

O-19025/9/2001-ONG(V)

Ministry of Petroleum & Natural Gas

Government of India

Shastri Bhawan, New Delhi - 110 115

Dated: 6th May, 2008

To

The Director General,
Directorate General of Hydrocarbons,
NOIDA.

Subject: Extension of the exploration phases under the provisions of the extension policy.

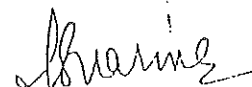
Sir,

This has reference to the various extension proposals received in the Ministry in terms of the extension policy which involved submission of BG and LDs by the operator. It was noted that the budget submitted by PSC contractors is not standardized. Many contractors, mainly NOCs, submit estimates on completed well basis while others submit on dry well basis.

2. The matter has been considered in the Ministry and it has been decided to apply the principles and practice of arriving at BG for unfinished work programme and LD uniformly to all cases. It has accordingly been decided that BG may be taken against completed wells while LD may be charged on dry well basis. If the well is completed, then the actual differential (higher) LD may be sought against the BG already held by Govt. Hence, the BG needs to be calculated on complete well basis and its validity should be longer than the extension sought.

3. This issues with the approval of the competent authority.

Yours faithfully,



(Sunita Sharma)

Under Secretary to the Govt. of India

Tel: 23389464