



Open Acreage Licensing Policy

Procedure for
Operationalisation





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Definitions

- 1 3 Years audited documents**

The audited documents for 3 (three) years are required to assess the net worth of the company.
- 2 Application Fee**

A non-refundable (in any case) Application Fee of USD 1000 (one thousand) to be paid online along with Eol or bid.
- 3 Application Form**

A prescribed format will be made available on the website of DGH to avoid any miss-communication.
- 4 Bid Bond**

A Bidder, along with the bid, will have to submit a bid bond of value USD 150,000 (one hundred and fifty thousand) per sector for POC in the form of bank guarantee from a Scheduled Commercial Bank valid for a period of 12 (twelve) months. A cap of USD 1,000,000 (one million) for blocks falling under onland or shallow water category and USD 2,000,000 (two million) for blocks falling under deepwater or ultra deep water category is applicable.

For reconnaissance contract, a Bidder will have to submit a Participation Bond of value USD 30,000 (thirty thousand) per sector for all types of blocks in the form of bank guarantee from a Scheduled Commercial Bank valid for a period of 12 (twelve) months. A cap of USD 200,000 (two hundred thousand) for a block falling under onland or shallow water category and USD 400,000 (four hundred thousand) for blocks falling under deepwater or ultra deep water category is applicable.

The Bid Bond for an area of [1'x1'] will be pro-rated in proportion to the Bid Bond requirement for one sector of size (10'x10').
- 5 Bidder**

Investor(s) participating in competitive bidding process conducted after suo motu Eol of Originator(s) is accepted.
- 6 Committed Work Programme**

Work programme specified by the contractor in its bid.
- 7 Contract Area**

The area described in Model Revenue Sharing Contract ("MRSC"), as on the effective date, and delineated on the Map attached or any portion of the said area remaining after relinquishment or surrender from time to time pursuant to the terms of this contract.
- 8 Deepwater Area**

Distance from sea level to seafloor greater than 400 (four hundred) meter isobaths, (~1200 ft)
- 9 Exploration Operations**

Operations conducted in the Contract Area pursuant to the Contract in search of petroleum and shall include but not be limited to aerial, geological, geophysical, geochemical, palaeontological, palynological, topographical and seismic surveys, analysis, studies and their interpretation, investigations relating to the subsurface geology including drilling of exploration wells and other related activities such as surveying, drill site preparation and all work necessarily connected therewith that is conducted in connection with petroleum exploration.



- 10 Frontier Area** Any area identified, demarcated and so notified by the government or its authorised agency(ies) for the purpose of exploration and exploitation of oil and gas, which is logistically and technically difficult and lacks infrastructural and/or marketing facilities, etc.
- 11 Map** An area demarcating the boundaries need to be submitted along with the Application Form to clearly define the area selected by the prospective company.
- 12 Maximum Area** The maximum area for on-land, shallow water, frontier, deep water and ultra-deep-water for which EoI can be submitted are defined in para 3.3 (V).
- 13 NIO** Notice inviting offer published by DGH prior to bidding
- 14 Operator** The party appointed by the government to conduct and execute reconnaissance and/or exploration and/or development and/or production operations in the Contract Area as well as any substitute or successor.
- 16 Originator(s)** Investors who have submitted EoI for carving out a block
- 17 Participation Bond** An Originator, along with the EoI, will have to submit a participation bond of value USD 150,000 (one hundred and fifty thousand) per sector for POC for all types of blocks in the form of bank guarantee from a Scheduled Commercial Bank valid for a period of 18 (eighteen) months. A cap of USD 1,000,000 (one million) for block falling under onland or shallow water category and USD 2,000,000 (two million) for blocks falling under deepwater or ultra deep water category is applicable..
- For reconnaissance contract, an Originator will have to submit a Participation Bond of value USD 30,000 (thirty thousand) per sector for all types of blocks in the form of bank guarantee from a Scheduled Commercial Bank valid for a period of 18 (eighteen) months. A cap of USD 200,000 (two hundred thousand) for a block falling under onland or shallow water category and USD 400,000 (four hundred thousand) for blocks falling under deepwater or ultra deep water category is applicable.
- 18 Target Horizon/Depth** Applicant has to mention a minimum depth/horizon for well(s) to be drilled /surveys to be undertaken.
- 19 Ultra-Deepwater Area** Distance from sea level to seafloor greater than 1500 (fifteen hundred) meter iso-bath, (~5000 ft.)

The words and phrases not defined in this document shall have the same meaning as defined in the Model Revenue Sharing Contract (hereinafter referred to as “MRSC”) or Reconnaissance Contract (hereinafter referred to as “RC”), as the case may be.



1. Background

1.1. Policy

- (i) The Government of India (“Government”) introduced the Open Acreage Licensing Policy (“OALP”) as a part of the Hydrocarbon Exploration and Licensing Policy (“HELP”) on March 30, 2016.
- (ii) Accordingly, Directorate General Hydrocarbon (“DGH”) under Ministry of Petroleum & Natural Gas will facilitate investors in proposing, through a suo motu Expression of Interest (“Eol”), blocks of their choice for contracting based on the data available in National Data Repository (“NDR”).
- (iii) This document sets out the process for operationalizing the OALP.
- (iv) To enable interested investors to study the sub-surface data, the DGH offers facility of NDR which can be used as per the Data Policy notified by the Government.
- (v) The Eol(s) received from investors will be assessed as per the “Qualification Criteria” set out in Section 2 of this document.
- (vi) The bid(s) received from investors will be assessed as per the “Qualification Criteria” set out in Section 2 of this document and will be evaluated as per the “Evaluation Criteria” as set out in Section 7 of this document.
- (vii) The DGH will also administer, when deemed necessary, rounds of awards of blocks carved out by the DGH, for contracting in addition to the option available to investors to make suo motu applications under the OALP.

