Development – Any additional documents for reference
	<b>Checks</b>	<b>G&amp;G department:</b> a. Check if the location is proposed pursuant to the following: <ul style="list-style-type: none"> <li>• Mandatory/ Minimum Work Programme (PSC/OALP)</li> <li>• Exploration programme under Nomination</li> <li>• Exploration within PML</li> </ul> b. Check the nature of the Plan that may include singly or in combination, any Acquisition/ Processing/ Interpretation (API) of geo-scientific data and exploratory well drilling within the license/lease c. Examine the following: <ul style="list-style-type: none"> <li>• Well coordinates (surface and sub-surface), and target depth if location planned</li> <li>• Top structure and seismic attribute maps of the prospect(s) to be drilled</li> <li>• Interpreted seismic sections and well correlation across offset drilled wells along with new location if proposed</li> </ul>

#	Department	Procedure
		<p>d. Review the following:</p> <ul style="list-style-type: none"> <li>• Structural and/or stratigraphic entrapment</li> <li>• Petroleum system elements and associated risks</li> <li>• Prospect size and associated uncertainties</li> </ul> <p>e. Operator to share all input data sets and interpretations, work flows, results related to geological concepts and seismic through due submissions of scaled and annotated sections, maps and models wherever applicable.</p> <p>f. Complete review of the Exploration proposal.</p> <p>g. Any different view that might emerge during review of the proposed activities, may be put up to MC for appropriate deliberation.</p> <p>h. Post-drilling, in the event of any discovery, Operator to notify the same by submitting Format A &amp; B.</p> <p><b>Drilling department:</b></p> <p>a. Takes note of the proposal and drilling parameters involved</p>
3	DDG	<b>PSC/PF to prepare summary sheet with comments of technical documents for approval of DDG.</b>
	<b>Prerequisites</b>	Summary sheet of the Well location review/ change/ deepening
	<b>Checks</b>	Approves the file taking cognizance of recommendations from technical departments.
6.	PSC/PF	<b>PSC/PF department prepares the MCR</b>

## Process Flow:



## 1.4. Grant of Extension of Phase

### Article of PSC:

NELP 1 to 9:- Article 3

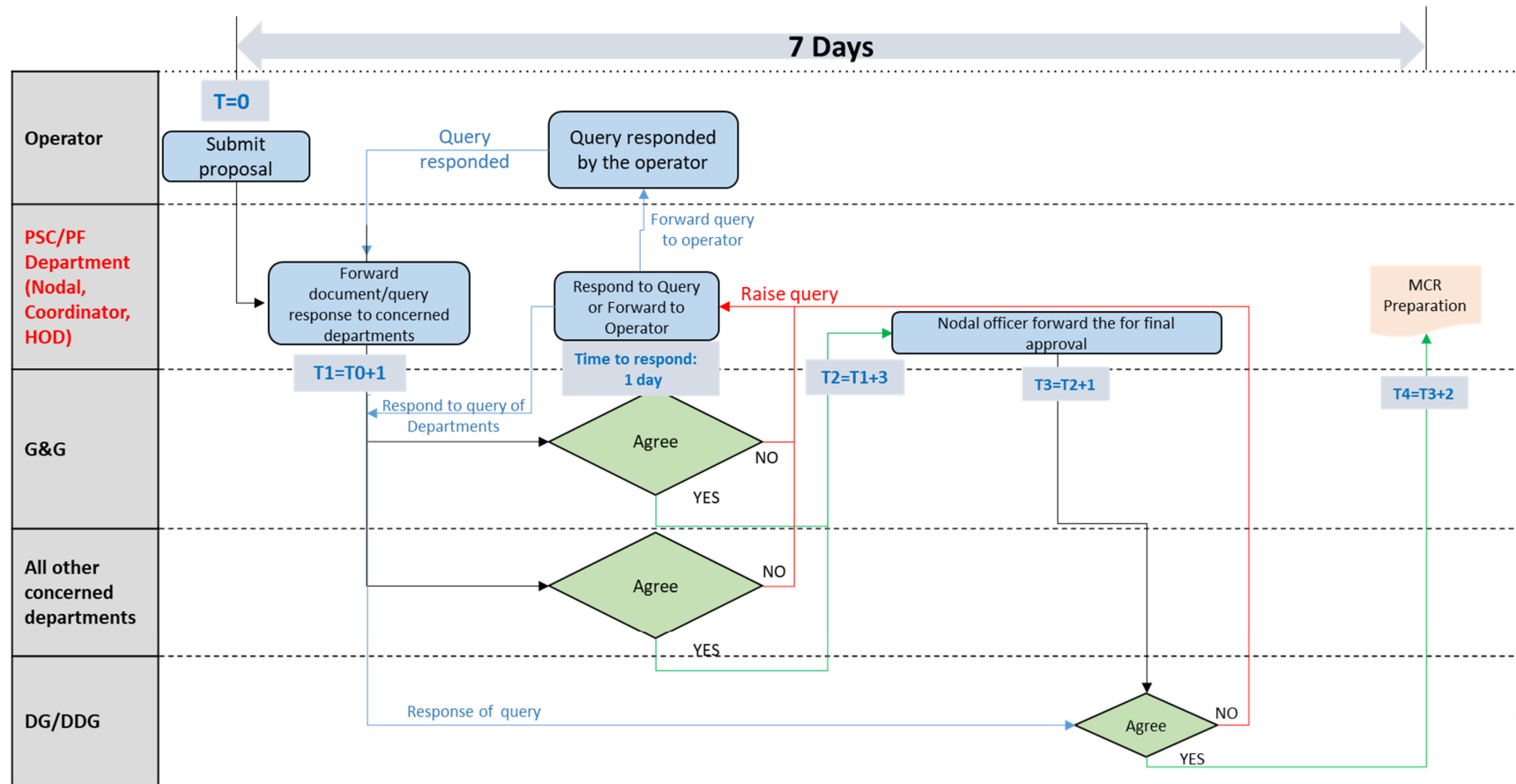
Pre NELP Exploration :- Article 2

**Policy:** - MoP&NG policy on extension in exploration phases for PSCs, 18<sup>th</sup> April, 2006

### Procedure:

#	Department	Procedure
1	<b>PSC/PF</b>	<b>Proposal for Grant of Extension of Phase is examined</b>
	<b>Prerequisites</b>	OC approval.
	<b>Checks</b>	a. Request is submitted at least thirty (30) days prior to the expiry of the Initial Exploration Period b. Status of MWP and any pending liability w.r.t. CoUWP/LD
2	<b>Technical</b>	<b>Technical department receives files for their examination.</b>
	<b>Prerequisites</b>	a. Proposal for extension of phase b. Any additional documents for reference
	<b>Checks</b>	<b>G&amp;G department:</b> a. Check the status of unfinished MWP b. Review of additional Work Programme, if any  <b>Drilling department:</b> a. Review of additional Work Programme, if any
3	<b>Contract finance</b>	<b>CF receives file for review</b>
	<b>Prerequisites</b>	a. Comments of Technical department b. Quantum of Unfinished work program, if any
	<b>Checks</b>	Calculation of LD and BG, if unfinished work program exists.
3	<b>DDG</b>	<b>PSC/PF to prepare summary sheet with comments of technical documents for approval of DDG.</b>
	<b>Prerequisites</b>	Summary sheet for grant of extension of phase
	<b>Checks</b>	Approves the file taking cognizance of recommendations from technical and CF department.
4	<b>PSC/PF department</b>	<b>PSC/PF department prepares the MCR.</b>

### Process flow:



## 1.5. PEL grant or extension applications

### Article of PSC;

NELP 1 & 2:- Article 9

NELP 3 to 9:- Article 11

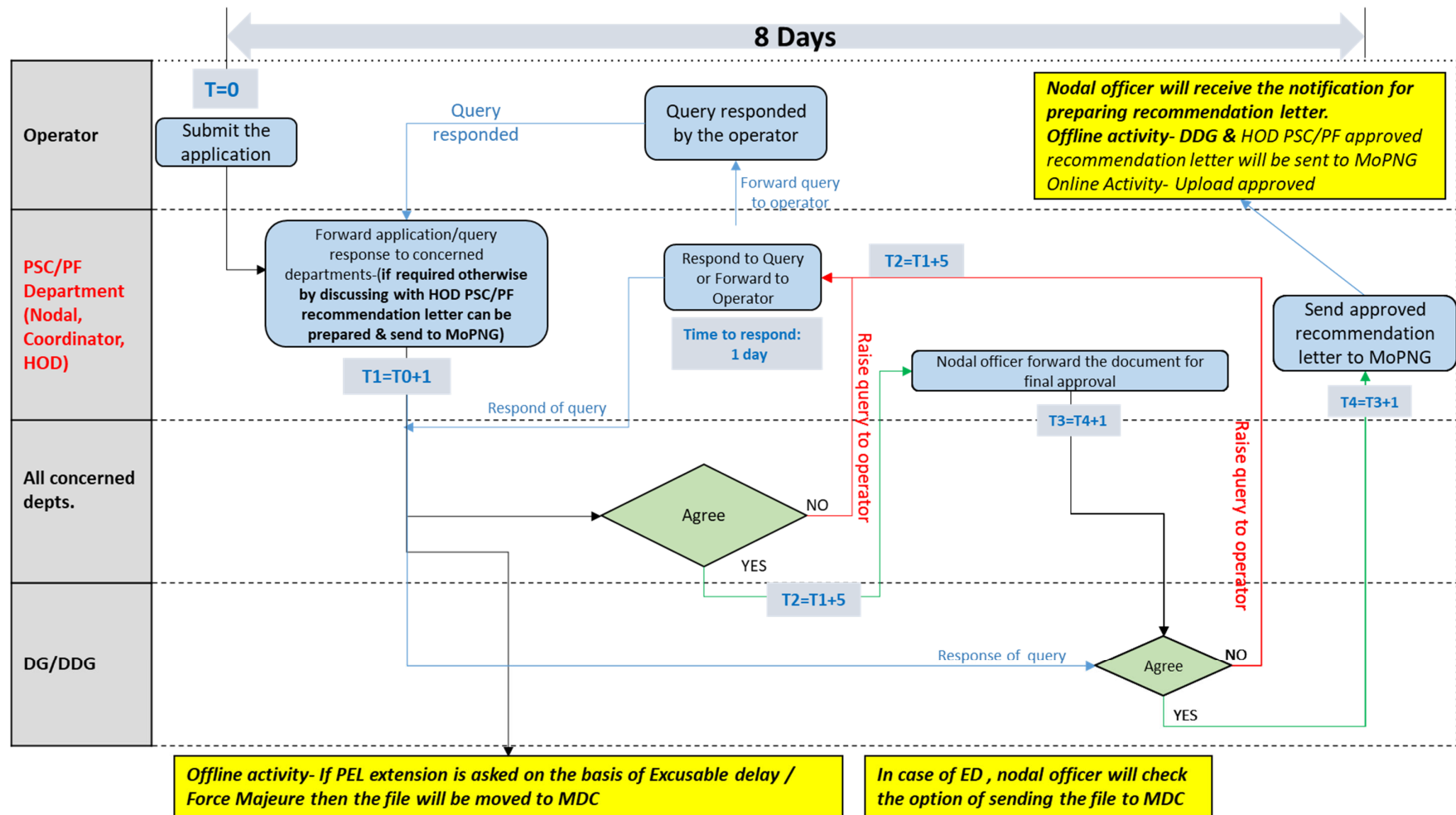
Pre NELP Exploration :- Article 2

**Policy :** - MoP&NG policy on extension in exploration phases for PSCs, 18<sup>th</sup> April, 2006

### Procedure:

#	Department	Procedure
1.	<b>PSC</b>	<b>Operator submits the PEL grant proposal &amp; required documents for approval</b>
	<b>Prerequisites</b>	a. PEL application b. Signed contract
	<b>Checks</b>	a. Proposal to be submitted as early as possible, but not later than fifteen (15) Business Days from the date of execution of this Contract. b. Examines the Operator's proposal based on Articles of PSC c. PSC is active d. Payment of PEL fees
2.	<b>DDG</b>	<b>Proposal is put up for approval of DDG by PSC group</b>
	<b>Checks</b>	Approves the PEL grant / extension proposal based on recommendation of PSC group
3.	<b>PSC</b>	<b>PSC department sends recommendation letter to MoPNG</b>

## Process flow:





## 1.6. PML grant or re-grant application

### Article of PSC;

NELP 1 to 9:- Article 11

Pre NELP Exploration :- Article 2

Pre NELP discovered field :- Article 2 & 8

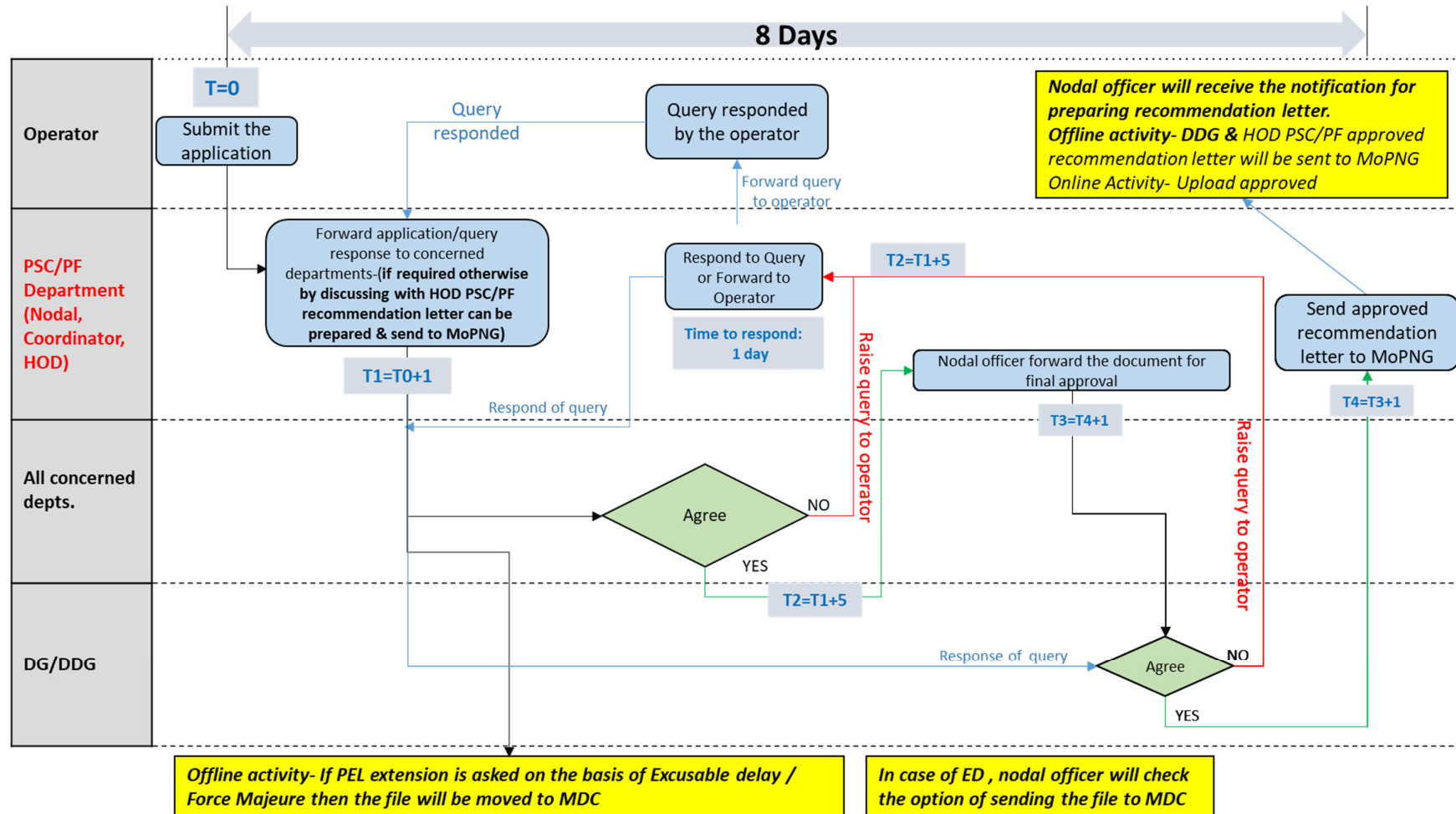
### Policy :-

- 1) MoP&NG Policy for the Grant of Extension to the Production Sharing Contracts signed by Government of India awarding Pre-New Exploration Licensing Policy (Pre-NELP) Exploration Blocks, 7th April 2017
- 2) MoP&NG Policy for grant of extension to Production Sharing Contracts signed by Government awarding small and medium sized discovered fields to private Joint Ventures, 28th March 2016

### Procedure:

#	Department	Procedure
1.	PF	<b>Operator submits the PML grant proposal or PML extension proposal along with supporting documents</b>
	<b>Prerequisites</b>	a. PML grant application, or b. PML re-grant application with RFDP
	<b>Checks</b>	<b>PML grant application:</b> a. MC approved FDP b. Valid contract c. Payment of PML fees  <b>PML re-grant application:</b> a. Submission of RFDP (Evaluation of RFDP will be through separate procedure as listed in PSC-MS) b. Valid contract c. Payment of PML fees
2.	DDG	<b>Proposal is put up for approval of DDG by PF group</b>
	<b>Checks</b>	Approves the PML grant / re-grant proposal based on recommendation of PF group
3.	PF	<b>PF department sends recommendation letter to MoPNG</b>

