

**Key Changes in Terms and Conditions of MRSC for OALP Bid Round-II**

<b>Sl.No.</b>	<b>Article No.</b>	<b><u>Existing Provisions</u></b>	<b><u>Amended Provisions</u></b>
<b>1</b>	<b>Arm's Length Sales</b>		
	<b><u>Art 1.1.7</u></b>	<p>“Arm’s Length Sales” means sales made freely in the open market, in freely convertible currencies, between willing and unrelated sellers and buyers and in which such buyers and sellers have no contractual or other relationship, directly or indirectly, or any common or joint interest as is reasonably likely to influence selling prices and shall, inter alia, exclude sales (whether direct or indirect, through brokers or otherwise) involving Affiliates, sales between Members which are Parties to this Contract, sales between governments and government-owned entities, counter trades, restricted or distress sales, sales involving barter arrangements and generally any transactions motivated in whole or in part by considerations other than normal commercial practices.</p>	<p>“Arm’s Length Sales” shall mean, for the purpose of this Contract, the sales of Petroleum carried out between buyer and seller parties, not being the same legal entity, following a transparent and competitive bidding process according to procedure as prescribed by DGH.</p>
	Art. 17.5	<p>The Contractor has to ensure a fully transparent and competitive process for sale of crude oil, condensate and natural gas with the objective that the best possible price is realized, to the benefit of all parties to this Contract, without any restrictive commercial practices following the principles of arm’s length sales. An advertisement / Notice Inviting Tender (NIT) / e-Tender should be notified widely by the Contractor, in at least one</p>	<p>The Contractor has to ensure a fully transparent and competitive process for sale of crude oil, condensate and natural gas with the objective that the best possible price is realized, to the benefit of all parties to this Contract, without any restrictive commercial practices following the principles of arm’s length sales in accordance with the procedures to be notified by DGH, through an electronic portal operated by an authorized agency of Government. An advertisement / Notice Inviting Tender (NIT) / e-Tender should be notified widely by the Contractor, in at least</p>

		local language daily newspaper and one English language national daily newspaper and other suitable electronic media, mentioning inter-alia the quality and quantity of petroleum available for sale. Detailed information on the evaluation criteria to be used along with broad salient features of Sale Agreement to be executed by the buyer shall also be made known and sufficient time is to be allowed to ensure maximum participation of all likely buyers in this process. The information regarding the final agreement reached by the buyer shall be hosted on the Contractor's / Operator's website and also communicated to DGH / Government.	one local language daily newspaper and one English language national daily newspaper and other suitable electronic media, mentioning inter-alia the quality and quantity of petroleum available for sale. Detailed information on the evaluation criteria to be used along with broad salient features of sale agreement to be executed by the buyer shall also be made known and sufficient time is to be allowed to ensure maximum participation of all likely buyers in this process. The information regarding the final agreement reached by the buyer shall be hosted on the Contractor's / Operator's website and also communicated to DGH / Government. Following the process as above will be sufficient to establish sales on Arm's Length Sale basis irrespective of the nature of relationship between buyer and seller.
	17.6	Sale of Petroleum to any affiliate of the Contractor is permitted, provided that, an Affiliate of the Contractor can participate in the transparent bidding process, and would be allowed to be the purchaser only in the event its bid price at which it would be purchasing the Petroleum is higher than all other bidders or entities to which the Contractor may be selling the Petroleum. Any sale under this clause shall be carried out on an Arm's Length Sale basis.	Sale of Petroleum to any Affiliate of the Contractor is permitted, provided that, an Affiliate of the Contractor can participate in the transparent bidding process, and would be allowed to be the purchaser only in the event its bid price at which it would be purchasing the Petroleum is higher than all other bidders or entities to which the Contractor may be selling the Petroleum. Any sale following such transparent bidding process under the clause 17.5 shall be deemed to be carried out on an Arm's Length Sales basis.
<b>2</b>	<b>Swapping of 2D and 3D Seismic Data</b>		
	Art. 5.5 para 3	Government (acting through DGH) shall approve the swapping of 2D Acquisition, Processing and Interpretation data and 3D Acquisition, Processing and Interpretation data with each other where it is	DGH shall approve the swapping of 2D Acquisition, Processing and Interpretation data and 3D Acquisition, Processing and Interpretation data with each other, in a manner such that the