1.2. Option for investors

- (i) While filing suo motu Eol, the applicants can choose to seek one of the following types of contracts:
 - a) **Petroleum Operations Contract** - permits exploration, development and production operations in any of the Onshore, Shallow-Water, Frontier, Deep-water and Ultra-deep water block for all type of hydrocarbons for:
 - a period of 6 (six) years with a provision for extension of 1 (one) year each in [Initial and Subsequent Exploration Phase for On-land and Shallow water] blocks.
 - a period of 6 (six) years with a provision for up to 2 (two) extensions of 1 (one) year each in [Initial and Subsequent Exploration Phase] for [Frontier, Deep water and Ultra Deep-water] blocks.

Exploration Phase	Onland/ Shallow water/ CBM	Deepwater/ Ultra Deepwater/ Frontier
Initial Exploration Phase	3 (three) years (with provision for additional 1 (one) year extension)	3 (three) years (with provision for additional up to 2 (two) extensions of 1 (one) year each)
Subsequent Exploration Phase	3 (three) years (with provision for additional 1 (one) year extension)	3 (three) years (with provision for additional up to two extensions of 1 (one) year each)
Exploration Period	6 (+2) Years	6 (+4) Years



- b) **Reconnaissance Contract** - permits exploration operations in any of the Onshore, Shallow-Water, Frontier, Deep-water and Ultra-deep water block for all types of hydrocarbons for a period of 2 (two) years with a provision for an extension of 1 (one) year.
- (ii) For the purpose of these contracts, the DGH has classified the sector /area into 3 (three) zones based on the quantum of geological and geophysical data availability. Classification for the sector /area and the available data for the same can be viewed on NDR. EoI for a block will be accepted based on type of contract applicable for that zone in which the block is falling in. Type of contract that are permitted for different zone is mentioned in the table below:

Contract/Zone	Zone 1 (Sufficient Data)	Zone 2 (Moderate Data)	Zone 3 (No data)
Reconnaissance Contract	Not Applicable	Applicable	Applicable
Petroleum Operations Contract	Applicable	Applicable	Applicable

- (iii) For an area, preference amongst different type of contracts (as mentioned in Chapter 4 of this document), if, submitted within the same submission window as described in Section 3.2(iv) would be accorded in following order:
- 1) Petroleum operations contract; and
 - 2) Reconnaissance contract.
- (iv) For the purpose of this document block has the meaning as defined in Section 3.3.(iii).
- (v) For the purpose of this document, investor(s) submitting suo motu EoI for Reconnaissance Contract/ Petroleum Operations Contract is/are hereinafter referred as “Originator(s)”.
- (vi) Any Originator or Bidder can put in only 1 (one) bid either as an Operator or non-operator for 1 (one) particular block.
- (vii) Investor(s) selected through competitive bidding process would enter into contract with the Government as per the model contract provided before the competitive bidding. Such model contracts will be based on the principles of HELP.



2. Qualification Criteria (QC)

2.1. Applicability of Qualification Criteria

- (i) The applicant submitting suo motu EoI and/or bid must be a company singly or in association with other companies, through an unincorporated or incorporated venture.
- (ii) EoI and/or bid for Reconnaissance/Contract Petroleum Operations Contract will be assessed for Technical Qualification Criteria and Financial Qualification Criteria for the respective contract as mentioned below

2.2. Qualification Criteria for Petroleum Operations Contract

- (i) Technical Qualification Criteria and Financial Qualification Criteria, as mentioned in the sections below, is to be met by the Operator at the EoI/competitive bidding stage for Petroleum Operations Contract.

2.2.1. Technical Qualification Criteria

- (i) To be considered as an Operator a party would be required to meet the following technical qualification criteria at competitive bidding stage as on submission date:

Sl.	Criteria	Onland	Shallow Water	Frontier/ Deep water/Ultra-deep Water	CBM
1	Minimum Operatorship Experience (Experience of operatorship in oil and gas exploration and / or development and / or production in the last consecutive 10 (ten) years)	1 (one) year experience is mandatory	1 (one) year experience is mandatory	1 (one) year experience is mandatory	1 (one) year experience is mandatory
2	Minimum Acreage Holding (sq. Km.): (for Onland, Shallow Water, Deep Water/ Ultra-deep Water and CBM) in last consecutive 10 (ten) years		Positive Optional if Point No. 3 is fulfilled		
3	Minimum Average Annual production for any previous 5 (five) years: (for Onland, Shallow Water, Deep Water/ Ultra-deep Water) in last consecutive 10 (ten) years		Positive Optional if Point No. 2 is fulfilled		

- (ii) **“Operatorship Experience”** means experience of the party, appointed in accordance with laws of the respective country (ies), to conduct and execute exploration and/or development and/or production operations.
- (iii) Operatorship Experience in respective category of block is required for which bidder is applying, subject to:



- a. Operatorship Experience in Deepwater/Ultra Deepwater block would be recognized as relevant for all type of blocks.
 - b. Operatorship Experience in Shallow water block would be recognized as relevant for Deepwater, shallow water and on-land blocks.
 - c. Operatorship Experience in on-land block would be recognized as relevant for on-land and Shallow water blocks.
 - d. Operatorship Experience in Coal Bed Methane (“CBM”) block would be recognized as relevant for on-land blocks.
- (iv) Acreage Holding (Petroleum Exploration License) means those areas where the designated Operator holds lease/license /permit etc., for exploration and/or development and/or production operations in accordance with the laws of respective countries.

2.2.2. Financial Qualification Criteria

There will be a 2 (two stage qualification for assessment of net worth. Net worth has to be attested by the statutory auditor of the company and its board of directors.

Stage-1

- (i) Bidder (individually or in consortium) needs to meet following net worth (refer Annexure- 3 for format) criteria in proportion to their Participating Interest (“PI”) for Petroleum Operations Contract for each bid.

Sl.	Block	Requisite Net worth for one sector (in million USD)	Net worth for additional sectors (in million USD/ sector)
1	Onshore/ Frontier	5	1
2	Offshore Shallow Water	20	2
3	Deep Water	60	2.5
4	Ultra-Deep Water	90	3
5	CBM	2.5	0.5

Stage-2

- (ii) Net worth of the constituents of the bidder will be reassessed in proportion to their PI at the time of technical bid opening. At this stage, net worth of the bidder should be equal to or more than the higher of:
- Estimated expenditure for the Committed Work Programme; or
 - LD equivalent value of the Committed Work Programme.