## Process Flow:



## 1.7. Notice for entering next Phase or Relinquishment

### Article of PSC:

NELP 1 to 9:- Article 3 & 4

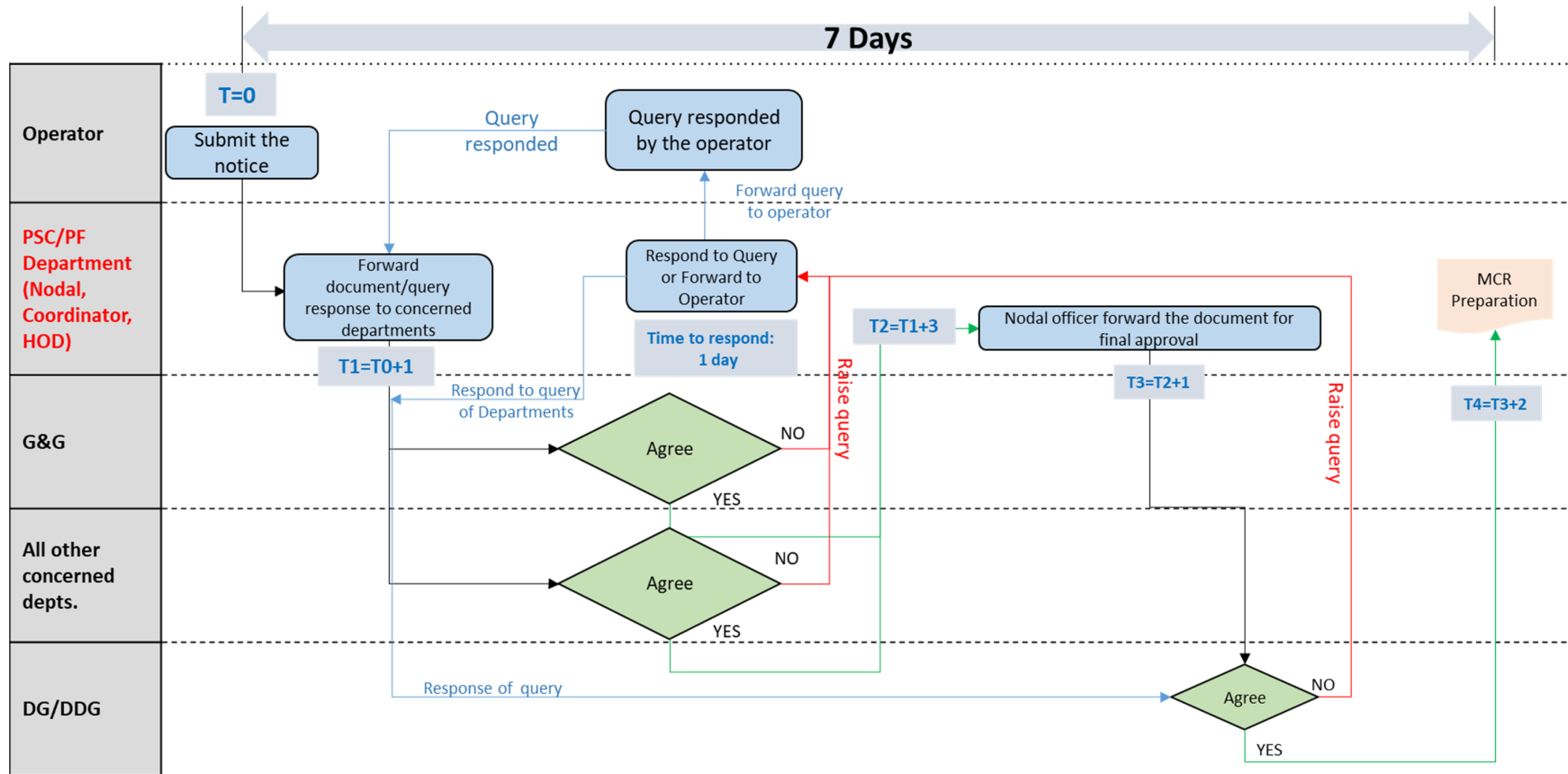
Pre NELP Exploration :- Article 2 & 3

### Procedure:

#	Department	Procedure
1	PSC/PF	<b>Operator submits proposal for entering next phase or relinquishment along with supporting documents</b>
	<b>Prerequisites</b>	a. OC approval
	<b>Checks</b>	a. Proposal must be submitted 30 days prior to the expiry of exploration phase. b. Status of MWP and any other pending liability (CoUWP/LD, Data, PEL fees)
2	Technical	<b>PSC/PF forwards its comments to concerned technical dept. for review.</b>
	<b>Prerequisites</b>	a. Proposal for next phase of relinquish b. Any additional documents for reference
	<b>Checks</b>	<b>G&amp;G department:</b> a. Relate the 'technical' circumstances of exit other than those of administrative reasons b. Examine the completion status of MWP. <ul style="list-style-type: none"> <li>Exploratory stage: (1) No discovery (2) Sub-commercial/marginal discoveries not pursued <ul style="list-style-type: none"> <li>Confirm MWP well depths</li> <li>Confirm Geological objective of wells drilled to PSC/MC recommendation</li> <li>Confirm Basement top</li> <li>Coordinate with NDR/PSC for handover over data sets</li> </ul> </li> <li>Development stage (1) Sub-surface surprises, not commensurate with forecast: <ul style="list-style-type: none"> <li>Review the activities undertaken pursuant to the approved FDP and support data handover process in coordination with NDR/PSC</li> </ul> </li> <li>Production stage (1) Field reaching economic limit, (2) OPEX exceeds revenue from sales</li> </ul>

#	Department	Procedure
		<ul style="list-style-type: none"> <li>Review the latest development plan vis-à-vis field production and 3<sup>rd</sup> party reserves audit report. Support data handover process in coordination with NDR/PSC</li> </ul> <p>If work program is unfinished, the proposal will be put up by PSC group under process of 'Cost of Unfinished Work Program calculation' in PSC-MS.</p> <p><b>NDR department:</b></p> <ol style="list-style-type: none"> <li>Data uploaded in NDR to be commensurate with activity carried out in block.</li> <li>2D, 3D, Log and well, reports and associated data as per PSC</li> </ol>
4.	<b>Contract Finance</b>	<b>Proposal to be forwarded to CF dept. for relinquishment cases</b>
	<b>Prerequisites</b>	<ol style="list-style-type: none"> <li>Comments from Technical Department</li> <li>MWP status</li> <li>OC approval</li> </ol>
	<b>Checks</b>	<ol style="list-style-type: none"> <li>Payment of statutory levies</li> <li>Financial liabilities, if any</li> </ol>
5.	<b>DDG</b>	<b>PSC/PF department prepares the summary sheet and forwards the same for approval of DDG</b>
	<b>Prerequisites</b>	Summary sheet for entry into next phase or relinquishment
	<b>Checks</b>	Recommendations from concerned departments
6.	<b>PSC/PF</b>	<b>PSC/PF department prepares the MCR</b>

## Process Flow:



## 1.8. Notify DGH for Test (DST/Well testing/Production testing)

### Article:

NELP 1 to 9:- Article 10

Pre NELP Exploration :- Article 9

Pre NELP discovered field :- Article 9 (Direct submission of the test results as part of development plan in Article 9-DEVELOPMENT AND PRODUCTION)

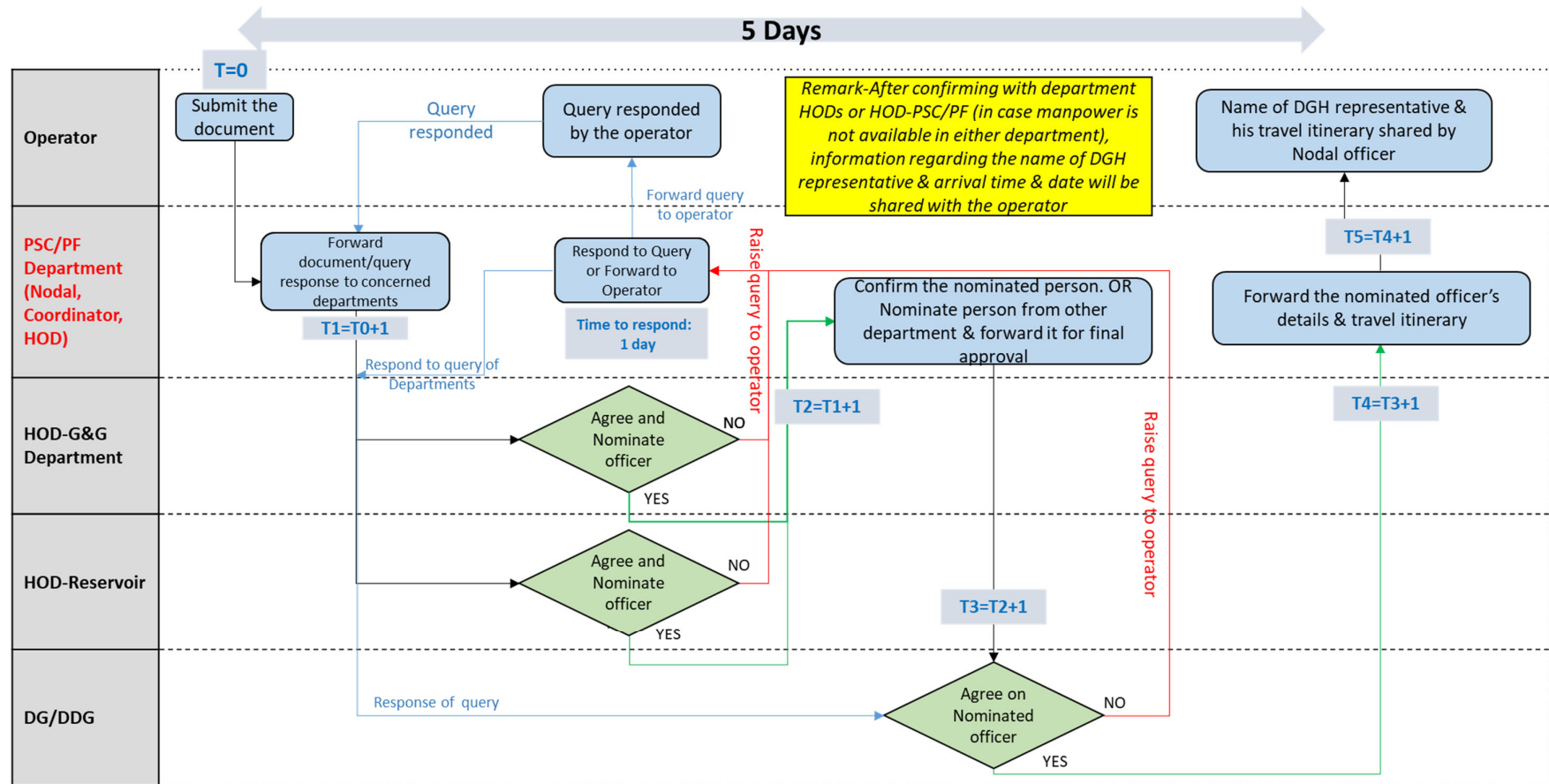
**Policy:** - MoP&NG Policy for testing requirement, 29th April 2015

### Procedure:

#	Department	Procedure
1	<b>PSC/PF</b>	<b>PSC/PF department receives proposal for test.</b>
	<b>Prerequisites</b>	a. Request for test b. Required documents for approval
	<b>Checks</b>	a. Request must be submitted at least 48 hours prior to test b. Check whether the parameters/details of the testing zones/formations are as per signed MCR
3.	<b>Technical department</b>	<b>Technical department receives all the files for their examination.</b>
	<b>Prerequisites</b>	a. Request for test b. Any additional documents for reference
	<b>Checks</b>	<b>G&amp;G department: (DST)</b> a. Check if the location is drilled pursuant to management committee review b. Check the following: <ul style="list-style-type: none"> <li>Type of Well (Exploratory/ Appraisal)</li> <li>Geological Objective/ Formation</li> <li>Well logs describing Zone of testing</li> <li>Top structure map at prospect level</li> <li>Seismic attribute map of the prospect</li> <li>Interpreted seismic sections (IL/XL/RC)</li> <li>Offset well correlation of reservoir, if any</li> <li>Status of current operation at the well</li> </ul> c. Check / Analyze the following: <ul style="list-style-type: none"> <li>Petroleum entrapment through prospect analysis</li> <li>Reservoir description through quick-look well log evaluation</li> </ul> d. Assure that the zone under testing is the very first 'likely' occurrence of petroleum in the given license/ lease area

#	Department	Procedure
		<p>e. Nominate Officers at DGH from across core professionals preferably geologists and petro-physicists</p> <p>f. Follow up with well/drill site to ensure that the zone has been perforated and flow of hydrocarbon is established and stabilized for witness by DGH representative</p> <p>g. Officer-on-job to see and record all relevant details of the zone-under-testing in line with the requirement of Format 'A' and Format 'B'</p> <p>h. On return, DGH representative will submit a Field Note, which is to be read while reviewing Operator's proposal for Format 'A' &amp; 'B'</p> <p><b>Reservoir department: (DST/Well testing/Production)</b></p> <p>a. Nominate officer to witness testing</p> <p><b>Production department: (Production)</b></p> <p>a. Nominate officer to witness testing</p>
4.	<b>DDG</b>	<b>PSC/PF dept. forwards nomination for approval of DDG</b>
	<b>Prerequisites</b>	a. Names of Nominated officers.
	<b>Checks</b>	<p>a. PSC/PF department will confirm the nominated person or nominate from other department in case manpower is not available with the technical departments</p> <p>b. Final nomination sheet</p>
6.	<b>PSC/PF department</b>	<b>PSC/PF department shares the name of the DGH representative and his travel itinerary with the operator.</b>

## Process Flow:





## 1.9. Submission of Format-A: Information of discovery

### Article of PSC:

NELP 1 to 9:- Article 10

Pre NELP Exploration :- Article 9

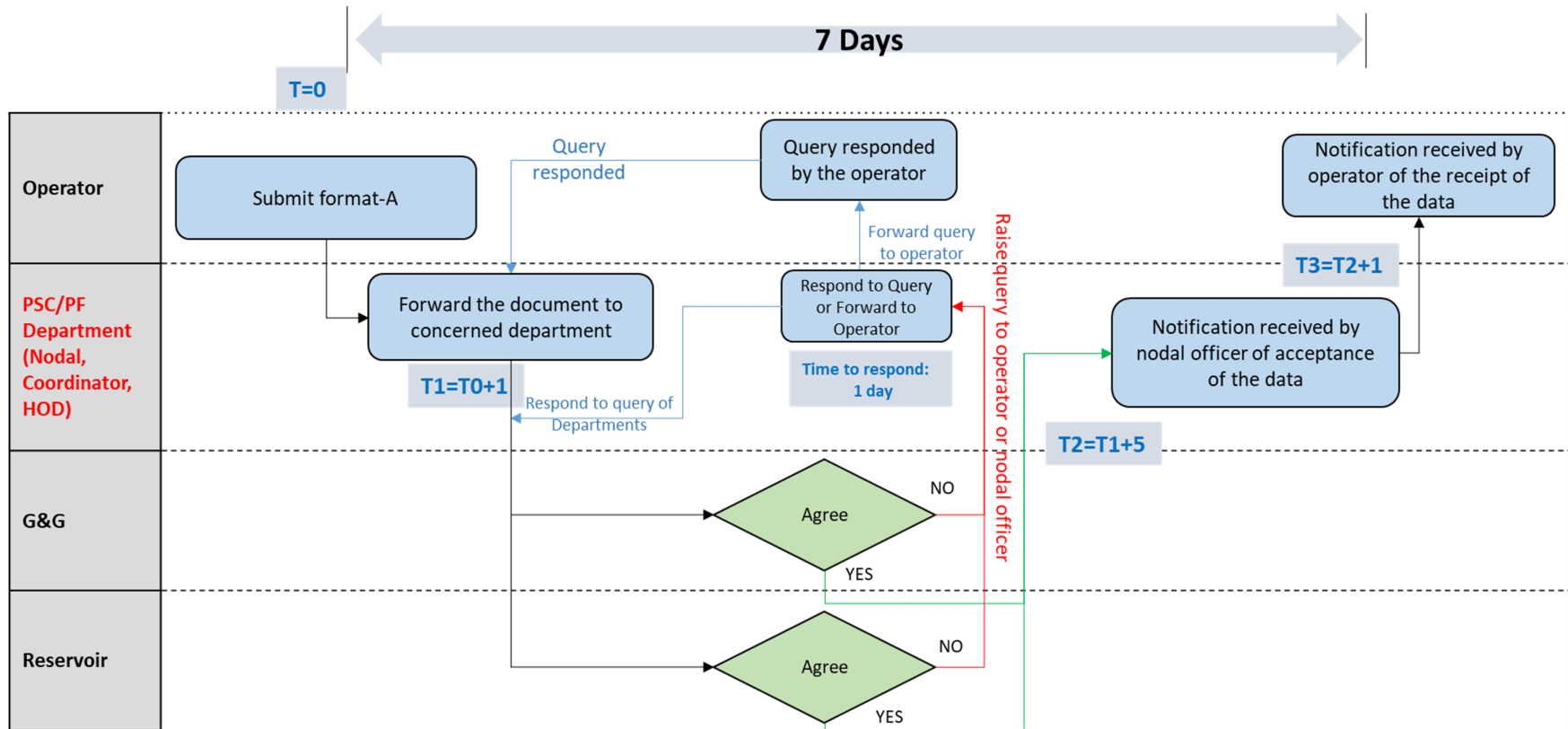
Pre NELP discovered field :- Article 9 (Direct submission as part of development plan in Article 9-DEVELOPMENT AND PRODUCTION)

### Procedure:

#	Department	Procedure
1	PSC/PF	<b>Operator submits the "Format A - Information of discovery" documents. PSC/PF department receives documents</b>
	Prerequisites	a. Format A - Information of discovery
	Checks	a. Format-A is duly filled and submitted timely as per contractual provisions b. Location, Well depth, Target depth are in line with the MCR c. Check if delay in notification of discovery
2	Technical department	<b>Technical departments receive files for examination.</b>
	Prerequisites	a. Format A - Information of discovery b. Comments of PSC/PF department
	Checks	<b>G&amp;G department:</b> a. Check if the said discovery has been witnessed by DGH representative [PSC Article 10.1, 10.2] b. Examine the following: <ul style="list-style-type: none"> <li>Evaluation at the time of witness to the well testing</li> <li>DGH Witness Report</li> </ul> c. Check the following: <ul style="list-style-type: none"> <li>Interval of reservoir zone(s) and geological formation</li> <li>Nature of testing: Drill stem or conventional</li> <li>Type of well activation: self/ underbalanced/ artificial lift</li> <li>Fluid type and flow rate</li> </ul> d. Assure that flow of oil/gas is surfaced e. Contractor to submit Format B to declare that the said hydrocarbon pool is of Potentially Commercial Interest
4.	DDG	<b>Evaluated documents is put up for noting by PSC/PF dept.</b>
	Prerequisites	Summary sheet comprising of Comments of Technical and of PSC/PF department.

