

File No. L-12015/1/2022-GP-II (E:44157)
Government of India
Ministry of Petroleum & Natural Gas

Shastri Bhawan, New Delhi-110001
Dated: 23rd February, 2024

To,

1. Director General, DGH
2. CMD, ONGC
3. CMD, OIL

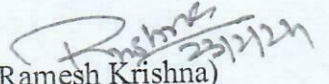
Subject: Modalities for Recognition of Gas Production from New Wells or Well Intervention in the Nomination Fields of ONGC and OIL.

Sir,

I am directed to enclose herewith a copy approved modalities for Recognition of Gas Production from New Wells or Well Intervention in the Nomination Fields of ONGC and OIL for information/necessary action.

Encl: As above.

Yours faithfully,


(Ramesh Krishna)

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**Modalities for Recognition of Gas Production from New Wells or Well
Intervention in the Nomination Fields of ONGC and OIL**

[Ref :Para no.7 of MOPNG Gazette Notification dated 07 April 2023]

1.0 DEFINITIONS:

1.1 Produced Gas: Wet gas, dry gas, all other gaseous hydrocarbons, and all substances contained therein, including sulphur, carbon dioxide and nitrogen but excluding extraction of helium, which are produced from oil or gas wells, excluding those condensed or extracted liquid hydrocarbons that are liquid at normal temperature and pressure conditions, and including the residue gas remaining after the condensation or extraction of liquid hydrocarbons from gas.

1.2 Sale Gas: Gas produced minus impurities such as water or solids produced along with gas, gas recycled to the reservoir, gas used in Petroleum Operations or flared or otherwise unavoidably lost.

2.0 Modalities for Recognition of Gas Produced from New Wells

2.1 Definition of Gas Produced from New Wells: Gas produced from wells put on test production and/ or commercial production for the first time on or after 07.04.2023 (date of publication of the Gazette).

3.0 Modalities for Recognition of Gas Produced from Well Intervention

3.1 Definition of Gas Produced from Well Intervention: Gas produced from well intervention is defined as incremental production obtained after intervention in wells ceased or producing prior to 07.04.2023. This involves production revival of ceased wells and production enhancement from under-performing wells as well as reserves upgradation from zone transfer. The categorization is as under:

- (i) Gas produced after intervention in a well which ceased and established as a candidate for well intervention through well test data and well cessation report
- (ii) Additional gas over and above established production trend based on well history of an under-performing well prior to intervention

Following operations shall be considered as Well Intervention:

- (a) **Intervention with rig:** Any operation carried out in a well to revive and/ or improve production involving removal of X-Mas tree and deployment of rig.
- (b) **Intervention without rig:** Only cases related to re-perforation, additional perforation and zone transfer resulting in increased gas production post-well intervention.

4.0 Methodology

4.1 The additional production shall be considered on the basis of production across all assets in nomination fields/ blocks of ONGC/OIL.

4.2 For the same ONGC/OIL will submit gas development plan for the new wells/ interventions in nomination fields of ONGC/OIL, as approved by the competent authority as per extant delegation of power, to DGH for information and audit as deemed fit.

4.3 Based on the data received from ONGC/OIL and after factoring in an annual average decline of 7.5% on production of 2022-23 and the subsequent corresponding previous years, DGH shall calculate the total quantity of gas eligible for recognition under the present modality.

4.4 DGH shall inform the quantity and locational profile of the gas eligible under the current modality to MoPNG for further allocation.

4.5 As per para 7 of the Notification dated 07.04.2023, this gas would be subject to Government's policy related to commercial utilization of natural gas. This gas shall be allocated separately from the APM gas by MoP&NG. The allocation shall be done for a period of 5 years with suitable take or pay obligation, as notified by MoPNG or as contractually agreed to.

4.6 Well-wise production and sale volume pertaining to the new well (para 2.1) or wells requiring intervention (para 3.1) shall be maintained along with the well test reports for such wells.

5.0 Reporting

5.1 Operator shall submit the self-certified monthly report to DGH and MoPNG containing production and sale volume realized from such new wells or well interventions. Government will have the right to ask the information and intervene. Following reports will be submitted as per the formats specified in *Annexure-1*:

(i) Monthly summary report

(ii) Monthly well wise details

5.2 All reporting should be through online Petroleum Resource Management System (PRMS) of DGH.

5.3 All the relevant details related to new wells and well intervention but not limited to incremental production, sales, allocation, well cessation report etc, should be provided to DGH periodically. Operator shall submit such information to DGH on monthly basis on self-certification basis

5.4 On receipt of such reports, DGH shall promptly review them. If there are any irregularities, DGH shall suitably inform MoPNG along with recommendations on proposed actions.

5.5 DGH shall conduct annual sample checks.

(ii) Monthly well-wise details for new well or well intervention gas

Asset: _____

Month: _____ Year _____

New Wells			
S.NO	Well Name	Production (MMSCM)	Sale (MMSCM)
1			
2			
	TOTAL		

Well Intervention				
S.NO	Well Name	Production (MMSCM)		Sale (MMSCM)
		Before Well Intervention	After Well Intervention	
1				
2				
	TOTAL			

Note: Relevant documents / information/ reports are required to be maintained.