Any shortfall in net worth is allowed to be supported by an equivalent bank guarantee in favour of the Government from a scheduled commercial bank.

2.3. Qualification Criteria for Reconnaissance Contract

- (i) Qualification criteria is to be met by the Originator and Bidder for Reconnaissance Contract, at the EoI/competitive bidding stage.
- (ii) Both Originator and/or Bidder for reconnaissance must have one of the following experience (with attested supporting information provided in the EoI/bid):



- a 1000 LKM (one thousand line kilometre) of 2D seismic API experience; or
 - b 300 sq. km. (three thousand square kilometre) of 3D seismic; or
 - c Drilling experience of at least 5 (five) wells; or
 - d Others surveys like CSEMMT etc. for at least 1000 sq. km. (one thousand square kilometre).
- (iii) Originator and Bidder should have positive net worth at the time of bidding. However, net worth of the constituents of the Bidder will be reassessed in proportion to their PI at the time of technical bid opening. At this stage, net worth of the Bidder should be equal to or more than the higher of :
- Estimated expenditure for the Committed Work Programme; or
 - LD equivalent value of the Committed Work Programme.
- Any shortfall in net worth is allowed to be supported by an equivalent bank guarantee in favour of the Government from a scheduled commercial bank.
- (iv) If, the contractor wishes to migrate from Reconnaissance Contract to Petroleum Operations Contract, he would be required to meet both the Technical Qualification Criteria as well as Financial Qualification Criteria as applicable for the block.



3. Submission of EoI

3.1. Obligation of the Originator

- (i) The company/consortium submitting an EoI must qualify technically and financially at the bidding stage subject to Section 3.4(I). The Participation Bond will be forfeited, otherwise.
- (ii) In case of a consortium submitting EoI, the same consortium without any change is liable to submit the bid. Originator incentive would not be granted in case composition of the consortium changes at the time of bidding and the Participation Bond of such consortium would be forfeited.

3.2. Submission of EoI

- (i) *Suo motu* EoI shall be submitted online, through HELP EoI submission portal, in the format specified in Annexure 2 of this document and as may be specified in detail in the HELP portal along with scan copy of the Participation Bond and, subject to the instructions therein.
- (ii) A non-refundable Application Fee of USD 1000 (one thousand) is to be paid online through the DGH payment gateway.
- (iii) Original copy of EoI submission report (generated on the HELP portal on successful submission of EoI), the Participation Bond and other requisite document if any, shall be submitted to the DGH within 7 (seven) working days from the date of online submission. The documents shall be delivered to (with clear mark addressed to):

Directorate General of Hydrocarbons

(Under Ministry of Petroleum & Natural Gas)

OIDB Bhawan, Plot No 2, Sector 73, Noida, India

Phone: 0120-2472000

Fax: 0120-2472049

- (iv) *Suo motu* EoIs will be accepted throughout the year in 2 (two) windows. The initial window shall commence on July 1, 2017 and end on November 15, 2017. The deadline for submission will be observed as 17:00 hrs IST of the closing dates for respective window:
 - a) November 15th of every year for submission in Window-I of the respective year;
 - b) May 15th of every year for submission in Window-II of the respective year;
 - c) The DGH will endeavor to finalize the EoIs received and publish the Notice Inviting Offer (“NIO”) for competitive bidding within 30 (thirty) days of closure of each window for EoI submission subject to internal/Government approvals;
 - d) A period of 60 (sixty) days will be provided to Bidders to submit bids from the date of publishing the NIO;
 - e) The DGH will endeavor to complete the bid evaluation as per criteria mentioned in Section 7.3 and award the block within 10 (ten) weeks from the bid closing date; and
 - f) After the award of block, bid winner will sign the contract within a period of 45 (forty five) days.
- (v) Timely submission of the EoI will be the responsibility of the interested party. EoI received by the DGH after the closing date and time for a window, will be considered in the subsequent evaluation period or window.



- (vi) The DGH will not be responsible for the loss of tender or for any delay during the postal transit or otherwise.

3.3. Carving out a block

- (i) In the Open Acreage Licensing route, the freedom of identification of block and seeking to have them offered for contract will be with the investors. The block identified ought to
- fall within the sedimentary basins of India;
 - be free of PEL/ PML
 - not to fall in area indicated as “NO-GO” in the NDR.”
- (ii) The area available for carving out the block can be viewed on the NDR.
- (iii) An area of [10' x 10'] (~336 sq.km) is defined as “Sector” for all types of hydrocarbons. An investor has to carve out a block (for EoI submission) as one or more than one contiguous Sector(s). However, for the -
- areas adjoining (sharing the common boundary) existing blocks (areas already under a PEL/PML), the incumbent contractor will be allowed to submit EoI for one or more than one contiguous areas of size [1' x 1'] with a Maximum Area of 50 (fifty) units of size [1'x1'].
 - Areas where it is not possible to carve out a block in multiple of Sectors of size 10'x10' due to non-availability of areas, the investor will be allowed to submit EoI for one or more than one contiguous areas of size [1' x 1'].

The net worth for an area of [1'x1'] will be pro-rated in proportion to the net worth requirement for one sector of size (10'x10').

- (iv) Separate applications are expected for different block.
- (v) Following conditions apply for carving out a block:
- DGH at its discretion will accept the area for which EoI has been submitted or alter/modify the area after due evaluation.
 - The minimum and Maximum Area for application will be as presented below:

Type Of Block (for all hydrocarbons except CBM)	Minimum Area	Maximum Area
Onland	1 (one) Sector	10 (ten) Sectors
Shallow Water	1 (one) Sector	20 (twenty) Sectors
Frontier/Deep Water/Ultra Deep Water	1 (one) Sector	30 (thirty) Sectors
CBM	1 (one) Sector	2 (two) Sectors

- (vi) The category of block (viz. Onland, Shallow Water, Deep Water, Ultra Deep Water, Frontier and CBM) will be guided by the DGH policy in vogue. The current guidelines pertaining to this subject are a part of the Good International Petroleum Industry Practices notified by the DGH.

