



**FORMAT FOR SUBMISSION OF BIDS
FOR
EXPLORATION AND PRODUCTION
OF
COALBED METHANE**

THIRD OFFER OF BLOCKS

**Ministry of Petroleum & Natural Gas
GOVERNMENT OF INDIA
2006**

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

The bid application, in duplicate should provide the following information in such form and detail as specified. If needed, please attach additional documentation and 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 Coalbed 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 INTEREST
1.		
2.		
3.		
4.		
5.		

(b) OPERATOR

NAME OF PROPOSED OPERATOR	PROPOSED PERCENTAGE 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)

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 this information.

- (a) The bidding company's legal name :
- (b) In case of consortium bid, name of the Operator of the consortium :
- (c) Place of incorporation or registration : Place State Country
- (d) Authorised representative of the company or the consortium for communication/ negotiation on the bid : Name Designation
- (e) Address of the authorised representative : Address
Tele.
Facsimile ...
E-Mail
- (f) Name and address of Chairman Name : Name
Address of Directors Address.
- (g) The name and address of the Chief Executive : Name
Designation
Address
- (h) Name and address of shareholders holding more than 10% of company's stocks : Name
Address
- (i) If parent company guarantee is proposed then indicate percentage shareholding of parent company in the company :
- (j) Name(s) and address of parent company(ies) (where applicable) : Name
Address
Facsimile
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 companies 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 S.No. (l)*, (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 of a consortium bid, is required to furnish the following information separately:

Name of the company:

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

(iii)	Average annual production of oil & gas for last 3 years (MMBOE)	Annual production of oil and gas and CBM should be provided for the last 3 years.
	Average annual production of CBM for last 3 years (BCM)	
(iv)	Bidder's experience as an operator in exploration and / or development and / or production of oil & gas (years)	Bidders must provide their experience as an operator separately for oil and gas and for CBM in last 5 years.
	Bidder's experience as an operator in exploration and / or development and / or production of CBM (years)	
(v)	Technical assessment by the bidder on Block(s)	To be provided by Bidders in their bids*

*(The information on the Technical Assessment by the bidder on Block(s) bid for should comprise information about the geological parameters upon which the bidder's application for a Block(s) is based, accompanied by structural maps, if feasible. The bidder shall also, in a separate enclosure, furnish a geological study of the area in a regional geological context. Further, the bidder will also provide information about the exploration strategy, prospectivity analysis, possible marketing plans, development and production strategy.)

(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 networth of the bidding company is equal or more than their share of expenditure of the minimum work programme commitment of exploration phase-I, IIA & IIB.
- ii) In case the certificate is based on the financial capability of the parent company, the parent company guarantee shall be required to be furnished by the company.
- iii) The networth 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 networth of the company shall be required to be equal or more for aggregate value of all such blocks. In case, the company's networth is less than the minimum work programme commitments 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 :

Sub-criteria (For the previous 3 years)		I Previous Year	II Previous Year	III Previous Year
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 Phases, please specify the minimum work obligation for each phase. The Exploration Phase (Phase-I) will be upto three (3) consecutive contract years. This will be followed by Pilot Assessment, Market Survey and Commitment Phase for a period upto five (5) 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 duration of each commitment Phase shall be bid and specified in the contract. The company will have the option to terminate the contract at the end of phase I and Phase II.

The bidder should bid for the contract period (not exceeding the specified maximum period mentioned above) and the time required in each of the Phases.

Phase I : _____ yrs.
 Phase II : _____ yrs.
 Phase III : _____ yrs.
 Phase IV : _____ yrs.
Total Period : _____ yrs.

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

Precise definition of minimum work obligation for each of the phase in terms of number of

exploration wells/ pilot assessment wells (with minimum stated objective depths) and analysis of CBM potential in different seams. Although there would be no minimum expenditure obligation in the contract, a realistic estimate of the expenditure (in US Dollars) required to compute the minimum work obligation should be indicated. Please note that contingent or conditional work programmes or work programmes not precisely specified shall not be considered while evaluating bids.