		justified on the basis of technical and logistical merits, after proper scrutiny on recommendation of MC. The basis of conversion will be 1sq Km (SKM) of 3D would be equivalent to 10 Line Kilometer (LKM) of 2D. However, the Contractor cannot swap 2D to 3D or 3D to 2D if he has already committed for full area 3D or 2D respectively.	weighted seismic programme quoted and the marks obtained at the time of bidding remains the same or are higher.
<b>3</b>	<b>Discovery Area extends beyond Development Area designated in the FDP:</b>		
Art. 10.17	In the event the area encompassing the Discovery extends beyond the Development Area designated in the Field Development Plan, either within the original Contract Area but subsequently relinquished or, outside the original Contract Area, then the Contractor shall notify the Management Committee of the same and the Management Committee may make recommendations to the Government concerning enlargement of the Development Area, provided the same was not awarded to any other company by the Government or is not held by any other party and is clearly available, not on offer by the Government and no application for a License or Lease is pending with the Government. However, in case the area is held by any other party or on offer by the Government or application for License or Lease is pending with the Government, the Management Committee shall notify the same to the Government for further action on the matter. Government may consider such	In the event the Reservoir of the Discovery extends beyond the Development Area designated in the Field Development Plan, either within the original Contract Area but subsequently relinquished or, outside the original Contract Area, then the Contractor shall notify the DGH of the same.	<p><i>In case the area is not held by any other party, no application of license or lease is pending with the Government or on offer by the Government, the Government may grant the extension of the Development Area for the purpose of development on terms and conditions in accordance with method of Unit Development applicable in such cases, to be notified by Government.</i></p> <p><u>In case the area is held by any other party, Government may direct joint development of the reservoir as provided in Article 12 (Unit Development).</u></p>

		request for extension at its sole discretion and on terms and conditions, which it may consider fit.	
10.20		There is no such Article in the MRSC at present	A failure of the Contractor to notify the DGH about any extension in the Reservoir of the Discovery area outside its Contract Area as required under Article 10.17, shall be considered a material breach of the Contract and the provision of Article 28.3 (j) shall apply accordingly.
Art. 12.4		In the event the FDP has already been submitted by the Contractor, and the Contractor determines that the Discovery extends into the areas developed by another entity authorized by the Government, it shall promptly notify the Government of the same within fifteen (15) Days of such Discovery.	In the event the FDP has already been submitted by the Contractor, and the Contractor subsequently comes to know that Reservoir of the Discovery extends into areas outside its Contract Area being developed by Other Contractor authorized by the Government, it shall promptly notify the DGH of the same within fifteen (15) Days of knowledge of such extension.
Art. 12.5		In the event the Contractor determines that the Reservoir in its Contract Area is extending into the areas already being developed by another entity authorized by the Government (such Contract Area into which the Reservoir extends hereinafter referred to as "Other Contract Area", and such other Block hereinafter referred to as "Other Block", and such other entity hereinafter referred to as "Other Contractor"), then the Contractor shall submit an application for joint development of the Reservoir ("Joint Development Application") to the Government (acting through DGH) providing: (i) details of the Reservoir, (ii) details relating to the area falling in the Other Block, (iii) all such other data and information that the Contractor may determine to be relevant. The Contractor shall provide a copy of the Joint Development	In the event the Contractor comes to know that the Reservoir of the Discovery is extending into the areas already being developed by Other Contractor authorized by the Government (such Contract Area into which the Reservoir extends hereinafter referred to as "Other Contract Area", and such other Block hereinafter referred to as "Other Block"), then the Contractor shall submit an application for joint development of the Reservoir ("Joint Development Application") to the Government (acting through DGH) providing: (i) details of the Reservoir, (ii) details relating to the area falling in the Other Block, (iii) all such other data and information that the Contractor may determine to be relevant. The Contractor shall provide a copy of the Joint Development Application to the Other Contractor prior to or at the time of its submission to the Government.