3.4. Principles behind expressing suo motu interest

- (i) EoI applicants will be obliged to participate (submit a bid acceptable to the DGH) in the subsequent bidding. In case the deviation in the area finalized by the DGH to be put up for bidding is more than



50% of the Application Area, then such obligation will be waived and the Participation Bond will be released upon communication of its intent to not to participate in the bidding process.

- (ii) The Participation Bond submitted along with the EOI will be forfeited if the EOI submitting party does not participate in the bidding process except in the circumstance enumerated above in Section 3.4 (i).
- (iii) The Participation Bond would be released as per Section 3.5.
- (iv) Category of the block (i.e. Onland, Shallow Water, Frontier, Deep Water) would be considered as the category in which more than 50% (fifty percent) area of block falls in. Block would be considered Ultra Deep Water Block if more than 30% (thirty percent) of the block falls in Ultra Deep Water

3.5. Composition of suo motu EOI

- (i) A suo motu EOI for OAL shall include the following:
 - a) Original signed Application Form;
 - b) Map showing the area of interest outlined on NDR grid;
 - c) 3 (three) years audited financial statements and annual reports;
 - d) Information in support of pre-qualification (net worth, experience);
 - e) Additional supporting information (for example, article and memorandum of association, certificate of incorporation/registration, corporate structure, etc.) to be uploaded on HELP portal and sent physically to the DGH;
 - f) Proof of payment covering the Application Fee;
 - g) The Participation Bond in prescribed format by the prescribed date;
 - h) The EOI submitter has to submit a data on due diligence undertaken while identifying the area for which the EOI is being submitted. The list of all geological and geophysical data used by the company for evaluation of the proposed area and the report on assessed level of prospectivity is to be submitted, in case of EOI for Petroleum operations contract.

The report should be based on available geo scientific data and describe key petroleum system elements, likely major plays supported by appropriate seismic and geological cross sections and/or maps

Due diligence report is not required to be submitted for the areas for which scanty or no data (identified as zone 2 and zone 3 area) is available. However, a brief conceptual report about the geological model and prospectivity should be provided

Primary data source for the above report has to be NDR or data previously procured from the GoI.

Data source must be disclosed and data should be in the legal possession of the EOI submitting party.

- i) For Petroleum Operations Contract, applicant has to define 'Target Depth' (meters) of wells to be drilled;
- j) For Reconnaissance Contract, applicant has to define 'Target Horizon' (millisecond) for surveys to be undertaken and wells are to be drilled till basement; and
- k) The DGH at its sole discretion reserves the right to alter the 'Target Horizon' and the 'Target Depth' for the respective block at the bidding stage.

3.6. Application Fee & Participation Bond/Bid Bond

- (i) A suo motu EOI in prescribed formats will be accompanied with:



- a) A non-refundable Application Fee of USD 1,000 (one thousand) to be paid online to the DGH.
- b) If an Originator (or a Reconnaissance Licensee intends to migrate to PoC will have to submit a Participation Bond of value USD 150,000 (one hundred and fifty thousand) per sector for POC for all types of blocks in the form of bank guarantee from a scheduled commercial bank valid for a period of 18 (eighteen) months. A cap of USD 1,000,000 (one million) for block falling under Onland or Shallow water category and USD 2,000,000 (two million) for blocks falling under Deepwater or Ultra deep water category is applicable.

For Reconnaissance Contract, an Originator will have to submit a Participation Bond of value USD 30,000 (thirty thousand) per sector for all types of blocks in the form of bank guarantee from a scheduled commercial bank valid for a period of 18 (eighteen) months. A cap of USD 200,000 (two hundred thousand) for a block falling under Onland or Shallow water category and USD 400,000 (four hundred thousand) for blocks falling under Deepwater or Ultra deep water category is applicable.

The Participation Bond for an area of [1'x1'] will be pro-rated in proportion to the Participation Bond requirement for one sector of size (10'x10').

- c) A Bidder will have to submit a Bid Bond of value USD 150,000 (one hundred and fifty) per sector for POC for all types of blocks in the form of bank guarantee from a scheduled commercial bank valid for a period of 12 (twelve) months. A cap of USD 1,000,000 (one million) for block falling under Onland or Shallow water category and 2,000,000 (two million) for blocks falling under Deepwater or Ultra deep water category is applicable.

For Reconnaissance Contract, a Bidder will have to submit a Bid Bond of value USD 30,000 (thirty thousand) per sector for all types of blocks in the form of bank guarantee from a scheduled commercial bank valid for a period of 12 (twelve) months. A cap of USD 200,000 (two hundred thousand) for a block falling under Onland or Shallow water category and USD 400,000 (four hundred thousand) for blocks falling under Deepwater or Ultra deep water category is applicable. The Participation Bond of the Originator will be released, if he doesn't win the bid but fulfils both the Technical Qualification Criteria and the Financial Qualification Criteria subject to Section 3.4(i).

The Bid Bond for an area of [1'x1'] will be pro-rated in proportion to the Bid Bond requirement for one sector of size (10'x10').

- (ii) If the Originator(s) (or a Reconnaissance Licensee intends to migrate to PoC) will not be required to submit the Tender Fee and Bid Bond at the bidding stage.
- (iii) Bidders will have to submit a non-refundable Tender Fee of USD 1,000 (one thousand) to be paid online to the DGH at the bidding stage.



4. Types of Contract

4.1. Petroleum Operations Contract

- (i) Petroleum Operations Contract will allow investors to undertake, as the context may require, Exploration Operations, Development Operations or Production Operations or any combination of two or more of such operations, including construction, operation and maintenance of all necessary facilities, plugging and abandonment of wells, safety, environmental protection, transportation, storage, sale or disposition of petroleum to the delivery point, site restoration and any or all other incidental operations or activities as may be necessary.
- (ii) Terms of Petroleum Operations Contract will be as per the Revenue Sharing Contract approved by the Government.