#	Department	Procedure
	<b>Checks</b>	Noting of technical and PSC/PF department.
	<b>Process Output</b>	a. Acknowledgment of receipt of Format A to contractor b. PSC/PF department to ensure contractor informs all MC members and Govt. are notified of the discovery

## Process Flow:



## 1.10. Submission of Format-B: Potential Commercial Interest

### Article:

NELP 1 to 9:- Article 10

Pre NELP Exploration :- Article 9

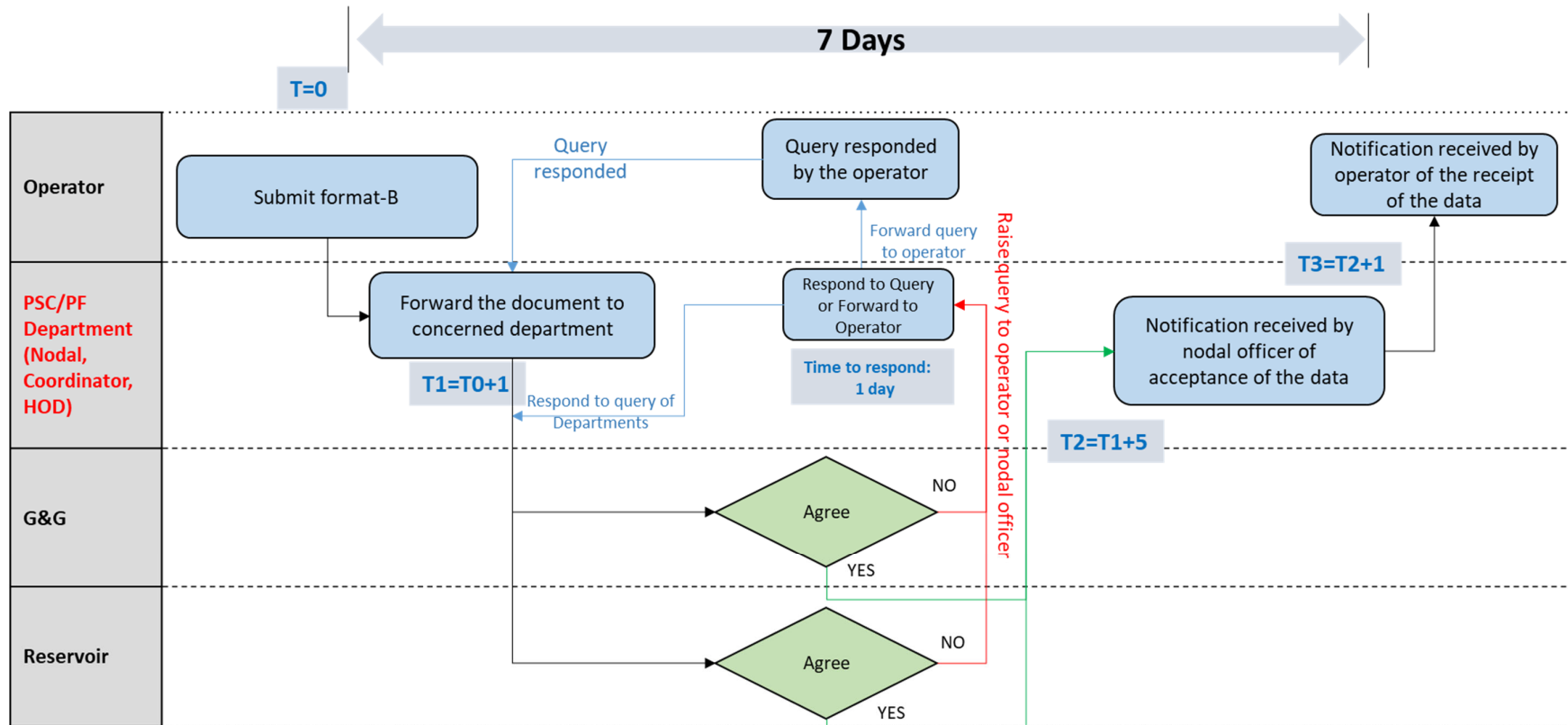
Pre NELP discovered field :- Article 9 (Direct submission as part of development plan in Article 9-DEVELOPMENT AND PRODUCTION)

### Procedure:

#	Department	Procedure
1	PSC/PF	<b>Contractor submits the "Format B - Potential Commercial Interest". PSC/PF department to initiate the proposal.</b>
	<b>Prerequisites</b>	a. Format B - Potential Commercial Interest
	<b>Checks</b>	a. Format A has been timely notified to MC members b. Format-B is duly filled and submitted timely as per contractual provisions
2	<b>Technical department</b>	<b>Technical department receives Format-B and associated documents from PSC/PF department.</b>
	<b>Prerequisites</b>	a. Format B - Potential Commercial Interest b. Comments of PSC/PF department
	<b>Checks</b>	<b>G&amp;G department:</b> a. Check if the said discovery has been notified and it's accepted through Format A [PSC Article 10.1, 10.2] b. Examine the following: <ul style="list-style-type: none"> <li>Evaluation at the time of witness to the well testing</li> <li>Evaluation of Format A</li> </ul> c. Check the following: <ul style="list-style-type: none"> <li>Multi-bean study of flow at different bean/choke size with flow rate, choke and reservoir pressure</li> <li>Petrophysical analysis of the discovered reservoir(s)</li> <li>Reservoir parameters and petroleum in-place</li> </ul> d. Check if additional test is carried out after submission of format-A e. Supplement with reservoir engineering data on fluid parameters and flow dynamics f. Assure that flow of oil/gas is sustainable and resource potential is commercially adequate g. Contractor may choose to submit an Appraisal Plan to better understand the extent and size of the discovery or judge to progress towards Commerciality Declaration/FDP

#	Department	Procedure
		<b>Reservoir department:</b> <ol style="list-style-type: none"> <li>Reservoir studies if carried out</li> <li>Well testing results</li> <li>Commerciality of discovery to be ascertained and if the discovery merits appraisal</li> </ol>
3	<b>DDG</b>	<b>PSC/PF department receives the comments of technical departments and forwards the summary sheet for approval</b>
	<b>Prerequisites</b>	Summary sheet comprising of comments of technical and PSC/PF department
	<b>Checks</b>	Noting of the evaluation of format-B by technical and PSC/PF department.
	<b>Process Output</b>	<ol style="list-style-type: none"> <li>Acknowledgment of receipt of Format B - Potential Commercial Interest to Contractor.</li> <li>PSC/PF department to ensure contractor informs all MC members and Govt. are notified.</li> </ol>

**Process Flow:**



## 1.11. Submission of Format-C: Commercial Discovery

### Article:

NELP 1 to 9:- Article 10 (For oil) & 21 (For Gas)

Pre NELP Exploration :- Article 9 (For oil) & 21 (For gas)

Pre NELP discovered field :- Article 9 (For oil) & 20 (For Gas) (Direct submission as part of development plan in Article 9-DEVELOPMENT AND PRODUCTION & Article 20-Natural Gas)

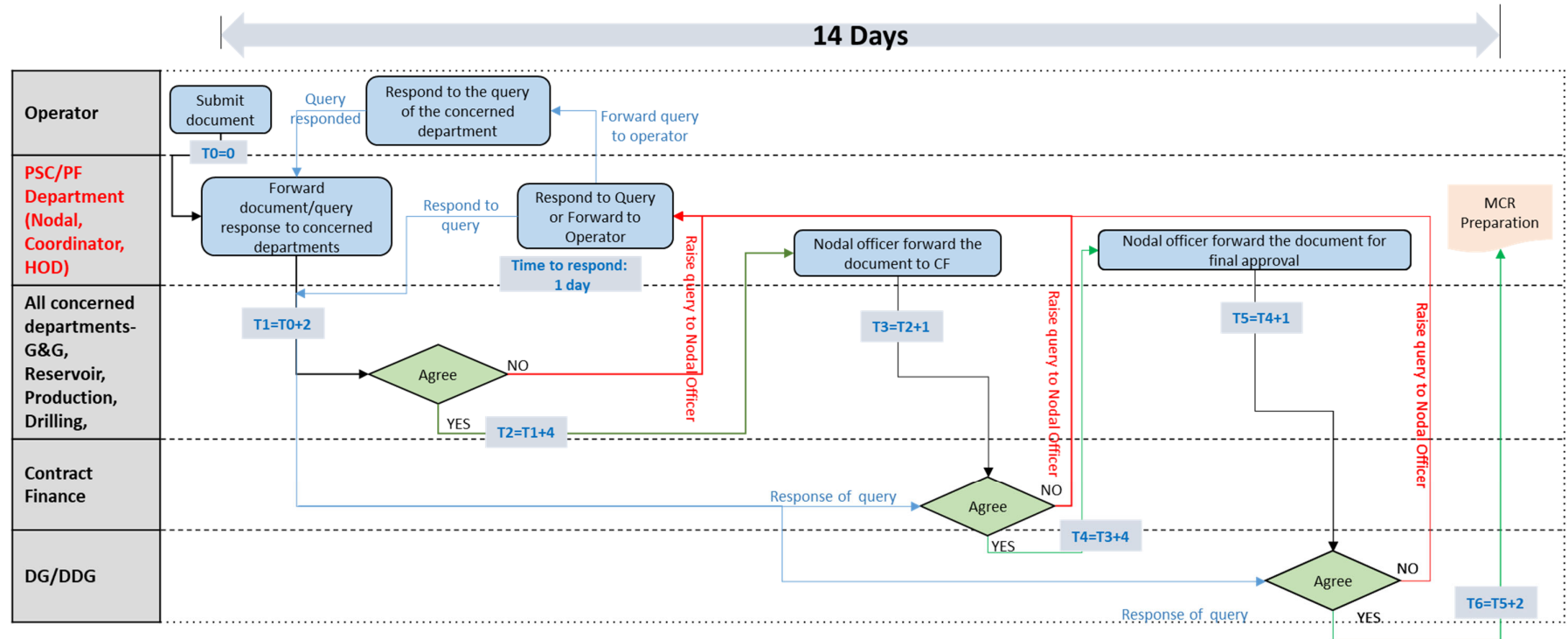
### Procedure:

#	Department	Procedure
1	PSC/PF	<b>Contractor submits the "Format C – Declaration of Commerciality". PSC/PF department to initiate proposal.</b>
	Prerequisites	a. Format C - Declaration of Commerciality
	Checks	a. Format A has been timely notified to MC members b. Format B has been timely submitted and notified c. Format-C is duly filled and submitted timely as per contractual provisions d. PSC/PF group to be guided by DGH notified SOPs for DoC dated 20.10.2017
3.	Technical	<b>Technical department receives files for examination.</b>
	Prerequisites	a. Format C - Commercial Discovery b. Comments of PSC/PF department
	Checks	<b>All technical departments (G&amp;G/Drilling/Reservoir/Production) will be guided by DGH notified SOPs for DoC dated 20.10.2017</b> <b>G&amp;G department:</b> <ul style="list-style-type: none"> <li>a. Relate to the Discovery, its approval status (Format B) and appraisal activities including appraisal drilling</li> <li>b. To assess the reservoirs which are discovered and declared to be commercially exploited under current market terms. Check if such submission is clear without any encumbrance</li> <li>c. Review field data sets:               <ul style="list-style-type: none"> <li>• Drilling and Coring</li> <li>• Logging and Testing</li> </ul> </li> <li>d. Review interpretations on:               <ul style="list-style-type: none"> <li>• Reservoir description</li> <li>• Reservoir mapping</li> <li>• Reservoir Modeling</li> </ul> </li> </ul>

#	Department	Procedure
		<p>e. Review petro-physical parameters, methodologies used and results obtained for estimation of clay volume, porosity, saturation and permeability</p> <p>f. Well-level petro-physical summation of all reservoir zones/ units/ intervals and fluid contacts to estimate hydrocarbon pore thickness</p> <p>g. Define structural framework of reservoirs based on top surface, boundaries (faults/ facies terminations), fluid contacts and other internal discontinuities forming sectors/ compartments</p> <p>h. Check if reservoir is extending beyond the block boundary</p> <p>i. Check Volumetric methodology like 1D(linear), 2D(map) or 3D(model), in order to arrive at the estimated inplace</p> <p>j. Check how the 'static' reservoir parameters are integrated into inplace and how uncertainty (Low-Best-High) is addressed</p> <p>k. Final deliverables:</p> <ul style="list-style-type: none"> <li>• Inplace (Estimate, Category and its Distribution on map)</li> <li>• Net pay or HCPV maps, suitably draped over structure</li> </ul> <p>l. Forward data integration:</p> <ul style="list-style-type: none"> <li>• Dynamic modeling and future wells</li> <li>• Production profile, boundary conditions and reserves</li> <li>• Techno-economics</li> <li>• Development and production strategy</li> </ul>
3	CF	<b>Technical department's comments are forwarded to CF by PSC/PF</b>
	Prerequisites	Comments of concerned Technical departments.
	Checks	<b>To be guided by DGH notified SOPs for DoC dated 20.10.2017</b>
4.	DDG	<b>PSC/PF department submits summary sheet comprising of comments of all technical departments &amp; Contract finance</b>
	Prerequisites	Summary sheet comprising of comments of technical, CF and PSC/PF department.
	Checks	Comments of technical, CF and PSC/PF department are noted
	Process O/P	Approval accorded for review by MC.
5	DG	<b>PSC/PF department forwards the DDG approved summary sheet for approval of DG</b>
	Prerequisites	Summary sheet for approval of DOC
	Checks	Recommendations from concerned departments and DDG.
6	PSC/PF	<b>PSC/PF department initiates the process of preparation of MCR</b>



## Process Flow:



## 1.12. Calibration of flowmeters, witness custody transfer operations.

### Article of PSC:

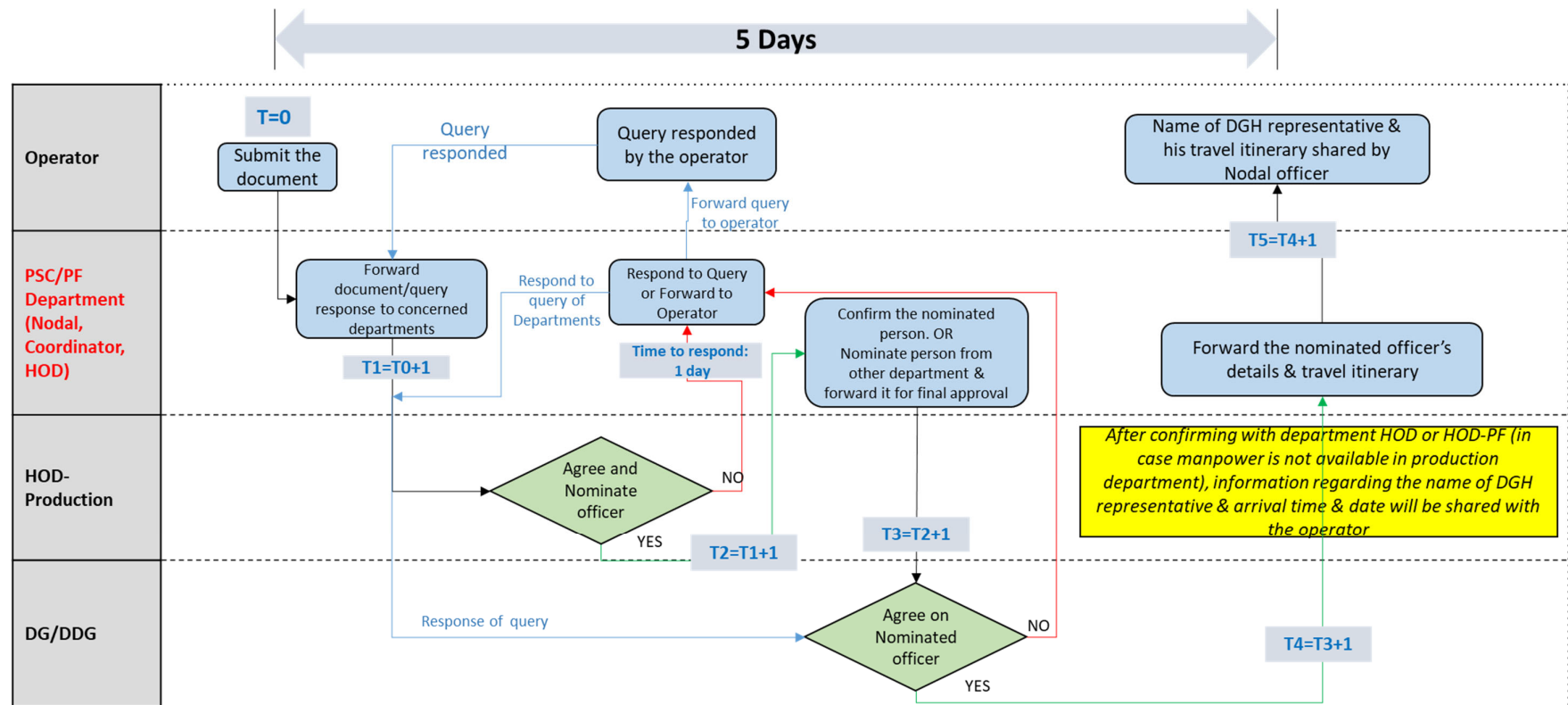
NELP 1 to 9 :- Article 13

Pre NELP Exploration & Pre NELP discovered field :- Article 11

### Procedure:

#	Department	Procedure
1.	PF	<b>Operator submits proposal &amp; required documents</b>
	<b>Prerequisites</b>	a. Proposal by contractor for witnessing of calibration of flowmeters/witness custody transfer operations.
	<b>Checks</b>	a. The methodology w.r.t. 'Calibration of flowmeters, custody transfer operations' is MC approved b. The proposal should be in line with the MCR
2.	Technical	<b>Technical department receives all the documents for examination.</b>
	<b>Prerequisites</b>	a. Proposal by contractor for witnessing of calibration of flowmeters/witness custody transfer operations along with supporting documents. b. MCR approval of 'Measurement of Petroleum'
	<b>Checks</b>	<b>Production department:</b> a. Nominate officer to Calibration of flowmeters, witness custody transfers operations b. Familiarize with the approved MCR and standards to be followed during witnessing of the validation /calibration activities. c. Follow the checklist placed at Appendix-D, while exercise. d. On return, shall submit the copy of MOM signed during validation/calibration exercise along with report and all relevant documents. e. Examine submitted documents and reports by HOD and forward to PF dept. for record.
3.	DDG	<b>PF dept. forwards nomination by Production/PF department for approval of DDG</b>
	<b>Prerequisites</b>	a. Comments of Production and PF department.
	<b>Checks</b>	a. Approve nominated officers for witnessing calibration/ custody transfer operations.
4.	PF	<b>Forward the names of nominated officers to Contractor and Production department.</b>

## Process Flow:



## 1.13. Inventory Report

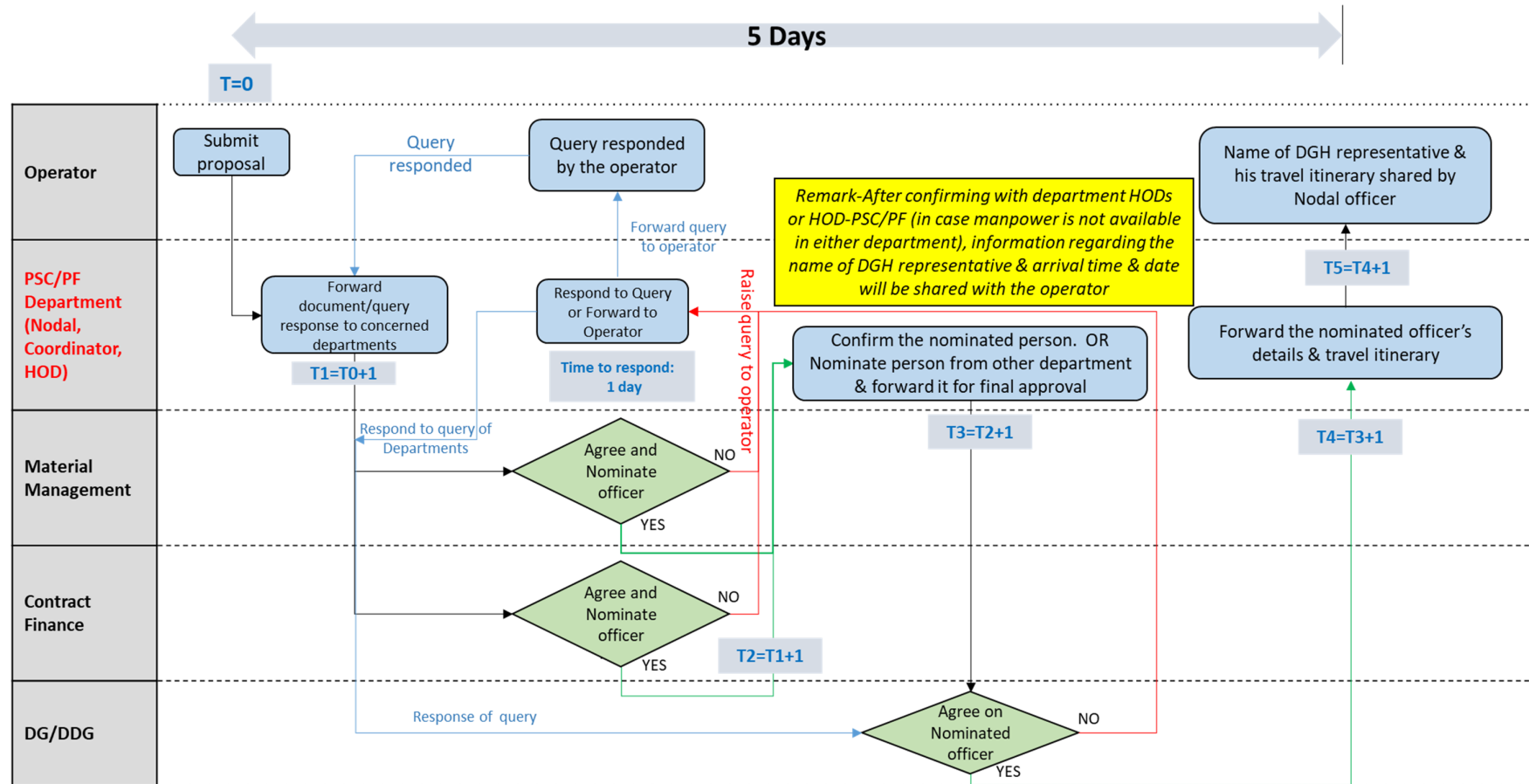
### Article of PSC:

