

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2019

Course: Upstream O&G Law	Semester: V
Program: BA. LL.B (Hons) Energy Laws	Time: 03 hrs.
Course Code: CLEL30001	Max. Marks: 100

Instructions: Write brief conceptual or analytical answers, as required by the question.

S. No.	SECTION A		
	Objective type / Short Answer type memory based general questions (Any 5 questions, 5 x 2 =10)	Marks	CO
Q1	Which are the nodal (1) Ministry and (2) Agency, responsible for overall management of Oil and Gas Sector?	2	CO2
Q2	What is the difference between ownership/absolute ownership theory and non-ownership/exclusive right to use theory?	2	CO2
Q3	Why is Hydrocarbon Exploration and Licensing Policy (HELP) also called an open acreage policy?	2	CO2
Q4	What do you understand by upstream oil and gas sector?	2	CO2
Q5	Name some of the national and international companies operating in the upstream oil and gas sector?	2	CO2
Q6	Under which provisions of the Constitution of India do the Government has power with respect to oil and gas?	2	CO2

SECTION B

Short answer type Conceptual questions (Any 2 questions) 2 x 10 = 20

Q7	What are the main features of New Exploration and Licensing Policy (NELP)?	10	CO3
Q8	How is mutual/knock-for-knock indemnity different from simply indemnity? What were the English courts view with respect to mutual/knock-for-knock indemnity?	10	CO3
Q9	What rights do the Government of India has with respect to the Territorial Sea, Continental Shelf and Exclusive Economic Zone under Indian law?	10	CO2

SECTION-C			
Analytical questions (Any 2 questions) 2 x 10 = 20 marks			
Q10	Critically analyze the shortfalls in NELP which induced the Government of India to shift to Hydrocarbon Exploration and Licensing Policy (HELP)?	10	CO3
Q11	In view of the existing social, economic and political situation, is Revenue Sharing Contract (RSC) under HELP the best way forward for India to attract investment and achieve economic development?	10	CO3
Q12	How does NELP/PSC propose to maintain a balance between contractor's rights to operation & compensation and Government of India's obligation under Public Trust Doctrine?	10	CO4
SECTION-D Answer 50 marks worth of questions			
Q13	<p>A and B are owners of adjacent plots, with a common gas reservoir underlying their properties. A decided to exploit the resources. During the exploitation operation there was certain underground explosion caused due to the use of a new chemical for drilling. This drained a large quantities of gas from under B's land. A waited for few days for things to settle down, and then re-started his work.</p> <p>B filed a case against A claiming that the resources underneath his plot has been wrongly drained by A, and that B needs to be compensated for the same.</p> <p>13.1 What right does B have against A under: (i) Ownership in Places Theory and (ii) Non-ownership/Exclusive Right Theory? [10 marks]</p> <p>To make up for the losses, B decided to carry out lateral/sideway drilling into A property from/through his land so as to draw as much gas as possible from the common reservoir.</p> <p>13.2 This time A filled a suit for compensation against B for stealing his gas. B claimed he was carrying on the operation from his own land. Will A win the suit against B under the Ownership & Non-Ownership Theories? [5 marks]</p> <p>Subsequently, when the common reservoir underneath A& B property got exhausted, A decided to store cheap gas in the reservoir, and sale the same as and when the demand arose.</p> <p>13.3 B made a claim against A for using the part of the reservoir underlying his land, and not paying any rent for the use of the same. Will B win this case under the Non-Ownership Theories? [5 marks]</p>	20	CO4

Q14	<p>A and B have entered into a production sharing contract (PSC) with the Government of India for an offshore block D5 in the west coast of India. A has been appointed as the operator for the block under the PSC and has been carrying out operations for the last 3 years. A while carrying out the Minimum Work Program (MWP) struck gas in the block D5. A has made the discovery prior to the completion of the MWP and has now started its development operation so that they can start producing gas at the earliest. Government has claimed liquidated damages from A&B for failure to complete the MWP.</p> <p>In view of the above, answer any three of the following:</p> <p>14.1 What are the qualification required for a contractor to be eligible to be an operator under NELP IX, Notice Inviting Offer, and its relevance? [10 marks]</p> <p>14.2 Under the PSC and law do the Government has the right to claim liquidated damages for failure to complete the MWP in the above mentioned situation although A has discovered gas? Explain with suitable examples and justify your answer. [10 marks]</p> <p>14.3 What is MWP and what are the issues with MWP under PSC? [10]</p> <p>14.4 What do you understand by the concept of cost recovery, and what are the issues with respect to cost recovery under the PSC? [10]</p> <p>14.5 What are the various risk allocation measures provided under the PSC and in law to protect the interest of the Government and the Contractor? [10]</p>	30	CO4
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