4.2. Reconnaissance Contract

- (i) Investors interested in carrying out Exploration Operations in areas available for exploration in the onshore/offshore sector may submit EoI to the DGH for Reconnaissance Contract in the format set out in Annexure 2 of this document.
- (ii) Reconnaissance Contract will allow parties to carry out Exploration Operations in a given block for all types of hydrocarbons for a period of 2 (two) years with a provision for an extension up to 1 (one) year.
- (iii) Post completion of reconnaissance activity contractor will submit all the data so gathered to the DGH as per the data policy notified by the DGH.
- (iv) Operator of the reconnaissance shall have the exclusive right to license the data (excluding raw data, physical oceanographic data and DGH data) during the contract duration (12 (twelve) years), provided that license of such data to companies incorporated in neighboring countries of India or countries as notified by the DGH from time to time will require prior permission of the DGH.
- (v) Operators of the Reconnaissance Contract for a particular block, upon completion of at least 80% (eighty percent) of the work programme commitments, becomes eligible to submit an intent to migrate to Petroleum Operations Contract. To exercise this option, the contractor will submit an intent to migrate to the DGH, at least 90 (ninety) days prior to the expiry of the Reconnaissance Contract. The contractor will have to meet the Technical Qualification Criteria as well as the Financial Qualification Criteria as applicable (mentioned in Section 2) for the Petroleum Operations Contract for the block under consideration. Incentives for migration to Petroleum Operation Contract is specified in Section 8 of this document.
- (vi) Upon receipt of the intent to migrate to Petroleum Operations Contract for the area for which it has undertaken reconnaissance, the DGH shall have the right to license the reconnaissance data collected by the Operator for the Contract Area to all other Bidders. The data will be licensed at price bid by the contractor. The proceeds of such license of data will be deposited in an escrow account.
- (vii) In-case, the Operator of the Reconnaissance Licensee does not win the bid for migration to Petroleum Operations Contract, then the proceeds realized through license of Reconnaissance Data to bidder(s) will be transferred to the contractor. However, if the contractor wins the bid, then none of the consortium member shall have claim over the proceeds realized from such a license of data and all the rights to license the data shall lapse with immediate effect.



- (viii) Investors who have completed term of the Reconnaissance Contract for that block, and have not submitted an intent to migrate to Petroleum Operations Contract within permitted time, shall not be obliged to bid for Petroleum Operations Contract if and when the DGH puts out the block to bid.
- (ix) Originator of the Reconnaissance Contract for a block will be provided incentives as mentioned in Section 8 of this document.
- (x) The parties procuring data from Reconnaissance Licenseeshall be eligible to set off the seismic data against their Committed Work Programme.
- (xi) Reconnaissance Licensee may, at its discretion, allow any third party to undertake non-exclusive multi-client surveys



5. Evaluation of EOI

5.1. Evaluation Period

- (i) Applications for Eoi will be evaluated on a first come first served basis. The proposed block/area (for which Eoi has been accepted by the DGH) shall be unavailable for further Eoi of that particular type of contract subject to submission of requisite documents to the DGH within the timeline. However, Eoi submitted for Reconnaissance Contract would be superseded by Eoi for Petroleum Operations Contract, if submitted for the same area, during the same submission window.
- (ii) The DGH will endeavor to finalize the Eois received and publish the NIO for competitive bidding after 30 (thirty) days of closure of each window for Eoi submission subject to internal/Government approvals. A tentative timeline to complete the OAL process is placed in the Annexure-4 of this document.

5.2. General Conditions

- (i) Eoi(s) received for Reconnaissance Contract and/or Petroleum Operations Contract, accepted by the DGH, will be considered to put for bidding subject to such adjustment of areas as the DGH may carry out at its discretion.

5.3. Evaluation of Eoi

- (i) Eoi for Reconnaissance Contract/ Petroleum Operations Contract will be evaluated for Technical Qualification Criteria and Financial Qualification Criteria as mentioned in Section 2 of this document. However, an applicant has to meet applicable Financial Qualification Criteria and Technical Qualification Criteria at the time of bidding.
- (ii) The Eoi submitter has to submit data on due diligence undertaken while identifying the area for which Eoi is being submitted. The list of all Geological & Geophysical (G&G) data used by the company for the proposed and the report on assessed level of prospectivity is to be submitted, in case of Eoi for Petroleum Operations Contract.

The report should be based on available geoscientific data and describe key petroleum system elements, likely major plays supported by seismic and geological cross sections and/or maps.

Due diligence report is not required to be submitted for the areas for which scanty or no data (identified as zone 2 or zone 3 area) is available. However, a brief conceptual report about the geological model and prospectivity should be provided.

- (iii) Primary Data Source for the above report has to be NDR or data previously procured from the GoI.
- (iv) Data source must be disclosed and data should be in the legal possession of the Eoi submitting party.

5.4. EOI Acceptance Criteria

- (i) Eois will be accepted subject to the fulfillment of following conditions:
 - Submission of all the components listed under the Section 'Composition of suo motu Eoi' (Section 3.5 of this document);
 - Due diligence report would be reviewed by the DGH and accepted if the report adheres with all conditions;
 - Fulfilment of qualification criteria, both technical and fiscal



- Eols will be accepted on first come first serve basis and no Eol will be entertained having area overlapping with the already submitted Eol; and
- Eols overlapping with the “No Go Areas will not be entertained.

(ii) The EOI not fulfilling above conditions shall be liable for rejection.

5.5. Result of Eol evaluation

- (i) At the end of evaluation, the DGH will accept/reject the Eol submitted by the Originator based on ECS approval.
- (ii) The outcome of the Eol will be published on the DGH website.
- (iii) The name and other submissions made by the Originator shall not be disclosed to other Bidders during the bidding process.
- (iv) The Originator will be duly informed in case their Eol is not accepted or deviation in area is more than 50% (fifty percent) of the Application Area pursuant to Section 3.4. In case of rejection of the Eol by the DGH the Participation Bond will be released. In case of deviation in area, the Participation Bond would be released as per Section 3.4.
- (v) If, the Eol for the Reconnaissance Contract is superseded by Petroleum Operations Contract the party submitting would be informed and their Participation Bond would be released.