Pre-NELP Exploration, Pre-NELP field, NELP I-IX: Appendix C of PSC: Section 4

### Procedure:

#	Department	Procedure
1.	<b>PSC/PF</b>	<b>Contractor submits proposal &amp; required documents for Inventory verification</b>
	<b>Prerequisites</b>	a. Contractor's proposal along with supporting documents
	<b>Checks</b>	a. Block validity b. Status of previous inventory verifications
2.	<b>Technical department</b>	<b>PSC/PF department to forward the proposal to MM department</b>
	<b>Prerequisites</b>	a. Contractor's proposal along with supporting documents
	<b>Checks</b>	<b>Material Management (MM) department:</b> a. Nominates a person from their department b. Nominated officer to submit a report on key findings during inventory verification.
3	<b>Contract Finance</b>	<b>PSC/PF department to forward the proposal to CF department</b>
	<b>Prerequisites</b>	a. Contractor's proposal along with supporting documents
	<b>Checks</b>	a. Nominates a person from their department b. Nominated officer to submit a report on key findings during inventory verification.
4	<b>DDG</b>	<b>PSC/PF dept. forwards nomination for approval of DDG</b>
	<b>Prerequisites</b>	a. Comments and nominations from MM, CF and PSC/PF department
	<b>Checks</b>	a. Approve nominated officers for Inventory verification.
5	<b>PSC/PF</b>	<b>Forward the names of nominated officers to Contractor, MM and CF department.</b>

## Process Flow:



## 1.14. Local goods & service report

### Article of PSC

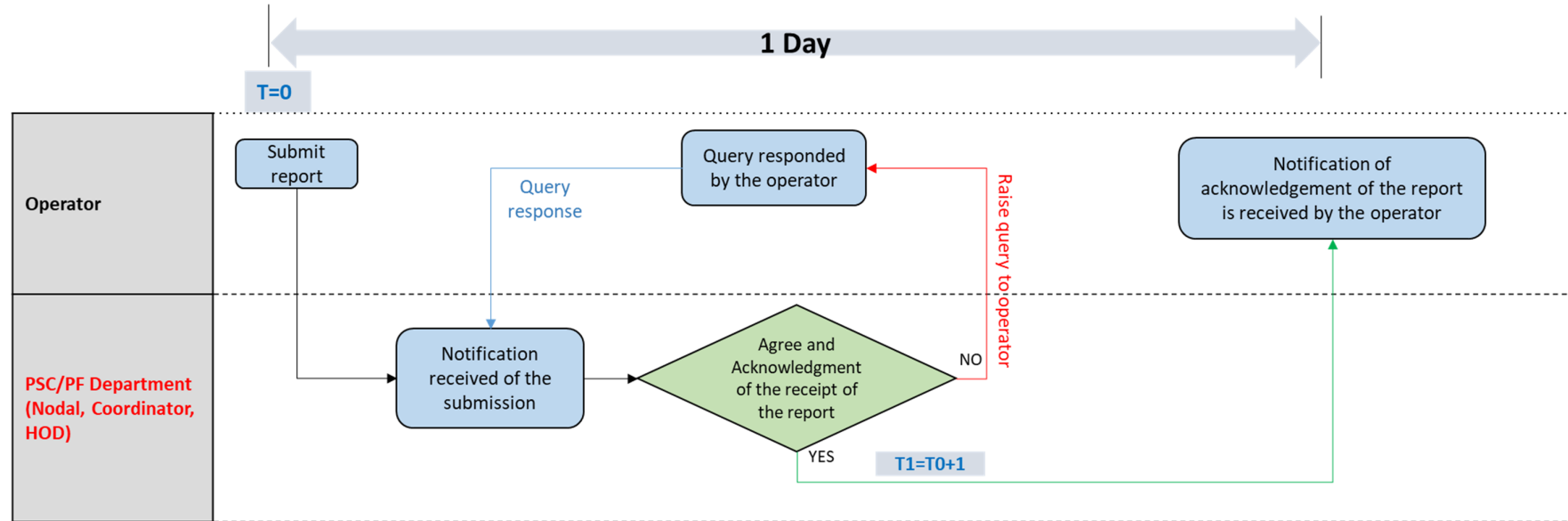
NELP I to IX & Pre NELP Exploration: Article 23

Pre NELP Field: Article 22

### Procedure:

#	Department	Procedure
1.	<b>PSC/PF</b>	<b>Operator submits the Local goods &amp; service report</b>
	<b>Prerequisites</b>	Local goods & service report
	<b>Checks</b>	a. Check that report is submitted within sixty (60) days after the end of each Financial Year b. Report for record keeping in line with previous years local goods and service report.
2.	<b>PSC/PF department</b>	<b>PSC/PF department sends acknowledgment of receipt of data to the Operator</b>

## Process Flow:



## 1.15. Submission of Bank Guarantee + Legal Opinion & renewal and Revised Bank Guarantee

### Article of PSC –

Pre NELP Exploration, NELP I to IX: Article 29

Pre NELP Field: Article 30

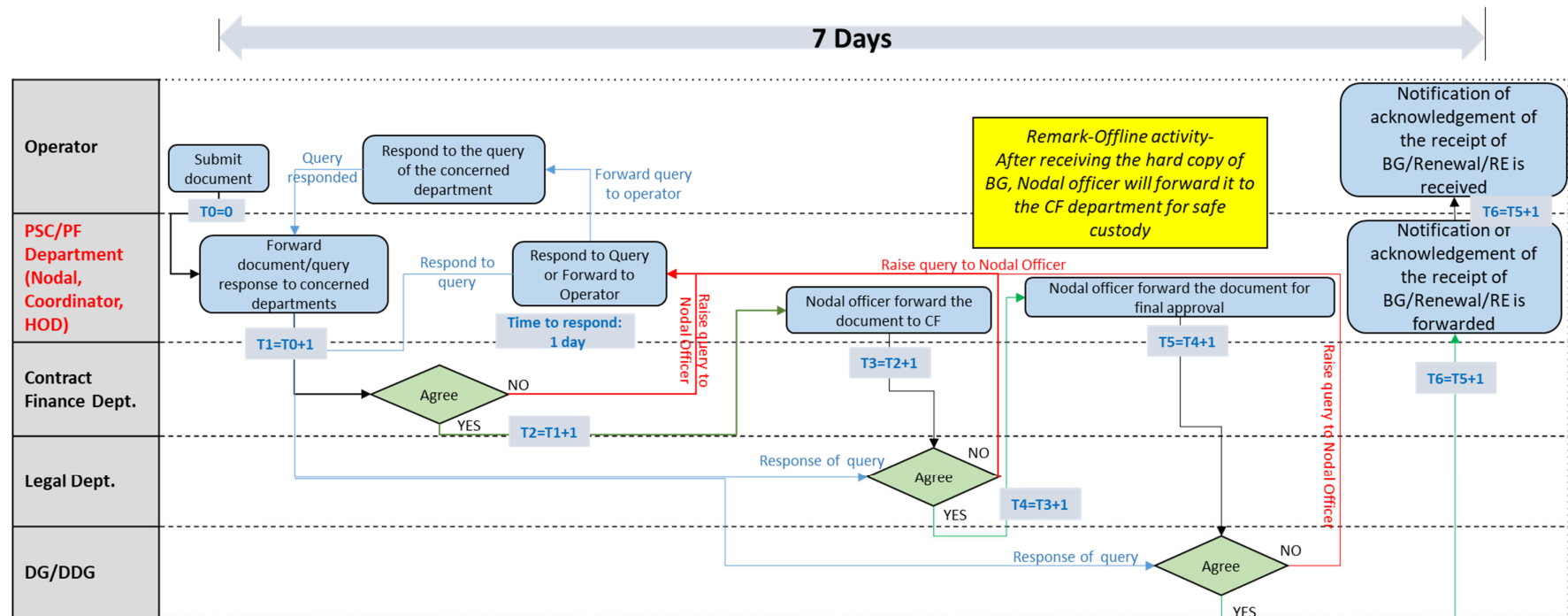
### Procedure:

#	Department	Procedure
1.	<b>PSC/PF</b>	<b>Operator submits the BG &amp; required documents for review</b>
	<b>Prerequisites</b>	<ul style="list-style-type: none"> <li>a. Bank Guarantee or Revised Bank Guarantee</li> <li>b. Submission of Legal Opinion</li> </ul>
	<b>Checks</b>	<ul style="list-style-type: none"> <li>a. Whether the submission of the Bank Guarantee is as per timelines stipulated by PSC</li> <li>b. Status of work programme and phase validity</li> </ul>
2.	<b>Contract Finance</b>	<b>PSC/PF department forwards the BG to Contract Finance for examination</b>
	<b>Prerequisites</b>	To be submitted by PSC/PF department: <ul style="list-style-type: none"> <li>a. Fact sheet, Status of work programme and block validity</li> <li>b. MCR of WP&amp;B for the respective FY for which BG has been submitted.</li> </ul>
	<b>Checks</b>	<ul style="list-style-type: none"> <li>a. Block details are checked</li> <li>b. Examines and evaluates the Bank Guarantee for authenticity and adequacy as per the budget approved by the MC</li> <li>c. If the BG is found inadequate, the differential Bank Guarantee shall be computed.</li> </ul>
3.	<b>Legal</b>	<b>Legal department receives the evaluated documents</b>
	<b>Prerequisites</b>	Fact sheet of the block & CF comments
	<b>Checks</b>	<ul style="list-style-type: none"> <li>a. Format of BG is checked as per Proforma in Appendix G of PSC</li> <li>b. BG must be on Rs. 100 Stamp paper</li> <li>c. Following details in BG are checked - Validity, Claim period &amp; legal opinion which should be as per article 29.1C</li> <li>d. <b>In case of revised BG</b> amendment is checked which should be as per PSC contract.</li> </ul>
4.	<b>DDG</b>	<b>PSC/PF department submits the evaluated BG and Legal Opinion and comments' summary sheet for approval of DDG.</b>
	<b>Prerequisites</b>	Summary sheet with comments from PSC, CF and Legal departments.



#	Department	Procedure
	<b>Checks</b>	Approves the file taking cognizance of recommendations from the concerned departments
<b>5.</b>	<b>PSC/PF</b>	As per approval, intimation is made to the operator.

## Process Flow:



## 1.16. Information about hiring of vendors through tenders

### Article of PSC:

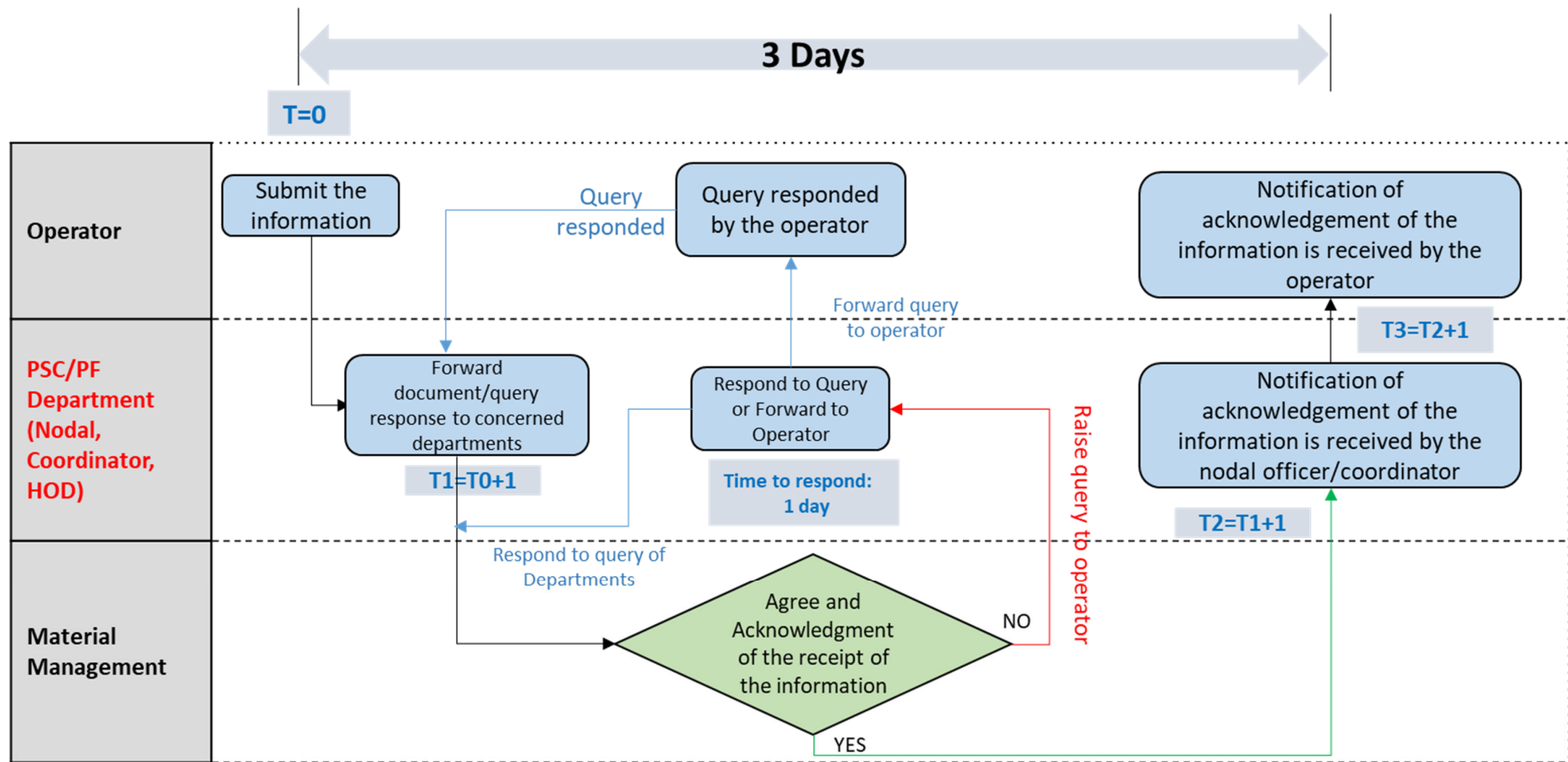
Pre NELP Exploration, NELP I to IX: Article 23

Pre NELP Field: Article 22

### Procedure:

#	Actor	Process Flow Step
1	PSC/PF	<b>Contractor submits the required documents of Information about hiring of vendors through tenders</b>
	<b>Prerequisites</b>	Proposal of contractor with supporting documents
	<b>Checks</b>	a. Block validity b. Proposal is in line with Article 8 and Appendix-F of PSC
2	<b>Materials Management</b>	<b>PSC/PF submits Contractor's proposal for examination.</b>
	<b>Prerequisites</b>	a. Contractor's proposal b. Block status/Fact sheet
	<b>Checks</b>	a. Examines the documents as per procedures laid out in Article-8 and Appendix-F of PSC b. Deviations, if any, must be pointed out and requisite clarification be sought.
3	PSC/PF	<b>PSC/PF department notes the comments from MM department. Deviation if any may be brought up in MC for approval.</b>

## Process Flow:



## 1.17. Change of MC members

### Article of PSC

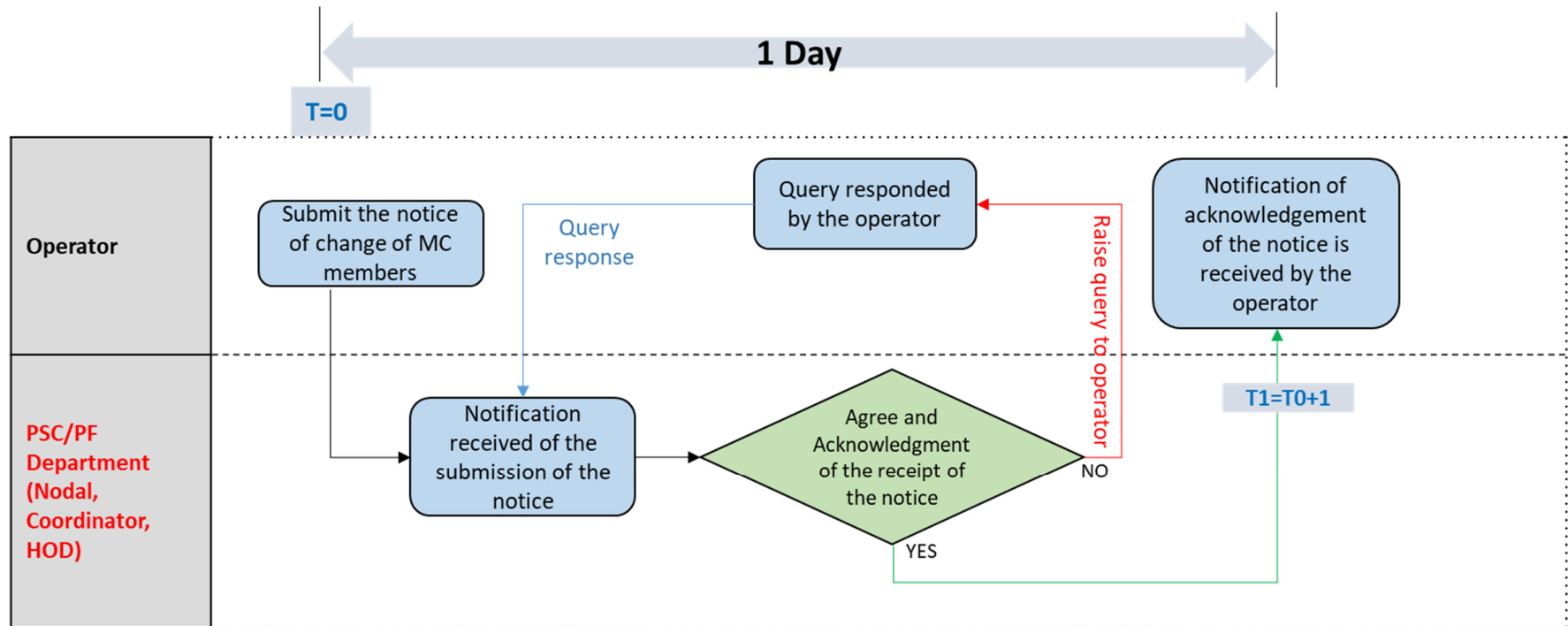
Pre NELP Exploration, NELP I to IX: Article 6

Pre NELP Field: Article 5

### Procedure:

#	Actor	Process Flow Step
1.	PSC/PF	<b>Contractor notifies change of MC members to DGH</b>
	<b>Prerequisite</b>	a. Contractors' previous MC members notified to DGH b. Present proposal indicating change in MC members
	<b>Checks</b>	a. Name, Designation and Contact details of nominated MC members b. Records the change in MC members
3.	PSC/PF	<b>Noted by PSC/PF department and acknowledges receipt of notice of change in MC members</b>

**Process Flow:**



## 1.18. Submission of G&G data

### Article of PSC:

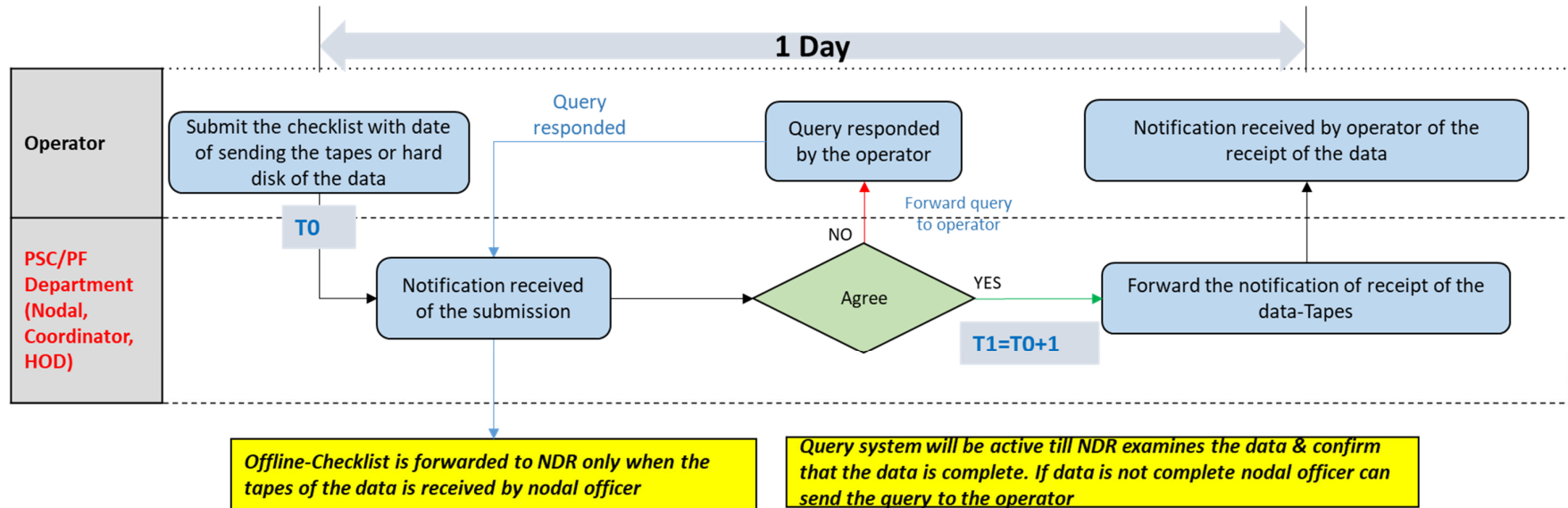
Pre NELP Exploration, NELP I to IX: Article 26

Pre NELP Field: Article 25

### Procedure:

#	Department	Procedures
1.	<b>PSC/PF</b>	<b>Operator submits the data to DGH</b>
	<b>Prerequisites</b>	Data submission as per prevalent NDR data submission guidelines
	<b>Checks</b>	a. Status of block validity b. Status of MWP vs. Data submitted w.r.t work completion.
2.	<b>NDR</b>	<b>NDR department receives the data along with PSC comments</b>
	<b>Prerequisites</b>	a. Fact sheet of the block b. Status of activities completed
	<b>Checks</b>	a. Authenticity of the data tapes b. QC of seismic data c. Well completion reports, log data and other associated data that must have been submitted as per PSC.
3.	<b>PSC/PF</b>	<b>When all the data has been submitted, vetted and confirmed from NDR, the PSC/PF section records the same in summary sheet.</b>

**Process Flow:**





## 1.19. Submission of Insurance & Indemnity

### Article of PSC:

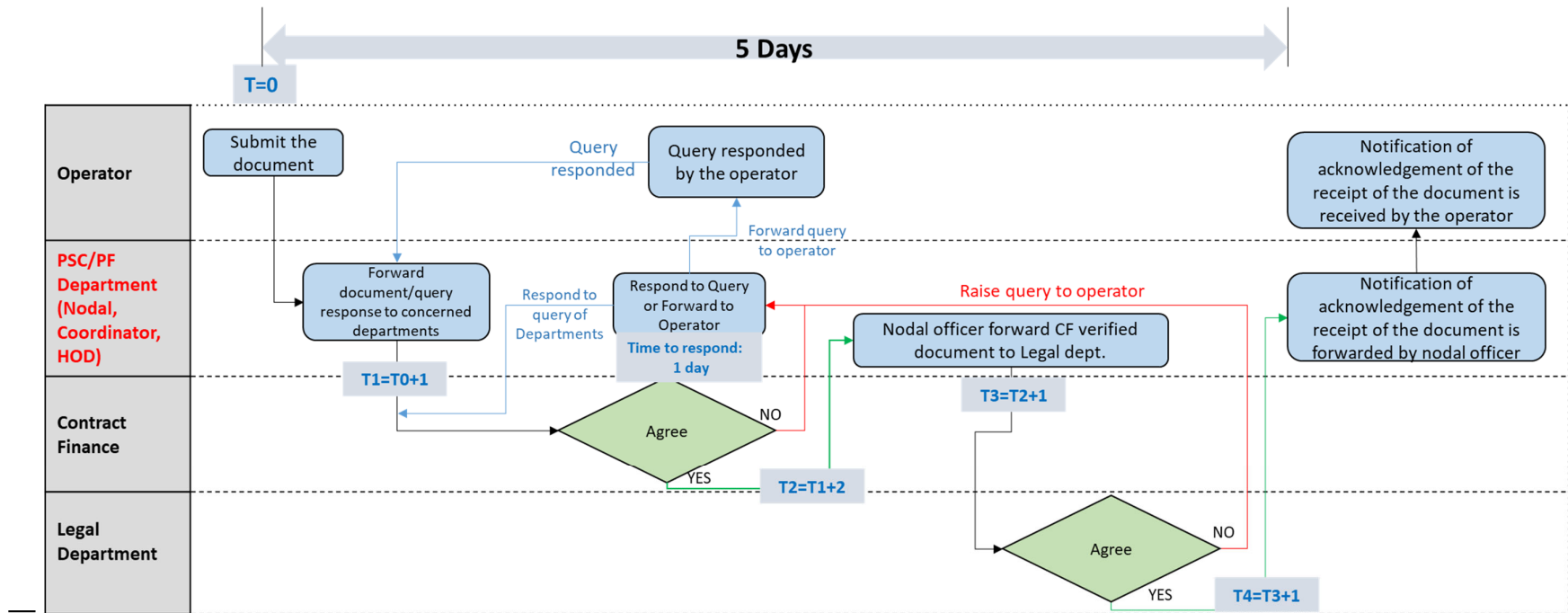
NELP I to IX & Pre NELP Exploration: Article 24

Pre NELP Field: Article 23

### Standard Operating Procedure:

#	Department	Procedure
1.	<b>PF/PSC</b>	<b>Operator submits Insurance &amp; Indemnity</b>
	<b>Prerequisites</b>	Documents of Insurance and Indemnity
	<b>Checks</b>	a) Block validity b) Status of previous indemnifications to Government
2.	<b>Contract finance</b>	<b>Contract finance receives all the files for their examination.</b>
	<b>Prerequisites</b>	Documents of Insurance and Indemnity
	<b>Checks</b>	Contract Finance verifies the following: a. Insurance amount
3	<b>Legal</b>	<b>Legal dept. receives files for examination.</b>
	<b>Prerequisites</b>	a. Documents of Insurance and Indemnity b. Comments from Contract Finance dept.
	<b>Checks</b>	Legal department verifies the following: a. Indemnification of Government
4	<b>PSC/PF</b>	<b>Based on CF and Legal departments' comments, PSC/PF department sends acknowledgement of the documents to the operator</b>

## Process Flow:



## 1.20. Submission of operating agreement

### Article of PSC:

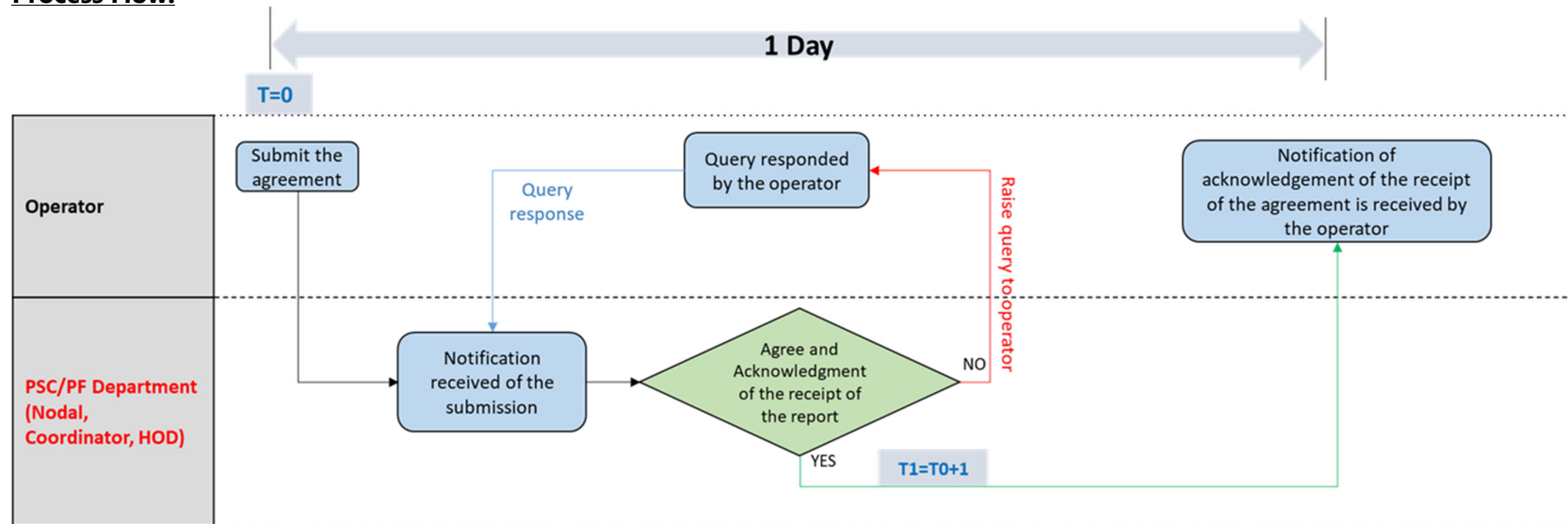
NELP I to IX & Pre NELP Exploration: Article 7

Pre NELP field: Article 6

### Procedure:

#	Department	Process Flow Step
1.	PSC/PF	<b>Operator submits Joint Operating Agreement (JOA), Operating Committee (OC) to DGH</b>
	Prerequisites	JOA, OC
	Checks	a) Signed JOA b) PI assignment is in line with PSC
2.	PSC/PF	<b>PSC/PF department sends acknowledgment of receipt of JOA/OC to the Operator</b>

**Process Flow:**



## 1.21. Submission of accounting procedure

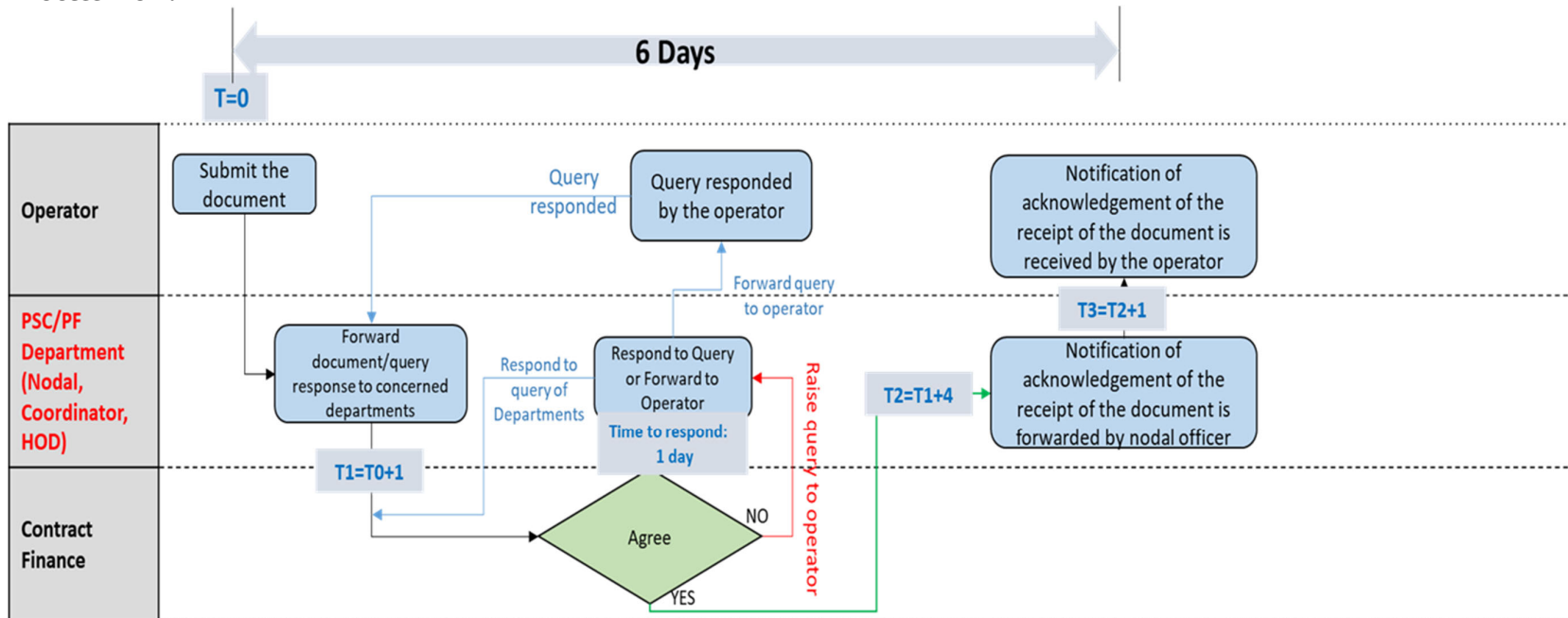
### Article

NELP I to IX, Pre NELP Exploration & Pre NELP field: PSC Appendix- C section 1

### Procedure:

#	Department	Procedure
1	<b>PSC/PF</b>	<b>Accounting procedure is submitted by Operator</b>
	<b>Prerequisites</b>	Proposal of accounting procedure
	<b>Checks</b>	Block status/validity
2	<b>Contract Finance</b>	<b>Contract Finance receives all the files for their examination from PSC/PF dept.</b>
	<b>Prerequisites</b>	a. Documents of accounting procedure b. Any additional documents for reference
	<b>Checks</b>	Examines the accounting procedure as per the contract and notes the same.
3	<b>PSC/PF</b>	<b>PSC/PF department receives comments from Contract Finance dept. and sends acknowledgment of receipt of agreement to the Operator.</b>

**Process Flow:**



## 1.22. Environment Impact Assessment report 1 & 2

### Article of PSC:

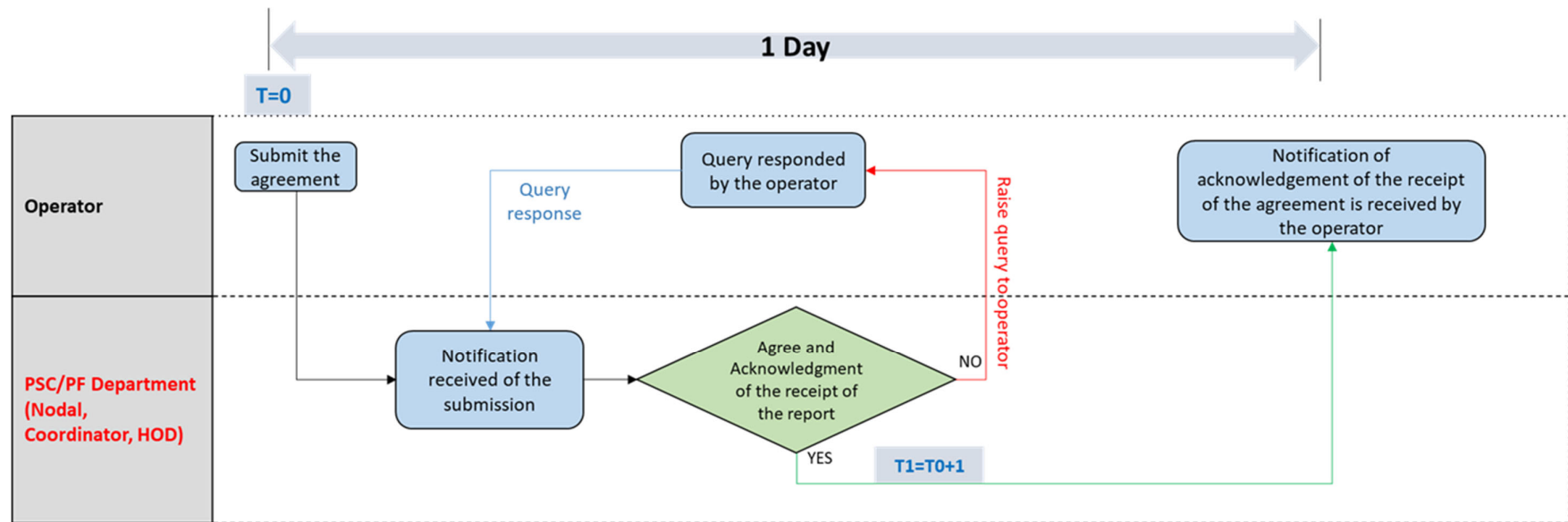
NELP I to IX: Article 14

Pre NELP Exploration & Pre NELP Field:- Article 12

### Procedure:

#	Department	Procedure
1	PSC/PF	<b>Environment Impact Assessment is submitted by Operator</b>
	Prerequisites	Environment Impact Assessment (EIA) report
	Checks	Block status/validity
2	Environment	<b>PSC/PF submits the EIA report to Environment dept. for noting and review.</b>
	Prerequisites	a. Comments of PSC/PF department b. EIA report by operator
	Checks	Report submitted by the operator to be reviewed and noted
3	PSC/PF	<b>PSC/PF department sends acknowledgment of receipt of the report to the Operator</b>