	Phase	Physical Quality	Estimated Expenditure (US\$)
A	PHASE-I		
1.	Detailed geological, laboratory & engineering studies including selection of core hole sites.	Mandatory	
2.	Drilling of coreholes and related studies (at least one corehole should penetrate the technical basement)*. *At least 5m. thick sediments below the mutually agreed deepest coal seam formation.		
i)	Exploratory corehole drilling including geophysical logging (depth of each well in metres)	No. of coreholes to be drilled and completed.....	
ii)	Analysis of coal grade, rank, cleat spacing of core samples obtained during corehole drilling.	No. of samples per corehole to be analysed.....	
iii)	Gas content analysis of coal samples by desorption and adsorption studies.	No. of samples per corehole to be subjected to desorption/adsorption studies.	
iv)	Injection/Fall off test in the coreholes for carrying out permeability study and reservoir simulation leading to forecasting of CBM gas and water productions	No. of test per corehole and No. of wells to be tested.	
3.	Drilling, completion, stimulation (hydrofracturing or cavitation etc.), well testing, dewatering (production testing) of the test wells. Forecasting of CBM gas and water based on the results of reservoir simulation, hydro-geological studies, Preliminary Economic assessment.*	No. of wells to be drilled, completed and tested.....	

	Phase	Physical Quality	Estimated Expenditure (US\$)
4.	Any other work considered necessary by the bidder subject to acceptance by the Evaluation Committee.	To be indicated	
5.	Accelerated Exploration Commitment	Reduction in period in multiples of 6 months.....	
6.	<p>Technical assessment of the bidded block by the bidder. This assessment by the bidder is mandatory and to be submitted in the bid.</p> <p>Submission of reports:</p> <p>1. At the end of corehole drilling, testing and studies.</p> <p>2. On the results of drilling and production testing of committed production test wells</p>	<p>The bidder should indicate prospect rating of the bidded block as high, medium, fair and low with full technical and ecological justification.</p> <p>Mandatory</p>	
B.	<u>PHASE-II A</u>		
a)	Drilling of sufficient pilot wells.	No. of clusters..... No. of wells per cluster.....	
b)	Accelerated commitments	Reduction in period in multiple of 6 months.....	
	<u>PHASE-IIB</u>		
c)	Techno-economic feasibility report and full scale commercial development plan.	Mandatory	
d)	Market surveys and commitments.	Mandatory	

	Phase	Physical Quality	Estimated Expenditure (US\$)
C.	<p><u>PHASE-III</u></p> <p>Development well drilling plan and establishment of field facilities. This information is mandatory and to be submitted in the bid.</p> <p>Note : 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>		

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

Notes:

1. As regards drilling, please note that the evaluation will be based on the committed number of corehole, Test/Pilot wells only and 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 utilisation.

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

Bidders are required to bid for ad-valorem Production Level Payments (PLP), payable to the Central Government, at different production slabs on a sliding scale based on every zero point five (0.5) Million Standard Cubic Metre Per Day (MMSCMD) of incremental production.

Sl. No.	PRODUCTION LEVEL (MMSCMD)	RATE OF ROYALTY PAYABLE (%)	PRODUCTION LEVEL PAYMENT (PLP) % (BIDDABLE)
1	Upto 0.5	10	Biddable
2	0.5 to 1.0	10	Biddable
3	1.0 to 1.5	10	Biddable
4	1.5 to 2.0	10	Biddable
5	2.0 to 2.5	10	Biddable
6	2.5 to 3.0	10	Biddable
7	3.0 to 3.5	10	Biddable
8	3.5 to 4.0	10	Biddable
9	4.0 to 4.5	10	Biddable
10	4.5 to 5.0	10	Biddable
11	5.0 – and above	10	Biddable

Note: The PLP will be payable as applicable in each of the slab. Please refer the Appendix G of the Model Contract for illustration.

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 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 Docket 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 Reserve Summary (in the format below)

Undiscovered Reserve summary for each block

Block No.:

Table 1

Formation	Coal Seam Nos. and Thickness (in mts)	Depth of occurrence of seams (in mts)	Gas Content (m3/t)	Rank / Grade of Coal	Ash%	Vitrinite Reflectance Ro max%	Calorific Value (BTU)

Seam No.	Hydrostatic Pressure	Hydrostatic Gradient	Permeability

Original Coalbed Methane in place
Within Block

Notes :

- (i) The bidder is expected to provide the information as described above in as much detail as possible so as to facilitate evaluation of the bid. Wherever this is not possible, the reasons therefor must be specified.
- (ii) Bids not submitted in this format covering all the relevant information listed above are liable to be rejected.
- (iii) No unsolicited proposal from the bidder for change in any of the bid terms proposed by it shall be entertained after submission of the bid.
- (iv) 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.
- (v) Government at its sole discretion reserves the right to accept or reject any or all the bids without assigning any reasons, whatsoever.
- (VI) 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/authorised 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.