6. Public announcement for Notice Inviting Offer

The DGH, under its OALP for exploration of oil and natural gas, seeks bids for hydrocarbon blocks in India from eligible interested parties. The government invites bids from companies for (1). Reconnaissance Contract; and (2). Petroleum Operations Contract. Further details have been provided in the document namely NIO.



7. Bid Evaluation Criteria (BEC)

7.1. Bid submission

- (i) Competitive bids will be sought against each block accepted by the DGH after the Originator(s) submit suo motu EoI(s), subject to Bidders meeting all the necessary Qualification Criteria set out in Section 2 of this document.
- (ii) In case of a consortium submitting EoI, the same consortium without any change is liable to submit the bid. The Originator incentive would not be granted in case composition of the consortium changes at the bidding stage and the Participation Bond of such consortium would be forfeited.
- (iii) A period of 60 (sixty) days will be provided to bidders to submit bids from the date of publishing the NIO.

7.2. Bid Evaluation Period

- (i) The DGH will endeavor to complete the bid evaluation as per criteria mentioned in para. 7.3 below and award the block within 45 (forty five) days from the bid closing date.
- (ii) After the award of block, bid winner will be given a period of 45 (forty five) days to sign the contract.

7.3. Bid Evaluation Criteria

7.3.1. Reconnaissance Contract

- (i) The bidder scoring the highest marks against the following evaluation matrix will be declared winner, and subject to meeting all other conditions, will get into an agreement with the Government for the Reconnaissance Contract:

For all types of Hydrocarbons:

Sl.	Activity	Marks for quantum of work	Marks for Price of Data	Evaluation Method
1. Technical (Marks 90)				
1.1	2D* Seismic survey (API)	20 (twenty)	8 (eight)	<ul style="list-style-type: none"> Bidder quoting highest quantum gets the maximum marks for quantum of work Bidder quoting lowest price gets maximum marks for price of data Others get marks separately on pro-rata basis
1.2	3D* Seismic survey (API)	35 (thirty five)	10 (ten)	
1.3	No of wells	15 (fifteen)	7 (seven)	
2	Originator Incentive	5 (five)	-	Originator will get 5 marks others will get zero marks
Total		75 (seventy five)	25 (twenty five)	

**If the bidder bids for full area 3D, then he will get full marks allotted to 2D as well*

7.3.2. Petroleum Operations Contract

- (i) Bid Evaluation Criteria ("BEC") will be same irrespective of the zones.



- (ii) The Bidder scoring the highest marks against the following evaluation matrix will be declared winner, and subject to meeting all other conditions, will get into an agreement with the Government for the Petroleum Operations Contract:

For all Hydrocarbons where conventional hydrocarbon are primary target:

Sl.	Activity	Marks	Evaluation Method
1.	Technical	45 (forty five)	
1.1	2D Seismic survey (API)	8 (eight)	Bidder quoting highest 2D seismic survey (LKM) will be assigned 8 marks and others will be assigned marks proportionately
1.2	3D Seismic survey (API)*	17 (seventeen)	Bidder quoting highest 3D seismic survey (Sq.KM) will be assigned 17 (seventeen) marks and others will be assigned marks proportionately In case, bidder bids full area for 3D, he will get full marks for 2D as well.
1.3	No. of Exploratory Wells	15 (fifteen)	Bidder quoting highest number of wells will be assigned 15 marks and others will be assigned marks proportionately
1.4	Core Analysis (for shale resources)	5 (five)	Bidder quoting maximum number of wells with core analysis for target shale plays will be assigned 5 (five) marks and others will be assigned marks proportionately.
2	Originator Incentive	5 (five)	Originator will get 5 (five) marks others will get zero
3.	Fiscal Package	50 (fifty)	
1	Revenue Sharing (Revenue Sharing modalities to be provided in NIO and MRSC document)	50 (fifty)	Highest bidder gets maximum marks and others on pro-rata basis

* If the bidder bids for full area 3D, then he will get full marks allotted to 2D as well



For Blocks where CBM is primary target:

Sl.	Activity	Marks	Evaluation Method
1)	Technical (Marks 45)		
1.1	No of Core Holes	25 (twenty five)	Highest bidder gets maximum marks and others on pro-rata basis
1.2	No of Test wells	20 (twenty)	Highest bidder gets maximum marks and others on pro-rata basis
2)	Originator incentive	5 (five)	Originator will get 5 marks
3)	Financial (Marks 50)		
1	Revenue Sharing	50 (fifty)	Highest bidder gets maximum marks and others on pro-rata basis

(iii) Net worth of the bidder should be equal to or more than the higher of :

- a) Estimated expenditure for the Committed Work Programme (as submitted in the annexure-1 of the NIO); or
- b) LD equivalent value of the Committed Work Programme



8. OAL Incentive Mechanism

In order to encourage investor to participate in Open Acreage Licensing, incentives will be provided to the participants.

8.1. Originator Incentive

- (i) The Originator participating in the bidding process for the Reconnaissance Contract and the Petroleum Operations Contract, will get additional 5 (five) marks during the bid evaluation.
- (ii) In case of a consortium submitting EoI, the same consortium without any change is liable to submit the bid. Originator incentive would not be granted in case composition of the consortium changes at the time of bidding. Additionally, the Participation Bond of such consortium would be forfeited.

8.2. Migration Incentive from Reconnaissance to Petroleum Operations Contract

The Reconnaissance Contractor for a particular block, upon completion of at least 80% (eighty percent) of the work programme commitments, becomes eligible to submit an 'Intent to Migrate' to the Petroleum Operations Contract. Such 'Intent to Migrate' would be treated as expression of interest to undertake Petroleum Operations Contract in that particular block.

While migrating from a Reconnaissance Contract for a block to a Petroleum Operations Contract, "Migration Incentive" in terms of "**Originator Incentive**" (as mentioned above) will be granted to the Operator (as defined/nominated by the consortium) of the Reconnaissance Contract.

