

List of clarifications

1. Bidding for minimum work programme (MWP)

“Any bid work programme which is rendered superfluous in the light of any overlap or any other redundancy, will have to be substituted by another work programme in the same block of an equal money value with the approval of the Management Committee”

2. Cost recovery and profit petroleum percentage

“ Cost Recovery percentage should be equal to or more than zero and less than or equal to hundred”

“Percentage share of Profit Petroleum offered to the Government should be equal to or more than zero and less than or equal to hundred.”

3. Technical capability

While formulating the bids and furnishing the details of technical capability of the proposed operator (vide page 5 & 6 of format for submission of bids), the bidders are advised to note the following:-

Acreage Holding

Only those acreages where the company is operator should be considered and the total acreage furnished should be proportionate to its Participating Interest (PI) in each area / block. If the company is operating in more than one block, sum total of such acreages (proportionate to its PI) to be furnished.

Annual Accretion of proved reserves and Average Annual Production

Same methodology, as given above for acreage holding, should be adopted while furnishing information on Average Annual Accretion of proved reserves and Average Annual Production (O+OEG). However, for deepwater blocks, Average Annual Production of O+OEG (MMBOE) during last 5 years upto 400 m bathymetry from its share of total acreage held either as operator or non operator, proportionate to their Participating Interest, will also be considered for evaluation.

For the benefit of prospective bidders, an illustration is given below:

For onland and shallow water blocks (other than Type ‘S’ blocks)

Sl. No.	Parameters	Information
I.	Acreage Holding (Petroleum Exploration Licence i.e. PEL) (sq. km.) (Total onland, shallow and deepwaters)	A
II.	Operatorship experience (years) (Experience of operatorship in oil and gas exploration and /or development and / or production in the last consecutive 10 years)	B

III.	Average Annual Accretion of Proved reserves (1P) during last 5 years (MMBOE) (Total onland, shallow and deepwaters)	C
IV.	Average Annual production (O+OEG) for previous 5 years (MMBOE) (Total onland, shallow and deepwaters)	D

I. **Acreege Holding** (Petroleum Exploration Licence i.e. PEL) (sq. km.)
(Total onland, shallow and deepwaters)

Information of the proposed operator (say P) is to be computed as given below:

Example : Company P is an operator in 3 areas XX, YY, ZZ.

- Acreege of XX = 1000 sq. km., PI of company P = 20%
- Acreege of YY = 2000 sq. km., PI of company P = 25%
- Acreege of ZZ = 3000 sq. km., PI of company P = 10%

Proportionate Acreege from area XX = 200 sq. km. (1000 sq. km. x 20/100)

Proportionate Acreege from area YY = 500 sq. km.

Proportionate Acreege from area ZZ = 300 sq. km.

Value of A in the above table will be : 1000 sq. km.

II. **Operatorship experience** (years)

III. **Average Annual Accretion of Proved reserves (1P) during last 5 years (MMBOE)** (Total onland, shallow and deepwaters)

Information of the proposed operator is to be computed as given below:

Example : Company P is an operator in 3 areas XX, YY, ZZ.

- Average Annual Accretion in XX = 1000 MMBoe., PI of company P = 20%
- Average Annual Accretion in YY = 2000 MMBoe., PI of company P = 25%
- Average Annual Accretion in ZZ = 3000 MMBoe., PI of company P = 10%

Proportionate average annual accretion from area XX = 200 MMBoe

(1000 MMBoe x 20/100)

Proportionate average annual accretion from area YY = 500 MMBoe

Proportionate average annual accretion from area ZZ = 300 MMBoe

Value of C in the above table will be : 1000 MMBoe

IV. Average Annual production (O+OEG) for previous 5 years (MMBOE)
(Total onland, shallow and deepwaters)

Information of the proposed operator is to be computed as given below:

Example : Company P is an operator in 3 areas XX, YY, ZZ.

- ❑ Average Annual Production in XX = 1000 MMBoe PI of company P = 20%
- ❑ Average Annual Production in YY = 2000 MMBoe, PI of company P = 25%
- ❑ Average Annual Production in ZZ = 3000 MMBoe, PI of company P = 10%

Proportionate Average Annual Production from area XX = 200 MMBoe

(1000 MMBoe x 20/100)

Proportionate Average Annual Production from area YY = 500 MMBoe

Proportionate Average Annual Production from area ZZ = 300 MMBoe

Value of D in the above table will be : 1000 MMBoe

For deep water blocks

Sl. No.	Parameters	Information
I.	Acreeage Holding (Petroleum Mining Lease i.e. PML) (sq. km.) beyond 400 m bathymetry	E
II.	Operatorship experience (years) (Experience of operatorship in oil and gas exploration and /or development and / or production in	F

	the last consecutive 10 years beyond 400 m bathymetry)	
III.	Average Annual Accretion of Proved Reserves (1P) during last 5 years (MMBOE) beyond 400 m bathymetry	G
IV.	Average Annual Production of O+OEG (MMBOE) during last 5 years beyond 400 m bathymetry	H
V.	Average Annual Production of O+OEG (MMBOE) during last 5 years upto 400 m bathymetry from its share of total acreage held either as operator or non operator	I
VI.	Average Annual Production of O+OEG (MMBOE) during last 5 years (a) Beyond 400 m bathymetry and upto 1000 m bathymetry (b) Beyond 1000 m bathymetry	J

I. Acreage Holding (Petroleum Mining Lease i.e. PML) (sq. km.) beyond 400 m bathymetry

Information of the proposed operator (say P) is to be computed as given below:

Example : Company P is an operator in 3 areas XX, YY, ZZ.