		Application to the Other Contractor prior to or at the time of its submission to the Government.	
<b>4</b>	<b>Reasons to Terminate the Contract by the Government-</b>		
Art. 28.3	<p>This Contract may, subject to the provisions herein below and Article 30, be terminated by the Government upon giving 90 (ninety) days written notice with reasons to the other Parties of its intention to do so in the following circumstance, namely the Contractor or a Member comprising the Contractor (“Defaulting Party”):</p> <ul style="list-style-type: none"> <li>(a) has knowingly submitted any false statement to the Government in any manner which was a material consideration in the execution of this Contract; or</li> <li>(b) has intentionally and knowingly extracted or authorized the extraction of hydrocarbon not authorized to be extracted by the Contract or without the authority of the Government or</li> <li>(c) is adjudged bankrupt by a competent court or enters into or scheme of composition with its creditors or takes advantage of any law for the benefit of debtors; or</li> <li>(d) has passed a resolution to apply to a competent court for liquidation of the Member unless the liquidation is for the purpose of amalgamation or</li> </ul>	<p>This Contract may, subject to the provisions herein below and Article 30, be terminated by the Government upon giving 90 (ninety) days written notice with reasons to the other Parties of its intention to do so in the following circumstance, namely the Contractor or a Member comprising the Contractor (“Defaulting Party”):</p> <ul style="list-style-type: none"> <li>(a) has knowingly submitted any false statement to the Government in any manner which was a material consideration in the execution of this Contract; or</li> <li>(b) has intentionally and knowingly extracted or authorized the extraction of hydrocarbon not authorized to be extracted by the Contract or without the permission of the Government or</li> <li>(c) is adjudged bankrupt by a competent court or enters into or scheme of composition with its creditors or takes advantage of any law for the benefit of debtors; or</li> <li>(d) has passed a resolution to apply to a competent court for liquidation of the Member unless the liquidation is for the purpose of amalgamation or reconstruction of which the Government has been given notice and the Government is satisfied that the Member’s performance under this Contract would not be adversely affected thereby and has given its approval thereto; or</li> </ul>	

		<p>reconstruction of which the Government has been given notice and the Government is satisfied that the Member's performance under this Contract would not be adversely affected thereby and has given its approval thereto; or</p> <p>(e) has assigned any interest in the Contract or part thereof without the prior written consent of the Government as provided in Article 26; or</p> <p>(f) has failed to comply with any final determination or award made by a sole expert or arbitrators subject to Article 31; or</p> <p>(g) has failed to carry out or observe any of the terms and conditions of the License or Lease or the provisions of any Applicable Law in force thereunder, subject however, to Article 29; or</p> <p>(h) on notice of termination as provided in Article 27.6; or</p> <p>(i) has failed to submit the FDP in accordance with the terms of this Contract; or</p> <p>(j) committed a material breach by the Contract of its obligations under the Contract and such breach is not</p>	<p>(e) has assigned any interest in the Contract or part thereof without the prior written consent of the Government as provided in Article 26; or</p> <p>(f) has failed to comply with any final determination or award made by a sole expert or arbitrators subject to Article 31; or</p> <p>(g) has failed to carry out or observe any of the terms and conditions of the License or Lease or the provisions of any Applicable Law in force thereunder, subject however, to Article 29; or</p> <p>(h) on notice of termination as provided in Article 27.6; or</p> <p>(i) has failed to submit the FDP in accordance with the terms of this Contract; or</p> <p>(j) committed a material breach of the Contract ; or</p> <p>(k) has failed to make any monetary payment required by law or under this Contract by the due date or within such further period after the due date as may thereafter be specified by the Government.</p>
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<b>5</b>	<b>Guidelines to settle dispute among Government Companies and with the Government</b>		
	Art. 31.14	No such article exists in MRSC	Notwithstanding anything contrary contained herein above, in the event of dispute among Government Company (ies) [as defined in the Companies Act, 2013] and with the Government, such disputes shall be settled in accordance with guidelines issued on the subject by Government from time to time.