Only the Operator of the Reconnaissance Contract, as on date of submission of intent to migrate, shall be eligible for Originator Incentive. No other party of the consortium would have any right either on Originator Incentive or licensing of reconnaissance data.



Annexure 1 – Commonly used terminologies

S No.	Acronym	Abbreviation
1	Application Area	The area for which EoI has been submitted
2	BEC	Bid Evaluation Criteria
3	Block	Area to be carved out to carry out exploration/production activities
4	CBM	Coal Bed Methane
5	DGH	Directorate General of Hydrocarbons (in India)
6	E&P	Exploration & Production
7	Government	Government of India
8	ML	Mining Lease
9	MRSC	Model Revenue Sharing Contract
10	NIO	Notice Inviting Offer
11	OALP	Open Acreage Licensing Policy (in India)
12	PEL	Petroleum Exploration Licence
13	<i>suo motu</i> EoI	The EoI submitted by the interested party to DGH
14	USD	United States Dollar
15	Window	The time frame in which the EoI has to be submitted to be considered and evaluated in the respective period.



Annexure 2- Eol Format*

Application Form for Expression of Interest for Reconnaissance/ Petroleum Operations Contract

1. Operator Information	
Name of the proposed Operator and contact Information	
Name of the Operator	
Contact Address	
Telephone number	
Mobile number	
Fax number	
Email address	

2. Constitution of the consortium			
S No.	Company Name	PI share (%)	Contract Address

3. Corporate Information		
This information should be provided by all bidders. In case of a bid from a consortium, each member of the consortium should provide this information.		
A	The bidding company's legal name	
B	In case of Consortium bid, name of the Operator	
C	Place of incorporation or registration	Place : State : Country : Zip :
D	Authorised representative of the company for communication on the bid	Name : Designation : Address : Tel. : Facsimile :
E	Name and address of Chairman of Board of Directors	Name : Address :

*details to be specified in HELP/OAL Eol submission Portal



F	The name and address of the Chief Executive	
G	The name and address of shareholders holding more than 10% of company's stock	
H	Structure and details of the group, if any, to which the bidding company belongs including information on affiliates/parent company	
I	If parent company's financial and performance guarantee is proposed to be furnished, then please indicate percentage share-holding of the parent company in the bidding company and the status of the parent company in the group structure	
J	The business activities of the company	
K	Name(s) and address of parent company(ies) (where applicable)	Name : Address : Tel. : Facsimile : E-mail :
L	The company should submit its annual report including the audited balance sheets and profit & loss statements along with the schedule of notes forming part of the balance sheet and a certificate (in English language) of their Networth certified by the company's statutory auditors for the latest completed year. In case of parent company guarantee, this information of parent company should also be provided	
M	Number of total corporate employees of the company	
N	Number of employees engaged in Technical and non technical activities in E&P.	
O	Details of judgments/arbitral awards against company or Consortium members or any corporate member of the group of companies to which the bidder belongs in the past 10 years. Please mention the nature of the case	
P	Details of any anticipated material events, risks, activities or plans which will have significant impact either positively or negatively on the bidder's ability to perform its obligations in India under the contract	
Q	Has the bidder earlier worked in India? If yes, provide details	
R	Details of termination of or withdrawal from any earlier Production/ Revenue Sharing Contract in India by the bidding company or any member company of the bidding consortium	



4. EOI Submitted for	
Type of Block	
Unique Identification Number(s) of grid as per NDR	10'x10' Sectors
	1'x1' Sectors
	1'x1' Sectors
	(Extension of existing PEL/ML)
Type of Contract (Reconnaissance Contract or Petroleum Operations Contract)	
Type of Hydrocarbon (Primary category)	
Target Horizon (In case of Reconnaissance Contract)	
Target Depth (In case of Petroleum Operations Contract)	
Comments	

5. Pre-qualification criteria	
Type of Eoi	
Type of Block	
To be filled only by proposed operator	
a. Qualification criteria for Petroleum Operations Contract	
Operatorship Experience (in Years)	
Type of Operatorship Experience	Onland
	Shallow water
	Deep water
	Ultra -Deepwater
	CBM
Acreage Holding in last consecutive 10 years (in sq. Km)	
Average Annual Production for the previous 5 years (in MMBoe)	



b. Qualification criteria for Reconnaissance contract

Details against any one of the qualifying criteria to be submitted	
1000 KM of 2D seismic API	
300 SKM of 3D seismic API	
Drilling experience of at least 5 wells	
Other surveys like CSEM, Gravity, Magnetic, MT, etc. for at least 1000 sq. km	

6. To be filled for each consortium member

Sr.no	Company	Paid-up capital (in USD)	Reserve and surplus (in USD)	Miscellaneous expenditure to the extent not written off (in USD)	Networth (in USD)

7. Details for Participation Bond

Details of the Bank Guarantee (to be submitted within 10 (ten) days from the day of online submission of EoI)	BG No.	
	Name and Address of the Bank	
	Issue Date:	
	Date of Expiry of the BG	

8. Application Fee

Online Payment	Reference No.	
	Date:	



9. Contact details

Give details of the person DGH should treat as its first point of contact about this application.

Name of the Company	
Name of the Contact	
Contact Address	
Telephone Number	
Mobile Number	
Email Address	

10. Declaration

A duly authorized officer from each of the applicants listed in Part 2 must approve the information given in this form.

I hereby declare that the information given in this application is correct:

Authorization

S No.	Company Name	Name of the Signatory	Signature	Date

11. Document Checklist for Eol Submission

- Original signed Application form;
- Map showing the area of interest outlined on NDR grid;
- Last 3 (three) years audited financial statements and Annual Reports;
- Article and Memorandum of Association, Certificate of Incorporation/Registration, corporate structure
- Payment proof covering the Application Fee
- Participation Bond to ensure participation in the bidding stage.
- An interim report enumerating the due diligence undertaken by the Eol submitter while identifying the area for which Eol is being submitted.
- For Petroleum Operations Contract, Target Depth of wells to be drilled.
- For Reconnaissance Contract, Target Horizon (millisecond) for surveys to be undertaken and wells are to be drilled till basement.
- Documents in support of pre-qualification (Networth certificate from statutory auditor and statement of prior experience as per PQ criteria applicable).