- ❑ Acreage of (PML) XX = 100 sq. km. PI of company P = 20%
- ❑ Acreage of (PML) YY = 200 sq. km. PI of company P = 25%
- ❑ Acreage of (PML) ZZ = 300 sq. km. PI of company P = 10%

Proportionate Acreage from area XX = 20 sq. km.

(100 sq. km. x 20/100)

Proportionate Acreage from area YY = 50 sq. km.

Proportionate Acreage from area ZZ = 30 sq. km.

Value of E in the above table will be : 100 sq. km.

II. Operatorship experience (years)

III. Average Annual Accretion of Proved Reserves (1P) during last 5 years (MMBOE) beyond 400 m bathymetry

Example : Company P is an operator in 3 areas XX, YY, ZZ.

- ❑ Average Annual Accretion in XX = 100 MMBoe., PI of company P = 20%
- ❑ Average Annual Accretion in YY = 200 MMBoe., PI of company P = 25%
- ❑ Average Annual Accretion in ZZ = 300 MMBoe., PI of company P = 10%

Proportionate average annual accretion from area XX = 20 MMBoe

$$(100 \text{ MMBoe} \times 20/100)$$

Proportionate average annual accretion from area YY = 50 MMBoe

Proportionate average annual accretion from area ZZ = 30 MMBoe

Value of G in the above table will be : 100 MMBoe

IV. Average Annual Production of O+OEG (MMBOE) during last 5 years beyond 400 m bathymetry

Information of the proposed operator is to be computed as given below:

Example: Company P is an operator in 3 areas XX, YY, ZZ.

- ❑ Average Annual Production in XX = 100 MMBoe., PI of company P = 20%
- ❑ Average Annual Production in YY = 200 MMBoe., PI of company P = 25%
- ❑ Average Annual Production in ZZ = 300 MMBoe., PI of company P = 10%

Proportionate Average Annual Production from area XX = 20 MMBoe

$$(100 \text{ MMBoe} \times 20/100)$$

Proportionate Average Annual Production from area YY = 50 MMBoe

Proportionate Average Annual Production from area ZZ = 30 MMBoe

Value of H in the above table will be : 100 MMBoe

V. Average Annual Production of O+OEG (MMBOE) during last 5 years upto 400 m bathymetry from its share of total acreage held either as operator or non operator

Information of the proposed operator is to be computed as given below:

Example: Company P is an operator in 3 areas XX, YY, ZZ.

- Average Annual Production in XX = 900 MMBoe. PI of company P = 20%
- Average Annual Production in YY = 1800 MMBoe, PI of company P = 25%
- Average Annual Production in ZZ = 2700 MMBoe, PI of company P = 10%

Proportionate Average Annual Production from area XX = 180 MMBoe

(900 sq. km. x 20/100)

Proportionate Average Annual Production from area YY = 450 MMBoe

Proportionate Average Annual Production from area ZZ = 270 MMBoe

Total = 900 MMBoe

Company P is partner in 3 areas PP, QQ, RR as **non-operator with 15% PI in each area**

- Average Annual Production in PP = 2000 MMBoe.
- Average Annual Production in QQ = 3000 MMBoe,
- Average Annual Production in RR = 4000 MMBoe.,

Proportionate Average Annual Production from PP = 300 MMBoe

(2000 sq. km. x 15/100)

Proportionate Average Annual Production from QQ = 450 MMBoe

Proportionate Average Annual Production from RR = 600 MMBoe

Total = 1350 MMBoe

Value of I in the above table will be(900+1350) : 2250 MMBoe

VI. **Average Annual Production of O+OEG** (MMBOE) during last 5 years

(a) Beyond 400 m bathymetry and upto 1000 m bathymetry

(b) Beyond 1000 m bathymetry

If a company is a “foreign company” and bids as an operator for deep water blocks with one or more Indian companies as consortium partners

1. the company secures 5 points

If they have production beyond 400m bathymetry and upto 1000m bathymetry only

2. the company secures 10 points.

- If they have production beyond 400m bathymetry and upto 1000m bathymetry and also beyond 1000 m bathymetry

or

- If they have production only beyond 1000 m bathymetry

4. Financial Capability:

As per the provisions of NIO, the networth of every company should be equal to or more than every company's participating interest in the MWP commitment for Exploration Phase-I, which shall include mandatory MWP and biddable MWP. In case the parent company financial and performance guarantee is provided, the annual report, audited accounts and certificate of networth should be furnished in respect of parent company. In addition to above provision in the NIO, following clarification is issued to allow carry of one consortium partner's financial obligation by other partner: [Para ii)(d), page 3-4 of NIO]

“ In case one consortium Partner carries interest/financial obligation of the other Partner(s) and provide financial/bank guarantee in respect of that carried interest, the financial capability of the Consortium Partner who carries interest of other bidding Consortium partner will be considered for evaluating the financial capability of the bidding company.”