**Process flow:**





## 1.23. Contingency Plan

### Article of PSC:

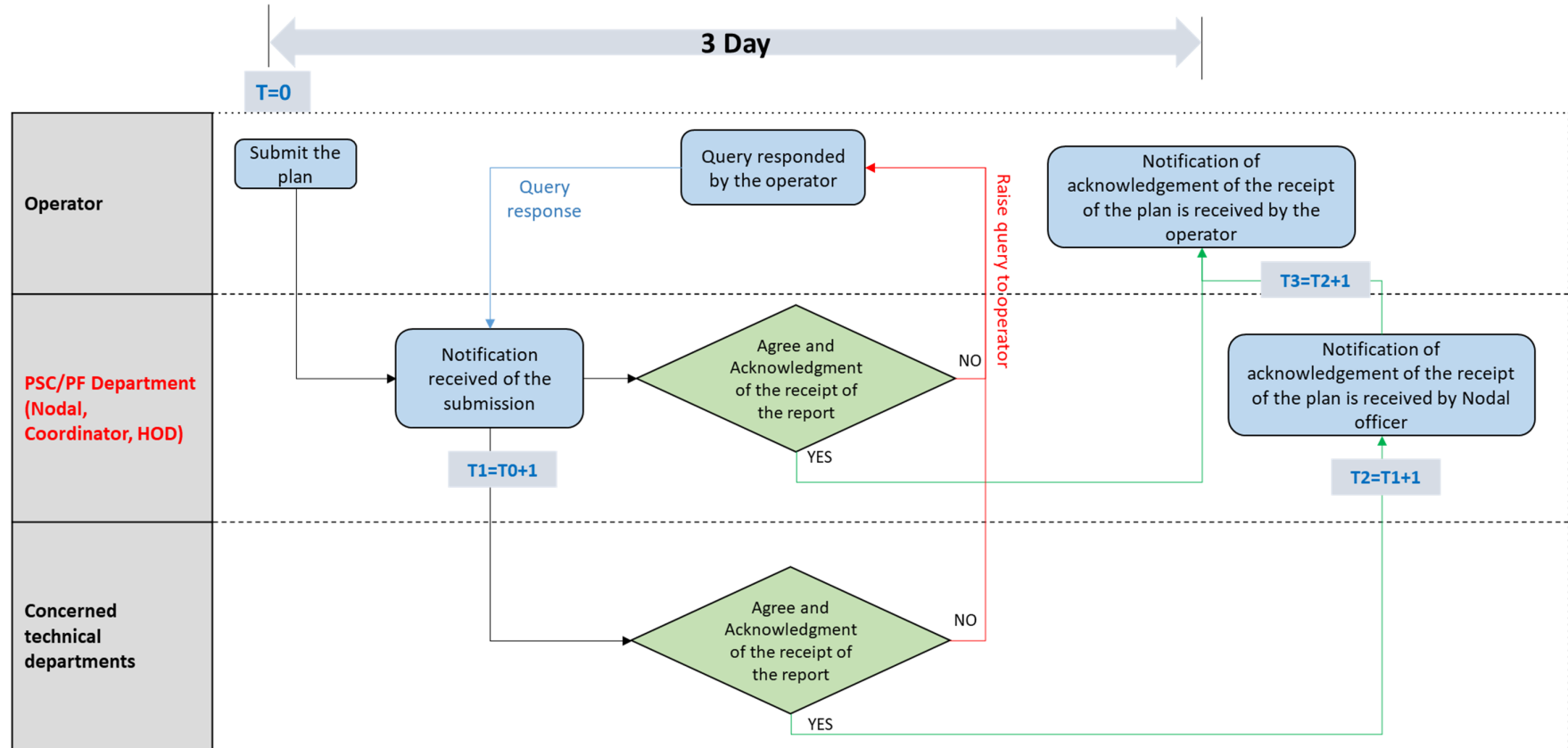
NELP I to IX: Article 14

Pre-NELP Exploration & Pre-NELP field :- Article 12

### Procedure:

#	Department	Procedure
1.	<b>PSC</b>	<b>Operator submits the contingency plan</b>
	<b>Prerequisites</b>	Contingency Plan
	<b>Checks</b>	a) Block status/validity b) Contingency Plan to be submitted as per PSC timelines
2.	<b>Technical department</b>	<b>PSC/PF department to forward the contingency plan to concerned technical department (Production/ Drilling/ Environment) for examination</b>
	<b>Prerequisites</b>	a. Contingency Plan for approval b. Any additional documents for reference
	<b>Checks</b>	Examines contingency plan for any concern as per the article 14 of PSC contract
3.	<b>PSC</b>	<b>Based on comments of concerned technical department PSC/PF department receives the examined document and sends acknowledgment of receipt of the plan to the Operator</b>

**Process flow:**



## 1.24. Submission of Unit Development Plan

### Article of PSC;

NELP I to IX: Article 12

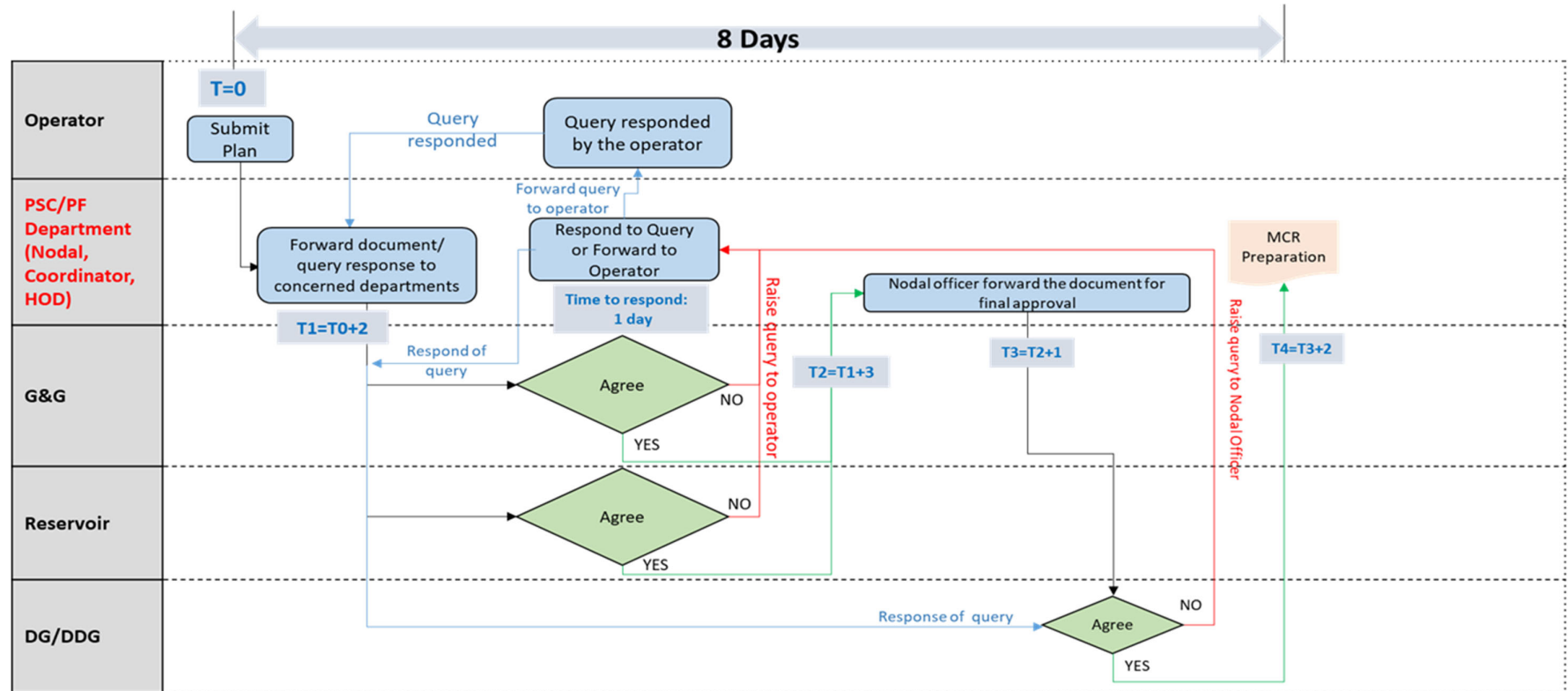
Pre-NELP Exploration & Pre-NELP Field: Article 10

### Procedure:

#	Department	Procedure
1.	<b>PSC/PF</b>	<b>Operator submits OC approved unit development plan along with supporting documents</b>
	<b>Prerequisites</b>	<ul style="list-style-type: none"> <li>a. PML grant application, or</li> <li>b. PML re-grant application with RFDP</li> </ul>
	<b>Checks</b>	<ul style="list-style-type: none"> <li>a. Block status/validity</li> <li>b. Whether Joint technical study (agreed by both parties) has been done by both the concerned parties for optimal unit development. If yes, report to be submitted. If no, then third party assessment to be done and its report to be submitted.</li> </ul>
2.	<b>Technical</b>	<b>Technical department's receives all the files for their examination.</b>
	<b>Prerequisites</b>	<ul style="list-style-type: none"> <li>a. Unit Development Plan.</li> <li>b. Report of Joint technical study or third party assessment as the case may be</li> <li>c. Comments from PSC/PF department.</li> <li>d. Any additional documents for reference</li> </ul>
	<b>Checks</b>	<p><b>G&amp;G Department</b></p> <ul style="list-style-type: none"> <li>a. Examine STOIIP calculation and areal distribution of the reservoir. Ascertain the reserves assessed by the contractor.</li> <li>b. Examine the reservoir continuity based on logs, well completion report</li> </ul> <p><b>Reservoir Department</b></p> <ul style="list-style-type: none"> <li>a. Examine the reserves calculated under each block/lease area for optimal unit development.</li> <li>b. Review the Field development strategy based on reserves calculated.</li> <li>c. Review development strategy based on planned wells, production profile envisaged and efficiency in reservoir management.</li> </ul>
3.	<b>DDG</b>	<b>PSC/PF department prepares the summary sheet and forwards the same for approval of DDG</b>

#	Department	Procedure
	<b>Prerequisites</b>	<ul style="list-style-type: none"> <li>a. Comments from PSC/PF department.</li> <li>b. Comments from G&amp;G department.</li> <li>c. Comments from Reservoir department.</li> <li>d. Reports – Joint technical study/ third party assessment</li> <li>e. Summary sheet</li> </ul>
	<b>Checks</b>	Recommendations from concerned departments
<b>4</b>	<b>DG</b>	<b>PSC/PF department forwards the summary sheet for approval of DG</b>
	<b>Prerequisites</b>	Summary sheet
	<b>Checks</b>	<ul style="list-style-type: none"> <li>a. Recommendations from all concerned departments</li> <li>b. Approval of DDG</li> </ul>
<b>5</b>	<b>PSC/PF</b>	<b>PSC/PF department prepares the MCR for approval of Unit development plan.</b>

## Process Flow:



## 1.25. Submission of Field Development Plan

### Article of PSC:

NELP I to IX: Article 10

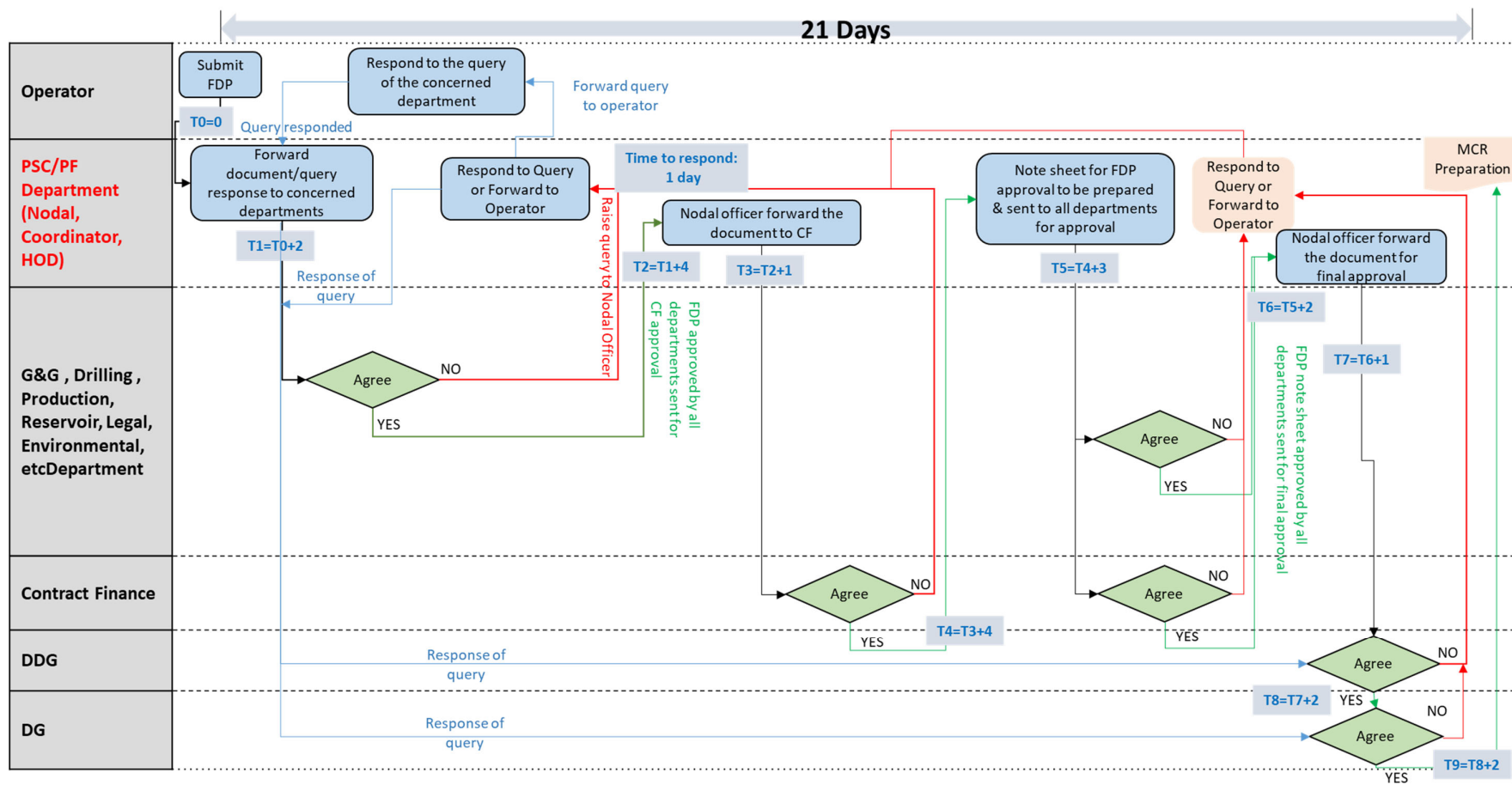
Pre NELP Exploration & Pre NELP Field :- Article 9

### Procedure:

#	Department	Procedure
1	<b>PSC/PF</b>	<b>Operator submits FDP along with supporting documents for approval</b>
	<b>Prerequisites</b>	Field Development Plan & supporting documents
	<b>Checks</b>	<ul style="list-style-type: none"> <li>a) Block status/validity</li> <li>b) Whether the FDP has been submitted within the stipulated PSC timelines</li> <li>c) PSC/PF group to be guided by DGH notified SOPs for FDP dated 20.10.2017</li> </ul>
2	<b>Technical dept.</b>	<b>PSC/PF forwards its comments to concerned technical dept. for review.</b>
	<b>Prerequisites</b>	<ul style="list-style-type: none"> <li>a. Field Development Plan</li> <li>b. Any additional documents for reference</li> </ul>
	<b>Checks</b>	<p><b>G&amp;G department:</b> Following procedure is followed-</p> <ul style="list-style-type: none"> <li>a. Relate to the DoC and status of any appraisal activities including appraisal drilling, subsequent to review of DoC</li> <li>b. Review 'changes' from DoC in terms of New data sets, New/ Revised interpretation, Estimate of inplace, Reserves, techno-economics and exploitation strategies</li> <li>c. Check through DoC work flows and summarize the revised results at relevant stages</li> <li>d. update all stage gates as listed under review of doc</li> <li>e. Review parameter uncertainties in interpretations justifying the Low-Best-High estimates</li> <li>f. Review development risks if any foreseen and mitigation strategies thereof</li> <li>g. Define in-place and corresponding reserves polygons on map and mark up 'Development Area'</li> <li>h. Sum up static volume and see its distribution over Net Pay/ Pore volume map draped over reservoir top</li> </ul>

#	Department	Procedure
		<p>i. Connect to forward disciplines for: Dynamic modeling, Development locations, Production profile, Production facilities, Techno-economics</p> <p>All technical departments to be guided as per approved SOP for review of FDP dated 20.10.2017</p>
3.	<b>Contract Finance</b>	<b>FDP approved by technical department to be forwarded to CF dept. by PSC/PF dept.</b>
	<b>Prerequisites</b>	Comments from Technical Department
	<b>Checks</b>	Examines and evaluates the documents
4	<b>DDG</b>	<b>PSC/PF department prepares the summary sheet and forwards the same for approval of DDG</b>
	<b>Prerequisites</b>	Summary sheet for approval of FDP
	<b>Checks</b>	Recommendations from concerned departments
5	<b>DG</b>	<b>PSC/PF department forwards the DDG approved summary sheet for approval of DG</b>
	<b>Prerequisites</b>	Summary sheet for approval of FDP
	<b>Checks</b>	Recommendations from concerned departments and DDG.
6	<b>PSC/PF</b>	<b>PSC/PF department prepares the MCR after getting approved note sheet from all concerned departments</b>

**Process Flow: DDG will have the option of either forwarding FDP to DG or it can be forwarded to PSC/PF dept for MCR preparation**





## 1.26. Value of Production and Pricing Statement

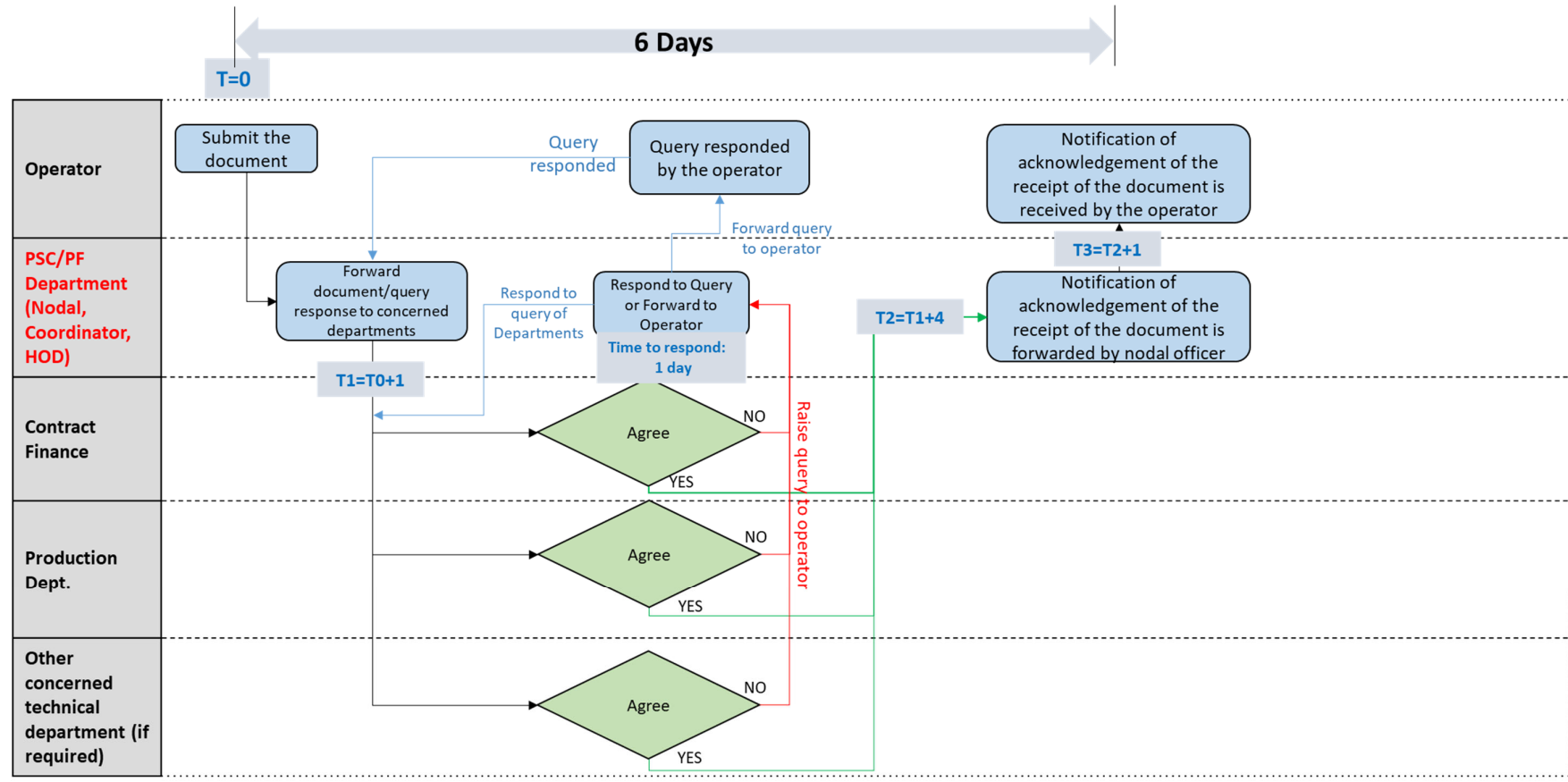
### Article of PSC:

NELP I to IX, Pre NELP Exploration & Pre NELP Field: PSC Appendix- C section 6

### Procedure:

#	Department	Procedure
1	PF	<b>PF department receives the statement.</b>
	Prerequisites	Value of Production and Pricing Statement
	Checks	Block status/validity
2.	Production	<b>PF department forwards the statement to Production department</b>
	Prerequisites	a. Value of Production and Pricing Statement b. Any additional documents for reference or comments by PF
	Checks	Record the production statement submitted by operator
3	Contract Finance	<b>PF department forwards the statement to Contract Finance dept.</b>
	Prerequisites	a. Value of Production and Pricing Statement b. Comments of PF department c. Comments of Production department
	Checks	Pricing is checked as per prevailing market conditions according to which royalty calculation is checked.
4	PSC/PF	<b>PSC/PF department sends the acknowledgement of the receipt of the document.</b>

## Process Flow:



## 1.27. Quarterly Reports

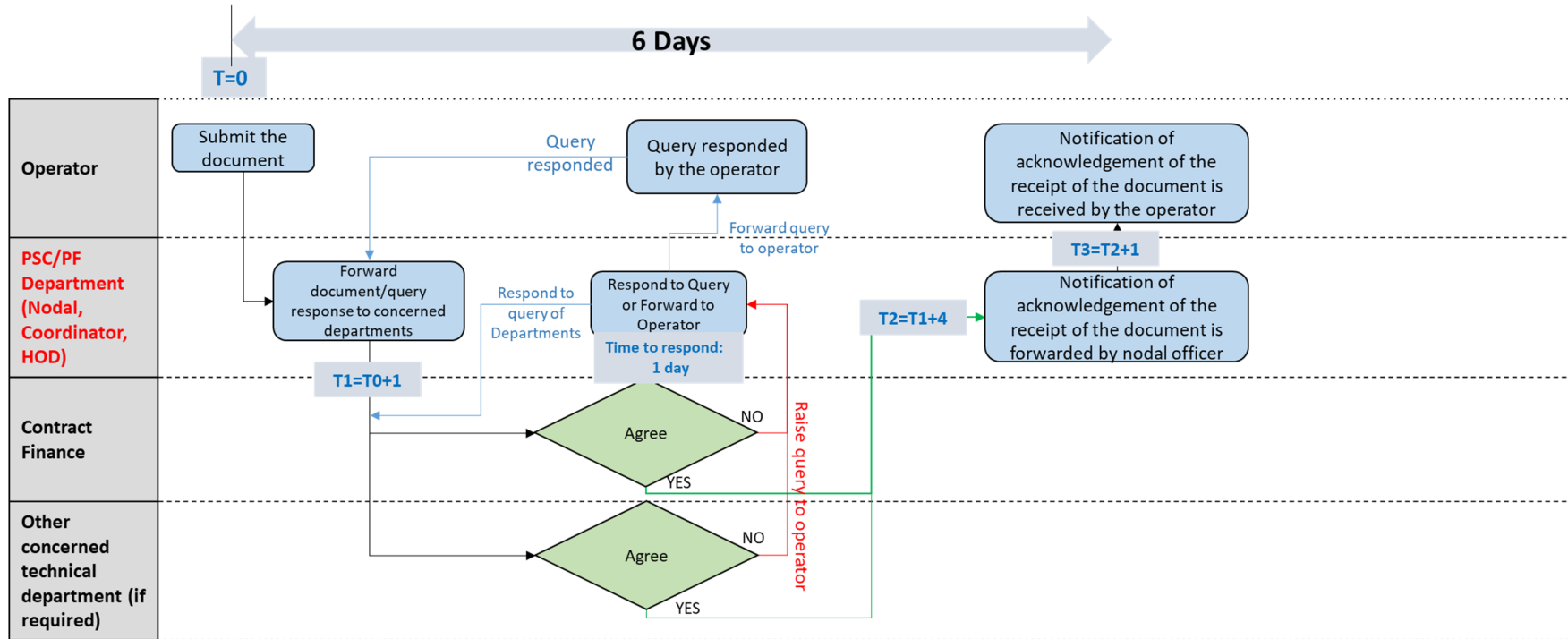
### Article of PSC:

NELP I to IX, Pre NELP Exploration & Pre NELP Field: PSC Appendix- C section 7, 8 & 9

### Procedure:

#	Department	Procedure
1	PSC/PF	<b>Operator submits quarterly reports which are received by PSC/PF department</b>
	<b>Prerequisites</b>	Quarterly Reports
	<b>Checks</b>	a) Block status/validity b) Whether the Quarterly Expenditure is in line with the MC approved Budget
2	<b>Contract Finance</b>	<b>Contract Finance department receives all the statement for their examination.</b>
	<b>Prerequisites</b>	a. Quarterly Reports b. Any additional documents for reference
	<b>Checks</b>	a. Check actual costs incurred against previously submitted budgeted costs b. Check the calculations used for profit sharing
3.	PSC/PF	<b>PSC/PF department sends the acknowledgement of the receipt of the quarterly reports.</b>

## Process Flow:



## 1.28. Cost and Profit Petroleum Calculations

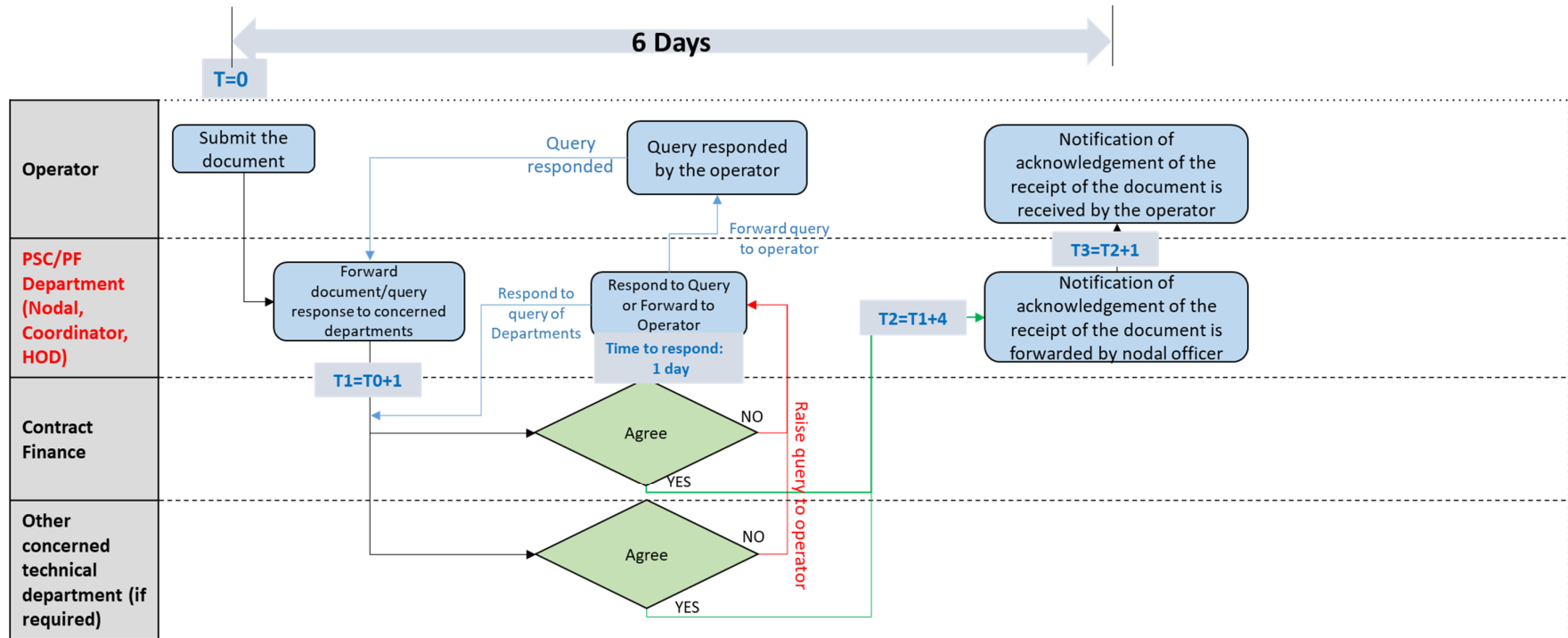
### Article of PSC:

Cost Petroleum Calculations	Profit Petroleum Calculations
NELP I to IX: Article 15	NELP I to IX: Article 16
Pre-NELP Exploration: Article 14	Pre-NELP Exploration: Article 15
Pre-NELP Field: Article 13	Pre-NELP Field: Article 14

### Procedure:

#	Department	Procedure
1.	PSC/PF	<b>Operator submits the Cost &amp; Profit Calculation as per the contract</b>
	Prerequisites	a. Cost/Profit Petroleum Calculations b. Supporting Documents <i>(If required)</i>
	Checks	a. Block status/validity
2.	Contract Finance	<b>PSC/PF department submits the files to Contract Finance dept. for examination</b>
	Prerequisites	a. Cost/Profit Petroleum Calculations b. Supporting Documents <i>(If required)</i>
	Checks	a. Examines and evaluates the Cost/Profit Petroleum Calculations based on the audited reports & approved budgets.
3.	PSC/PF	<b>PSC/PF department receives the evaluated documents and sends acknowledgment of receipt of calculations to the Operator</b>

**Process Flow:**



## 1.29. Annual statements

### Article of PSC:

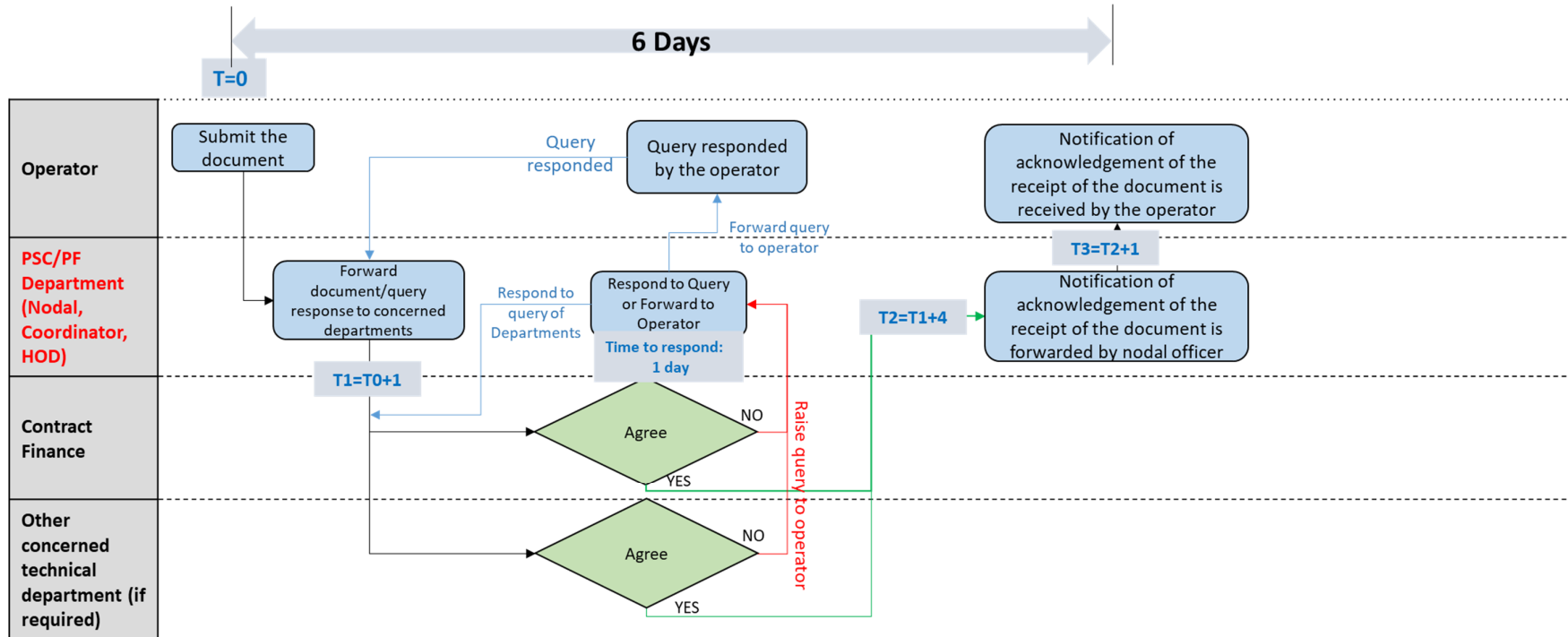
NELP I to IX: PSC Appendix section 11 & 12

Pre-NELP Exploration & Pre-NELP Field: - PSC Appendix section 10 & 11

### Procedure:

#	Department	Procedure
1.	<b>PSC/PF</b>	<b>Contractor submits the Annual statements</b>
	<b>Prerequisites</b>	a. End of Year Statement b. Budget Statement
	<b>Checks</b>	Block status/validity Whether the Annual Expenditure is in line with the MC approved Budget
2.	<b>Contract Finance</b>	<b>Contract Finance receives annual statements from PSC/PF Dept.</b>
	<b>Prerequisites</b>	a. Annual Reports b. Any additional documents for reference c. Comments from PSC/PF dept.
	<b>Checks</b>	Examines and evaluates the Annual Reports for a. Budgeted/planned vis a vis actual activities and costs b. Activities carried out without approval from Management committee (MC)
3.	<b>PSC/PF</b>	<b>PSC/PF department receives the evaluated documents and sends acknowledgment of receipt of statements to the Operator</b>

## Process Flow:





## Annual Statement (Contd.)

### ➤ Audited accounts

#### Article of PSC:

NELP I to IX & Pre-NELP Exploration: Article 25

Pre-NELP Field: Article 24

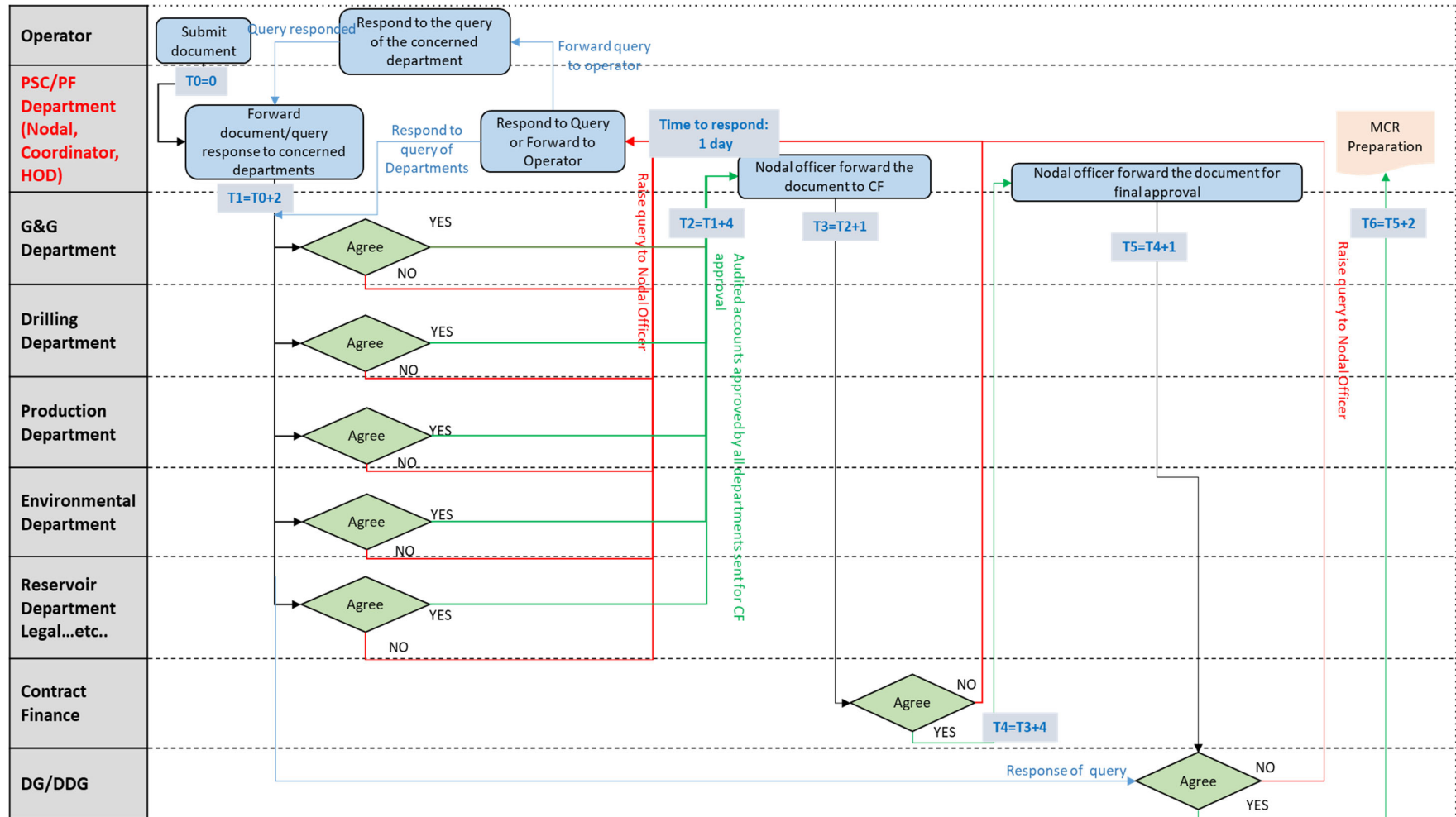
#### Procedure:

#	Department	Procedure
1.	<b>PSC/PF</b>	<b>Operator submits audited accounts for approval</b>
	<b>Prerequisites</b>	a. OC approved audit statements submitted by September
	<b>Checks</b>	a. Block status/validity b. MCR for appointment of auditor for the relevant Financial Year c. OC approval d. Variance Statement (Budgeted versus Actual) of the relevant Financial Year, with justifications
2.	<b>Technical</b>	<b>Technical department receives all the documents for examination.</b>
	<b>Prerequisites</b>	a. Audited Accounts b. Fact-sheet of the block. c. Brief write-up on the G&G/Drilling/Production Work Programme in the Audited Accounts proposal like number of wells, Type of well/s (Exploratory, Appraisal, Development), Target Depth. d. Approved Work Programme for the concerned Financial Year e. Technical details of the wells drilled during the FY may be provided in the Format 3B. f. Variance statement between Work Programme in the Audited Accounts and Approved Work Programme in tabular form, and justification for same may be provided.

#	Department	Procedure
	<b>Checks</b>	<p><b>G&amp;G:</b></p> <ol style="list-style-type: none"> <li>Relate to MC-approved BE and RE with the Actual Work performed</li> <li>Bring out G&amp;G activities which were executed without any formal approval and seek reasons thereof</li> <li>Bring out G&amp;G activities which were executed at higher costs than approved and seek reasons thereof</li> <li>Ask 'basis' of activities accomplished/ proposed along with all key survey/well data (survey API quantum and coverage, well depths) and analysis, tables, maps, models and reports</li> <li>List out common reasoning like delayed implementation, prolonged operation, market price escalation, operational circumstances, force majeure etc.</li> <li>Sum up reviews or raise queries seeking justifications whenever approval seen at variance with actual</li> </ol> <p><b>Drilling:</b></p> <ol style="list-style-type: none"> <li>Actual Drilling Work Programme carried out during the FY may be checked vis-à-vis the Drilling Work Programme in the Audited Accounts. In case of any discrepancy query may be sought from the operator until satisfactory replies are provided.</li> <li>Variance between Drilling Work Programme in the Audited Accounts and Approved Work Programme in tabular form, and justification for same may be checked from technical point of view. If variance and justification for same are found to be in order from technical point of view, then the Audited Accounts may be agreed from Drilling point of view.</li> <li>Otherwise, query may be sought from the operator until satisfactory replies are provided; then the Audited Accounts may be agreed from Drilling point of view.</li> <li>In case replies/ satisfactory replies are not provided by the operator the drilling Work Programme of the Audited Accounts may NOT be agreed from drilling point of view and the same may be intimated to PSC, PF or concerned section for further necessary action.</li> <li>Additionally, in case of Audited Accounts proposals where cost (cumulative total) of any Exploratory well has exceeded Appendix-H cost, operator is required to provide variance analysis, variance of technical details of the well along with cost implications and detailed justifications for the same together</li> </ol>

#	Department	Procedure
		<p>with documentary evidence(IADC reports etc) to substantiate their claims. In case the same are found to be in order from technical point of view, then the Audited Accounts may be agreed from Drilling point of view</p> <p>f. Otherwise, query may be sought from the operator for satisfactory reply; then the Audited Accounts may be agreed from Drilling point of view</p> <p>g. In case replies/ satisfactory replies are not provided by the operator, the Audited Accounts may NOT be agreed from drilling point of view and the same may be intimated to PSC for further necessary action.</p>
3.	<b>Contract Finance</b>	<b>PSC/PF dept. forwards technically examined audited accounts to contract finance</b>
	<b>Prerequisites</b>	<p>a. Comments from technical departments</p> <p>b. Variance statement</p>
	<b>Checks</b>	<p>a. Examines the Audited Accounts and evaluated based on comments and recommendations from the technical departments</p> <p>b. Budgeted/planned vis a vis actual activities and costs</p> <p>c. Checks if any cost is included in the statement which are not MC approved.</p>
4.	<b>DDG</b>	<b>PSC/PF dept. forwards technical &amp; CF dept. examined accounts to DDG for approval</b>
	<b>Prerequisites</b>	b. Comments from technical & CF department.
	<b>Checks</b>	<p>a. Comments from technical departments</p> <p>b. Comments from CF department</p> <p>c. Summary sheet</p>
5.	<b>PSC/PF</b>	<b>PSC/PF department prepares the MCR</b>

## Process Flow:



## 1.30. Vendor qualification Criteria

### Article of PSC:

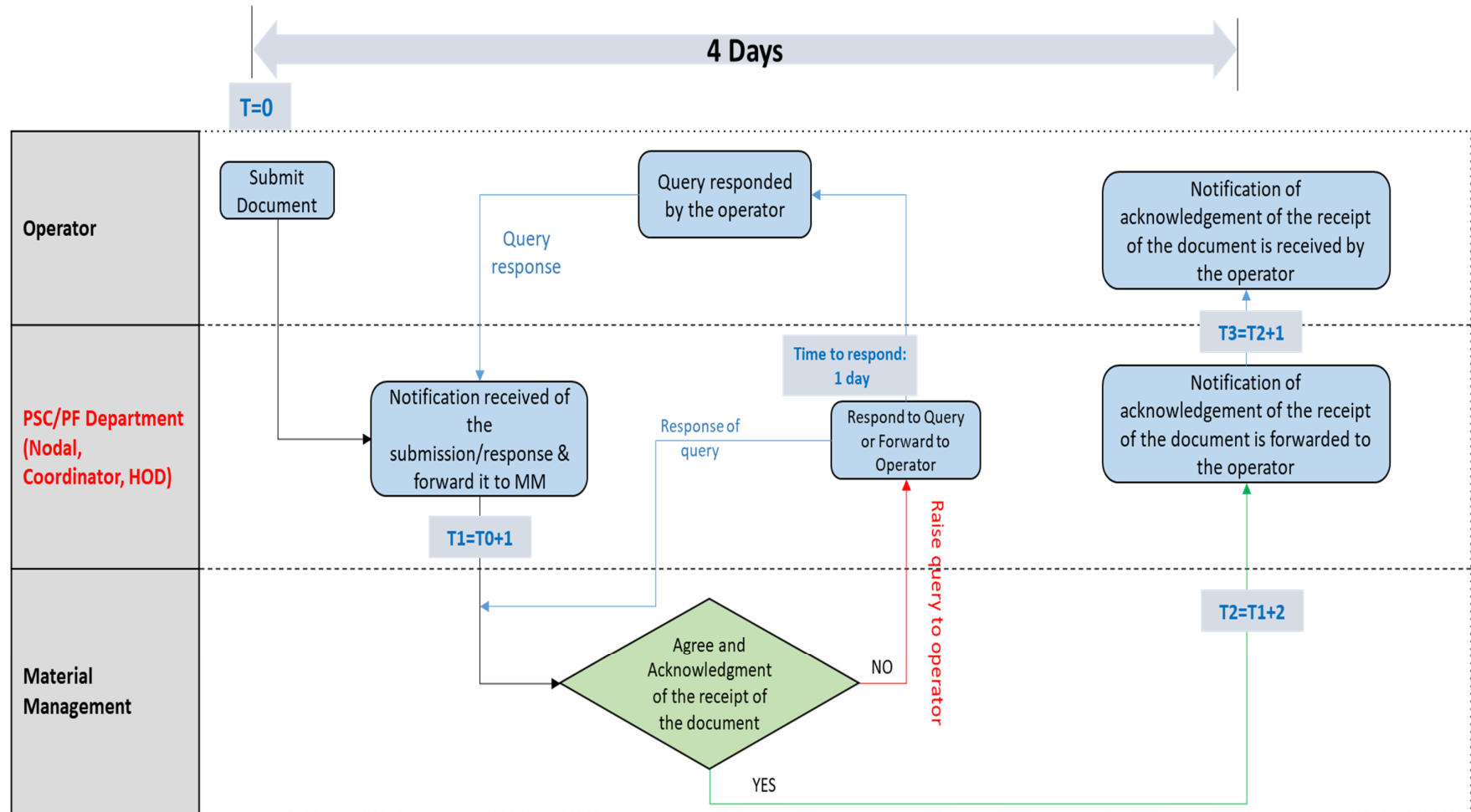
NELP I to IX: Appendix F Section 4

Pre-NELP Exploration & Pre-NELP Field: Article 7 (General rights & Obligations of the parties-MC to be informed)

### Procedure:

#	Department	Procedure
1.	<b>PSC/PF</b>	<b>Contractor submits vendor qualification criteria &amp; required documents for verification</b>
	<b>Prerequisites</b>	Vendor qualification criteria
	<b>Checks</b>	Block status/validity
2	<b>Materials Management</b>	<b>PSC/PF submits Contractor's proposal for examination.</b>
	<b>Prerequisites</b>	Contractor's proposal for Vendor Qualification
	<b>Checks</b>	To examine the documents as per procedures laid out in Article-7 /Appendix-F of PSC  Deviations, if any, must be pointed out and requisite clarification be sought.
3	<b>PSC/PF</b>	<b>PSC/PF department sends acknowledgment of receipt of document to the Operator</b>

## Process Flow:



## 1.31. Measurement of Petroleum

### Article of PSC:

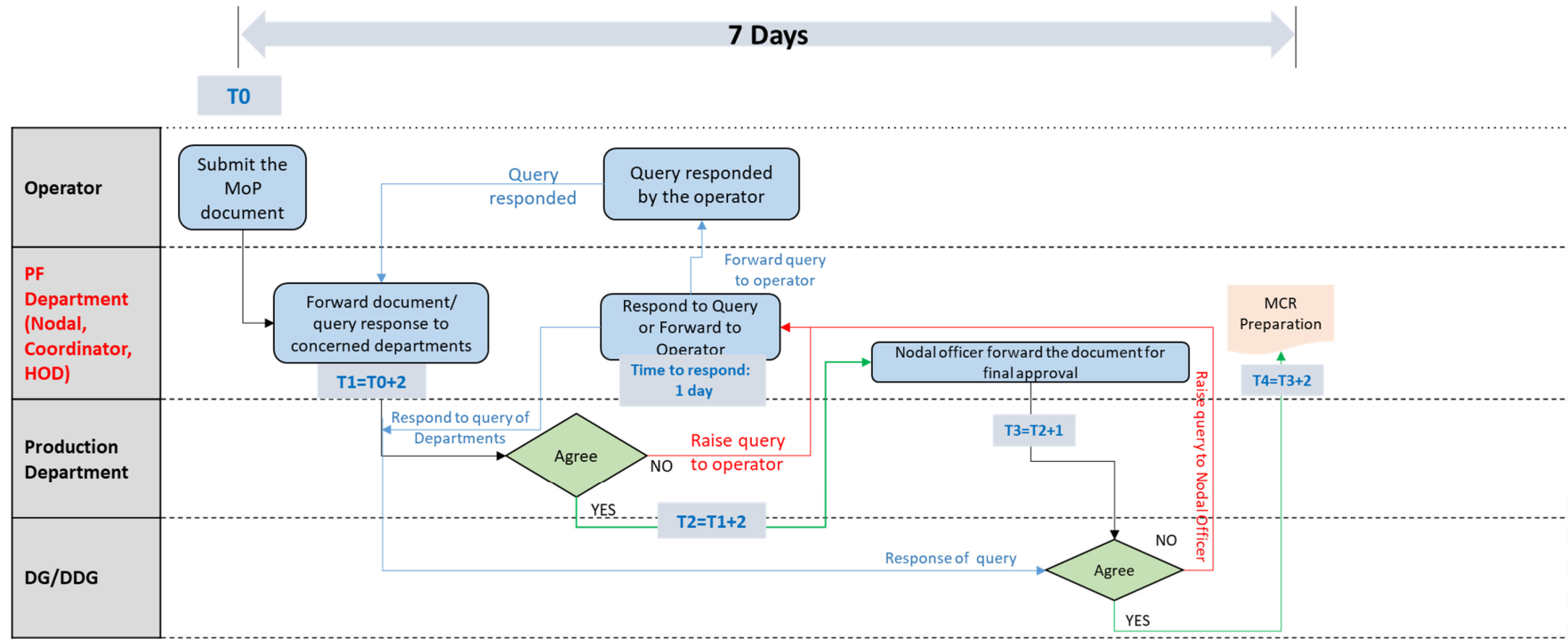
NELP I to IX: Article 13

Pre NELP Exploration & Pre NELP Field: Article 11

### Procedure:

#	Department	Procedure
1.	<b>PF</b>	<b>Operator submits the document for approval</b>
	<b>Prerequisites</b>	Measurement of Petroleum documents
	<b>Checks</b>	a) Block Status/validity b) Status of 'Measurement of Petroleum' for the previous years
2.	<b>Production</b>	<b>PF forwards the proposal to Production department's for examination.</b>
	<b>Prerequisites</b>	a. Measurement of Petroleum documents b. Any additional documents for reference
	<b>Checks</b>	To be guided by internally formulated SOPs for Measurement of Petroleum and subsequent amendments made from time to time.
3.	<b>DDG</b>	<b>PSC/PF department prepares the summary sheet and forwards the same for approval of DDG</b>
	<b>Prerequisites</b>	Summary sheet for approval
	<b>Checks</b>	Comments of Production department.
4.	<b>PSC/PF</b>	<b>PSC/PF department prepares MCR</b>

## Process Flow:





## 1.32. LD/Cost of Unfinished work programme

### Article of PSC:

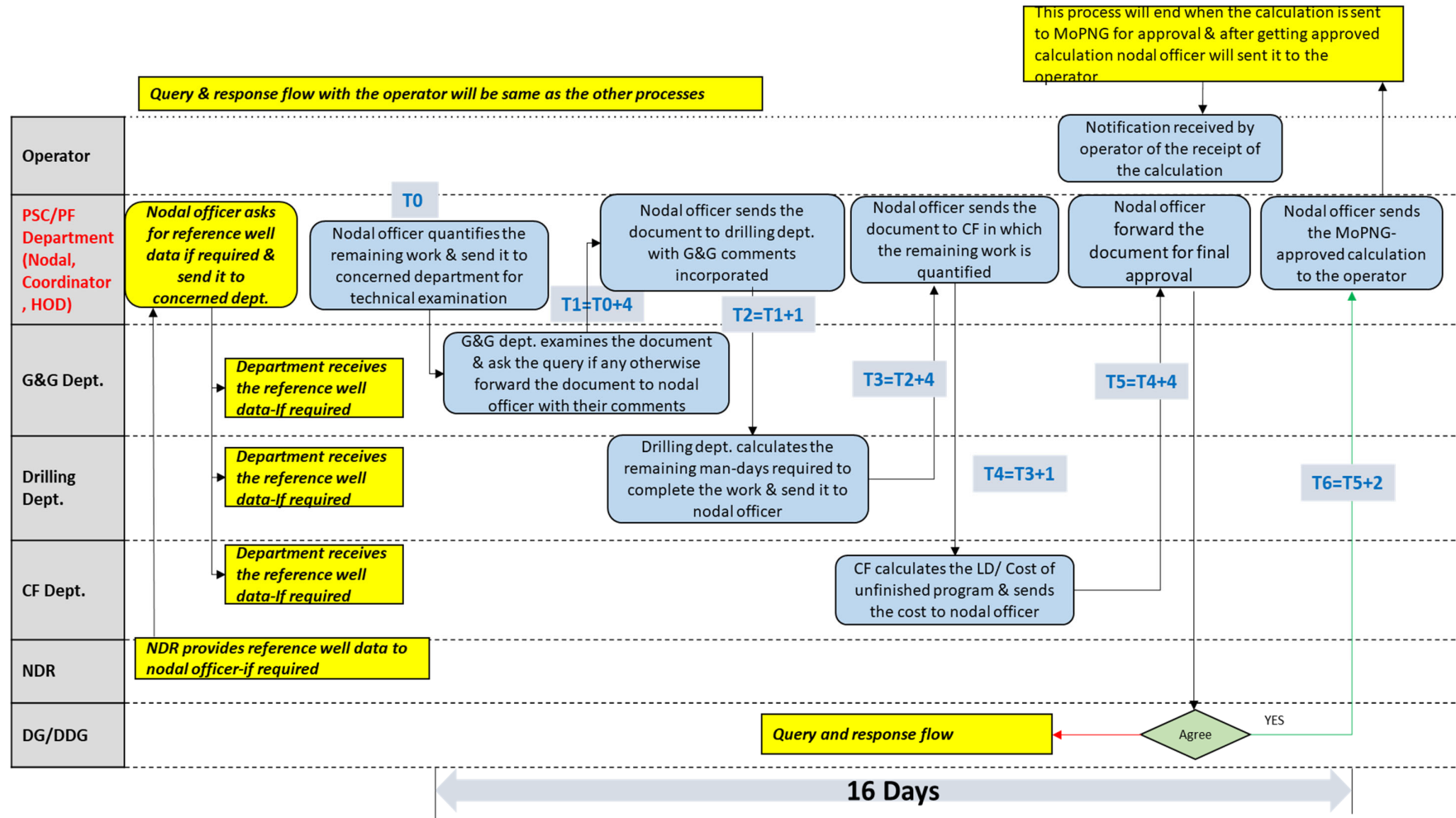
NELP I to IX: Article 5

Pre NELP Exploration :- Article 4

### Procedure: Process is initiated by Nodal officer

#	Department	Procedure
1.	<b>PSC/PF</b>	<b>Nodal officer quantifies the remaining work &amp; send it to concerned departments for technical examination</b>
	<b>Prerequisites</b>	a. Work Committed by the contractor as per MC approval b. Actual work completed by the contractor
	<b>Checks</b>	a) Block status/validity b) MWP status c) On the basis of actual vs committed work, nodal officer to quantify the remaining work.
2.	<b>Technical</b>	<b>PSC/PF department forwards the remaining work for examination</b>
	<b>Prerequisites</b>	To be submitted by PSC/PF department: a. Probable reference wells from NDR b. Quantum of unfinished minimum work programme i.e. meterage in case of completely undrilled well or any shortfall c. Quantum of unfinished minimum work programme i.e Exploration- 2D & 3D d. Technical data of the well under consideration with GTO, WCR, bit records (in standard format)
	<b>Checks</b>	To be guided by Executive Committee approved SOPs dated 06.05.2019
3.	<b>Contract Finance</b>	<b>CF department receives the technically evaluated documents from PSC/PF Dept.</b>
	<b>Prerequisites</b>	Technically evaluated remaining work programme
	<b>Checks</b>	CF dept. calculates cost as per technically evaluated document provided. To be guided by Executive Committee approved SOPs dated 06.05.2019
4.	<b>DDG</b>	<b>PSC/PF dept. prepares the summary sheet for approval of DDG.</b>
	<b>Prerequisites</b>	Summary sheet with comments from PSC, technical dept. & CF
	<b>Checks</b>	Recommendations of technical departments and CF
5.	<b>PSC/PF</b>	<b>PSC/PF department submits the COUWP/LD calculated to MoP&amp;NG for approval.</b>

## Process Flow:



### 1.33. Assignment/Transfer of Participating Interest

#### Article of PSC:

NELP 1 to 9 & Pre NELP Exploration:- Article 28

Pre NELP discovered field :- Article 27

#### Standard Operating Procedure:

#	Department	Procedure
1.	<b>PF/PSC</b>	<b>Operator submits the document</b>
	<b>Prerequisites</b>	Documents of assignement/Transfer of Participating Interest as per the format prescribed by DGH.
	<b>Checks</b>	a. Proposal for assignment/transfer of PI in DGH Format b. OC approval
2.	<b>Contract finance</b>	<b>Contract finance receives all the files for their examination.</b>
	<b>Prerequisites</b>	Documents of assignement/transfer of participating interest
	<b>Checks</b>	Contract Finance verifies the following: c. Net worth of the proposed assignee or transferee a. Bank guarantee amount
3	<b>Legal</b>	<b>Legal dept. receives files for examination.</b>
	<b>Prerequisites</b>	a. Documents of assignement/Transfer of participating interest b. Comments from Contract Finance dept.
	<b>Checks</b>	Legal department verifies the following: a. Legal opinion of the Bank Guarantee
4.	<b>DDG</b>	<b>PSC/PF department prepares the summary sheet for approval of DDG.</b>
	<b>Prerequisites</b>	Summary sheet with comments from PSC, CF & Legal dept.
	<b>Checks</b>	Recommendations of CF & legal dept.
5.	<b>PSC/PF</b>	<b>PSC/PF department forwards the acknowledgement of the document</b>

## Process Flow: Assignment/Transfer of Interest