Annexure 3- Format for Net worth

The Net worth of the bidding company/parent company shall be calculated in accordance with the method given below based on the latest completed year's audited annual account and annual report:

Name of the Company:

S.No.	Sub-Criteria	Amount (USD million)
A	Paid-up capital	
B	Reserve and Surplus	
C	Misc. expenditure to the extent not written off	
D	Networth = A+B-C	

Note: Exchange rate used, if applicable, to convert figures in USD.

The above information should be provided for the year for which the latest audited annual account and annual reports are furnished.



Annexure 4 - Timelines for OAL Process

Activities	15 th Nov	15 th Dec	16 th Dec	15 th Feb	31 st March	15 th May	15 th June	16 th June	16 th August	31 st October	15 th November
Last date for EOI Submission Window-1											
Finalization and Review of EOI for Window-1											
Issue of Bid document											
Bid submission deadline											
Bid Evaluation & Award (on or before)											
Contract Signing (on or before)											
Last date for EOI Submission Window-2											
Finalization and Review of EOI for Window-2											
Issue of Bid document											
Bid submission deadline											
Bid Evaluation & Award (on or before)											
Contract Signing (on or before)											



Annexure 5- Proforma of Participation Bond

To,

The Secretary to the Government of India
Ministry of Petroleum and Natural Gas Shastri Bhavan
Dr. Rajendra Prasad Marg,
New Delhi- 110001, India

1. Whereas Government of India (hereinafter referred to as "Government") has announced Open Acreage Licensing Policy ("OALP").
2. Whereas _____[Name of Company submitting the EOI/ Name of each company submitting the EOI as a consortium] having registered office at _____ (hereinafter referred to as "Company"/ "Companies", which expression unless repugnant to the context or meaning thereof include all its/their respective successors, administrators, executors and assigns), is/are desirous to submit Expression of Interest (hereinafter referred to as "EOI") in relation to entering into Petroleum Operation Contract/Reconnaissance Contract for the block.
3. Whereas Company/Companies is/are required to submit a bank guarantee as per terms and conditions set out in OLAP and such bank guarantee is to continue to serve as the Bid Bond if Company/ Companies submit bid pursuant to Notice Inviting Offers ("NIO") inviting bids for award of such block or part thereof by the Government.
4. In consideration of Government having agreed to consider bank guarantee towards Participation Bond for evaluation of EOI, in relation to entering into Petroleum Operation Contract / Reconnaissance Contract for the block, to be submitted pursuant to OALP of the Government, by the Company/Companies, the Company /Companies has/have agreed to adhere to terms and conditions as set out in OALP and NIO for the block or part thereof and to furnish to the Government a bank guarantee (hereinafter referred to as "Guarantee") towards its/their obligations as per OALP and NIO , hereinafter referred to as the "Obligations" for an amount of US\$ _____ equivalent to _____ Indian Rupees for performance of such Obligations.
5. We _____(name of the Bank) registered under the Law of _____ and having its registered office at _____ (hereinafter referred to as "the Bank", which expression shall unless repugnant to the context or meaning thereof includes all its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay immediately on the first demand in writing and any/all money(s) to the extent of Indian Rupees / US\$ _____(in figures) (Indian Rupees / US\$ _____ in words) without any demur, reservation, contest or protest and/or without any reference to the Company/Companies. Any such demand made by Government on the Bank by serving a written notice shall be conclusive and binding, without any proof, on the Bank as regards the amount due and payable, notwithstanding any dispute(s) pending before any court, tribunal, arbitrator, sole expert, conciliator or any other authority and/or any other matter or thing whatsoever, as liability under these presents being absolute and unequivocal. We agree that the Guarantee herein contained shall be irrevocable and shall continue to be enforceable until it is discharged by Government in writing. This Guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the Company/ any or all the Companies and shall remain valid, binding and operative against the Bank.
6. The Bank also agree that Government at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the Company/Companies and



notwithstanding any security or other guarantee that Government may have in relation to the Company's/Companies' liabilities.

7. The Bank further agree that Government shall have fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the Obligations or to extend time of performance by the said Company/Companies from time to time or to postpone for any time or from time to time exercise of any of the powers vested in Government against the said Company/Companies and to forebear or enforce any of the terms and conditions of the Obligations and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Company/Companies or for any forbearance, act or omission on the part of Government or any indulgence by Government to the said Company/Companies or any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.
8. The Bank further agree that the Guarantee herein contained shall remain in full force during the period that is taken for the performance of Obligations and all dues of Government under or by virtue of such Obligations have been fully paid and its claim satisfied or discharged or till Government discharges this Guarantee in writing, whichever is earlier.
9. This Guarantee shall not be discharged by any change in our constitution, in the constitution of Company/that of the any or all of the Companies.
10. The Bank confirms that this Guarantee has been issued with observance of appropriate laws of the country of issue.
11. The Bank also agrees that this Guarantee shall be governed and construed in accordance with Indian Laws and subject to the exclusive jurisdiction of Indian courts at _____, India.
12. Notwithstanding any thing contained herein above, our liabilities under this Guarantee is limited to Indian Rupees / US\$ _____ (in figures) (Indian Rupees / US\$ _____ in words) and our Guarantee shall remain in force upto _____ 20__ and including ninety (90) days after the expiry date/extended date. Any claim under this Guarantee must be received before the expiry of ninety (90) days or before the expiry of ninety (90) days from the extended date if any. If no such claim has been received by us within ninety (90) days after the said date/extended date the Government's right under this will cease. However, if such a claim has been received by us within and upto ninety (90) days after the said date/extended date, all the Government's rights under this Guarantee shall be valid and shall not cease until we have satisfied that claim.

In witness whereof, the Bank through its authorised officers has set its hand and stamp on this _____ day of _____ 20__ at _____.

The seal of _____ was hereto duly affixed by _____ this _____ day of _____ 20__ in accordance with its bye-laws and this Guarantee was duly signed by _____ and _____ as required by the said bye-laws.

Secretary

President & Director

Witness: