

**FORMAT FOR SUBMISSION OF BIDS  
FOR  
EXPLORATION AND PRODUCTION  
OF  
COAL BED METHANE - FOURTH OFFER  
(CBM-IV)**

**FORMAT FOR SUBMISSION OF BIDS  
FOR CBM BLOCKS OFFERED UNDER CBM-IV**

The bid application, in duplicate should provide the following information in such form and detail as specified. If needed, please attach additional documentation to provide clarity to the application. In case of a consortium bid, please ensure that all parties of the consortium complete the corporate/financial information outlined in Section III. Please read this bid format along with the contract terms in brochure "**Notice Inviting Offers (NIO) for Exploration and Production of Coal Bed Methane**", as well as the **Model Contract** while formulating your bid proposal.

The interested bidders should purchase the information docket and data packages from the Directorate General of Hydrocarbons (DGH) at the address given in NIO for the purpose of bidding for CBM blocks. Bids submitted by bidders without purchase of the information docket and data packages from DGH will not be considered and evaluated.

**I. BIDDER COMPANY/CONSORTIUM:**

**(a) COMPOSITION :**

Sl. No.	NAME OF APPLICANTS	PROPOSED PERCENTAGE OF PARTICIPATING INTEREST
1.		
2.		
3.		
4.		
5.		

**(b) OPERATOR**

NAME OF PROPOSED OPERATOR	PROPOSED PERCENTAGE OF PARTICIPATING INTEREST
1.	

**Note:** Please note that in case of a consortium bid, no member of consortium should have less than 10% participating interest.

**(II) DESCRIPTION OF BLOCKS(S) BID FOR:**

(To be taken from the brochure of Notice Inviting Offers and Information Docket)

No	BLOCK NO.	NAME OF BLOCK	AREA OF THE BLOCK (SQ. KMS.)	CO-ORDINATES OF THE BLOCK

### III. 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 the following information:

- |     |  |   |  |
|-----|--|---|--|
| (a) | The bidding company's legal name   | : |  |
| (b) | In case of consortium bid, name(s) of the Operator(s) of the consortium  | : |  |
| (c) | Place of incorporation or registration   | : | Place... State...Country...                              |
| (d) | Authorised representative of the company or the consortium for communication on the bid  | : | Name<br>Designation                                      |
| (e) | Address of the authorised representative   | : | Address .....<br>Tele. ....<br>Fax .....<br>E-Mail ..... |
| (f) | Name and address of Chairman<br>Name Address of Directors  | : | Name .....<br>Address. ....                              |
| (g) | The name and address of the Chief Executive Officer  | : | Name .....<br>Designation .....<br>Address .....         |
| (h) | Name and address of shareholders holding more than 10% of company's stocks   | : | Name .....<br>Address .....                              |
| (i) | If parent company guarantee is proposed then indicate percentage shareholding of parent company in the company   | : | .....  |
| (j) | Name(s) and address(es) of parent company(ies) (where applicable)  | : | Name .....<br>Address .....<br>Fax .....<br>E-mail ..... |
| (k) | The business activities of the company   | : |  |
| (l) | *Is Exploration and Production (E&P) activity included in the Memorandum and Articles of Association of the company? (Please provide Certificate of Incorporation and a copy of the Memorandum and Articles of Association as applicable)                                      | : | Yes/No   |
| (m) | *The bidding company's financial structure   |   |  |
|     | Current authorised capital   | : | .....  |
|     | Subscribed authorised capital stock  | : | .....  |
|     | Paid-up capital  | : | .....  |
|     | (The company should submit the audited balance sheets and profit & loss statements along with schedule of notes forming part of balance sheet for the last three years. In case of parent company guarantee, this information should also be provided for parent Company also) |   |  |

- (n) The experience of parent and affiliated companies in  
i) E&P of oil and gas in last 5 years : .....
- ii) CBM operations in last 5 years : .....
- (o) The experience of the company as an operator in  
i) E&P of oil/gas in last 5 years : .....
- ii) CBM projects in last 5 years : .....
- (p) Number of total corporate employees of the : .....
- company with details of technical staff
- (q) Number of employees engaged in  
i) E&P of oil and gas : .....
- ii) CBM operations : .....
- (r) \*Details of judgements/arbitral awards against : .....
- company or consortium members or any  
Corporate member of the group of companies  
to which bidder belongs in the past 10 years.  
Please mention the nature of the case
- (s) 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
- (t) Has the bidder earlier worked in India ? if yes, : .....
- provide details
- (u) Details of termination of or withdrawal from : .....
- any earlier Production Sharing Contracts / CBM  
contracts in India by the company or any member  
of the consortium

**\*In case, a company bids for more than one block, only two sets of documents as mentioned at Sl. No. (I)\*, (m)\* and (r)\* respectively will suffice. However, against other block bids, the Company should clearly mention the availability of the two sets of documents in the bid of a particular block to establish linkage for evaluation purposes.**

**(IV) DETAILS ON RESERVES, ACREAGE HOLDING & OTHER INFORMATION**  
**The bidding company and each of the companies in the case a consortium bid, is required to furnish the following information separately:**

**Name of the company:**

Sl. No.	Sub-criteria	
(i)	CBM Acreage holding (sq.km.)	The acreage holding for CBM and Oil & Gas separately should be given for the latest year.
	Oil & gas Acreage holding (sq.km.) (PEL)*	
(ii)	In-place CBM reserves (BCM)	CBM reserves in Billion Cubic Metre (BCM) and In-place Oil & Gas reserves in Million Barrel of oil equivalent (MMBOE) for the latest year should be provided
	In-place oil & gas reserves (MMBOE)	

(iii)	Average annual production of CBM for last 3 years (BCM)	Annual production of CBM and Oil & Gas should be provided for the last 3 years.
	Average annual production of oil & gas for last 3 years (MMBOE)	
(iv)	Bidder's experience as an operator in exploration and/or development and/or production of CBM (years)	Bidders must provide their experience as an operator separately for CBM and for Oil & Gas in last 5 years.
	Bidder's experience as an operator in exploration and/ or development and/ or production of oil & gas (years)	

\* Petroleum Exploration License (PEL)

**NOTE:**

1. Technical capabilities will be assessed on the strength of operator only.
2. The information about acreage holding, in-place reserves, average annual production figures and bidder's experience as an operator etc., available in public domain (source to be specified) and certified by the concerned CEO of the proposed operator company will be considered.

**(V) INFORMATION ON FINANCIAL CAPABILITY :**

- i) The bidder, in respect of each of the bidding company shall be required to furnish a certificate from its statutory auditor (s) that the net worth of the bidding company is equal or more than their share of expenditure of the minimum work programme commitment of exploration Phase-I & II
- ii) In case, the certificate is based on the financial capability of the parent company, the parent company guarantee shall be furnished by the company.
- iii) The net worth will be calculated in accordance with the method given below in the Table. The information should be based on latest audited annual reports for the last three (3) consecutive years. In case, a bidding company has different statutory auditors in the last three years, the company has the option to submit such certificates from the latest statutory auditor (s) of the company in respect of previous three years.
- iv) In case, a bidding company either bidding alone or as a consortium happens to be the best ranked bidder for two or more blocks, the net worth of the company shall be required to be equal or more for aggregate value of all such blocks. In case, the company's net worth is less than the minimum work programme commitment for such blocks, the bids will be considered in order of priority given by that company in their bids for respective blocks.

**Networth Computation**

**Name of the Company :**

<b>Sub-criteria (For the previous 3 years)</b>		<b>I Previous Year</b>	<b>II Previous Year</b>	<b>III Previous Year</b>
a)	Paid up capital in US\$ MM			
b)	Reserve and surplus in US\$ MM			
c)	Misc. expenditure to the extent not written off in US\$ MM			
d)	Equity = (a)+(b)-(c) in US\$ MM			
e)	Contingent liability on revenue account in US\$ MM			
(i) (ii) (iii) (iv) (v.....)	} Details to be annexed. Total Contingent liability on revenue account in US\$ MM			
f)		Net worth in US \$ MM (d - e)		

**Exchange rate used, if applicable, to convert figures in US\$ :**

**VI. THE FOLLOWING CONTRACT FEATURES NEED TO BE PROVIDED BY THE BIDDER. THESE ARE BID ITEMS AND ARE TO BE PROVIDED FOR EACH BLOCK :**

**(a) NAME OF PROPOSED OPERATOR:**

**(b) CONTRACT EXPLORATION PHASES:**

In respect of the following Contract Phase, please specify the minimum work obligation for each phase. The Exploration Phase (Phase-I) will be up to two (2) consecutive years. This will be followed by Pilot Assessment, Market Survey and Commitment Phase for a period up to three (3) consecutive Contract Years. This will be followed by Development Phase of five (5) Contract Years. The final Production Phase (Phase-IV) shall be for twenty five (25) Contract Years. The company will have the option to terminate the Contract at the end of Phase- I and Phase-II.

**(c) MINIMUM WORK OBLIGATION FOR EACH PHASE:**

Precise numbers of Core holes & Pilot wells (with minimum stated objective depths) in terms of minimum work obligation for each of the phases and any other work considered necessary by the bidder are biddable. Other activities as indicated in the following table are mandatory. An analysis of CBM potential in different seams should also be indicated. Although, there would be no minimum expenditure obligation in the Contract, a realistic estimate of the expenditure (in US Dollars), required to compute minimum work obligation, should be indicated. Please note that contingent or conditional work programmes and work programmes not precisely specified shall not be considered while evaluating bids.

	<b>Phase</b>	<b>Physical Quality</b>	<b>Estimated Expenditure (US\$)</b>
<b>A</b>	<b>PHASE-I (EXPLORATION PHASE)</b>		
(i)	Exploratory Core hole drilling including Geophysical logging (Core hole should penetrate the technical basement i.e. at least 5 meter thick sediments below the deepest coal seam )	No. of core holes to be drilled and completed.....	
(ii)	Analysis of coal grade, rank, cleat spacing of core samples obtained during Core hole drilling	Mandatory	
(iii)	Gas content analysis of coal core samples	Mandatory	
(iv)	Injection/ Fall off test in the Core hole for carrying out permeability test and reservoir simulation study		
(v)	Drilling of Test Wells* Drilling, completion, stimulation (hydro fracturing or cavitations etc.), well testing, dewatering (production testing) of the Test Wells. Forecasting of CBM gas production and water based on the results of reservoir simulation, hydro-geological studies and Preliminary economic assessment.	Mandatory (at least 2 Test wells should penetrate the technical basement i.e. at least 5 meter thick sediments below the deepest coal seam)	
(vi)	Any other work considered necessary by the bidder subject to acceptance by the Evaluation Committee	To be specified by the bidder	
(vii)	Submission of reports: 1. At the end of Core hole drilling, testing and studies 2. On the results of drilling and production testing of committed production Test Wells	Mandatory Mandatory	
<b>B</b>	<b>PHASE-II</b>		
(a)	Drilling of sufficient pilot wells.	No. of clusters..... No. of wells per cluster.....	
(b)	Techno-economic feasibility report and full scale commercial development plan.	Mandatory	
(c)	Market surveys and commitments.	Mandatory	

	<b>Phase</b>	<b>Physical Quality</b>	<b>Estimated Expenditure (US\$)</b>
<b>C</b>	<p><b>PHASE-III</b></p> <p>Development well drilling plan and establishment of field facilities. This information is mandatory and to be submitted in the bid.</p> <p><b>Note:</b> No weightage points have been considered for Development Phase (Phase-III). However, bidders will have to indicate a Development plan, which will include the number of Development wells proposed to be drilled and establishment of field facilities based on their assessment of the prospectiveness of the block(s)</p>	Mandatory	

\*The Test well(s), if successful, can be considered as part of cluster wells during Pilot Assessment Phase (Phase-II).

**Notes:**

1. As regards drilling, please note that the evaluation will be based on the committed number of Core holes, Pilot wells and any other work considered necessary by the bidder subject to acceptance by the Evaluation Committee. Any contingent exploratory drilling will not be considered for evaluation.
2. Please indicate firm work commitments for Phase-I and Phase-II.
3. Please indicate company's willingness to establish infrastructure facilities for gas utilization.

**VII BIDDABLE ITEM - PRODUCTION LEVEL PAYMENT (PLP) TO CENTRAL GOVERNMENT AT DIFFERENT PRODUCTION SLABS**

Bidders are required to bid for ad-valorem Production Level Payment (PLP), payable to the Central Government, at two different production tranches, one at the lowest tranche **up to 0.500 MMSCMD** of CBM Production rate and the other at the highest tranche of **2.000 MMSCMD or above** of CBM Production rate.

Sl. No.	PRODUCTION LEVEL (MMSCMD)	RATE OF ROYALTY PAYABLE (%)	PRODUCTION LEVEL PAYMENT (PLP) %	
1.	Upto 0.500	10	Biddable	say "X"
2.	2.000 or above	10	Biddable	say "Y"

**Note:** (i) The PLP will be payable as applicable. Please refer the Appendix G of the Model Contract for illustration.

(ii) Fiscal package would be evaluated on two biddable parameters, viz, Government's share of Production Level Payment (PLP) " X" at the lowest tranche (up to 0.500 MMSCMD of CBM Production rate) and " Y" at the highest tranche (2.000 MMSCMD or above of CBM Production rate) with the stipulation that "Y" should always be higher than "X". The Government's share ("Z") in between 0.500 MMSCMD and 2.000 MMSCMD at 'b' MMSCMD would be calculated on a linear scale with positive slope as per following formula:

$$Z = X + [(Y-X) * (b-0.5)/1.5]$$

**VIII. WHERE A COMPANY OR A CONSORTIUM HAS SUBMITTED BIDS FOR MORE THAN ONE BLOCK, PRIORITY RANKING IN TERMS OF THE COMPANY/ CONSORTIUM'S RELATIVE INTEREST IN THE DIFFERENT BLOCKS FOR THE PURPOSE OF NETWORTH ELIGIBILITY (AS DESCRIBED IN PARA V ABOVE) SHOULD BE INDICATED AS FOLLOWS:**

Sl. No.	Reference to		Priority Ranking
	Block Name(s)	Block No.(s)	
			1
			2
			-
			n

**(IX) OTHER INFORMATION:**

A bidding group of two or more companies shall enclose a draft of the operating agreement agreed upon by each of the companies comprising the bidding group along with their bidding agreement.

The bidders are requested to compile the following information based on their analysis of data available in Data Packages/Information Dockets or any other source and submit in the bid:

- For each block, an account of the regional position of the block in the coalfield, and geological setting within the basin.
- A written summary on assessment of CBM Reserves as estimated by the bidder for each block.
- Geological Cross Sections
- Stratigraphy and lithology of coal measures
- Isopach maps of major targeted Coal seams
- Desorption and adsorption isotherm
- Hydrostatic pressure at major targeted coal seams
- Porosity, permeability and diffusion coefficients of coal seams
- Undiscovered Reserves Summary (in the format below)

**Notes:**

- (i) Bids not submitted in this format covering all the relevant information listed above are liable to be rejected.
- (ii) No unsolicited proposal from the bidder for change in any of the bids terms proposed by it shall be entertained after submission of the bid.
- (iii) Any assumptions/ deviations in a bid which are inconsistent with the contract terms listed in the brochure ("**Notice Inviting Offer for exploration for CBM Block**") may render the bid liable for rejection.
- (iv) Government at its discretion reserves the right to accept or reject any or all the bids without assigning any reasons, whatsoever.
- (v) Government reserves the right to ask any clarification/ additional information to enable proper evaluation of the bid.

## CHECK LIST OF DOCUMENTS

- 1 Letter of presentation and commitment from the bidding company and from parent company, where applicable.
2. Certificate from statutory auditor of the bidding company regarding network.
3. Documents evidencing the legal existence of bidder (including article of association and memorandum and certificate of incorporation/ registration).
4. Audited Annual reports, Balance sheets and Profit and Loss Statements along with schedule of notes forming part of balance sheet in English language for the last 3 years, with opinion of qualified independent auditor(s).
5. Operator's technical and administrative personnel.
6. Ample and sufficient power-of-attorney granted to a legal representative/ authorized representative of company or leader of consortium.
7. Consortium or association agreement, where applicable.
8. Document whereby the parent company knows and endorses the bid and the contractual obligations of its affiliate or subsidiary, where applicable.
9. Minimum work programme implementation plan offered in Phase-I & II.
10. Proof of Purchase of Data Package/ Information Docket as per NIO and Price List.