
Glossary

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Appraisal Well	A well drilled out from the side of a discovery well to determine the area of a new field.
Approved Work Programme and Approved Budget	A Work Programme or Budget that has been approved by the Management Committee pursuant to the provisions of the Contract.
Barrel	A quantity or unit equal to 158.9074 litres (42 United States gallons) liquid measure, at a temperature of sixty degrees Fahrenheit and under one atmosphere pressure.
Condensate	Low vapour pressure hydrocarbons obtained from Natural Gas through condensation or extraction and refers solely to these hydrocarbons that are liquid at normal surface temperature and pressure conditions.
Crude Oil	“Crude Oil” or “Oil” or “Crude” means all kinds of hydrocarbons and bitumen both in solid and in liquid form, in their natural state or obtained from Natural Gas by condensation or extraction, including distillate and Condensate which commingled with the heavier hydrocarbons and delivered as a blend at the Delivery Point but excluding verified Natural Gas.
Development Plan	A plan submitted by the Contractor for the development of a Commercial Discovery, which has been approved by the Management Committee or the Government.
Development Well	A Well drilled, deepened or completed after the date of approval of the Development Plan pursuant to Development Operations or Production Operations for the purposes of producing Petroleum, increasing production, sustaining production or accelerating extraction of Petroleum including production Wells, injection Wells and dry Wells.
Discovery	The finding, during Petroleum Operations, of a deposit of Petroleum not previously known to have existed, which can be recovered at the surface in a flow measurable by conventional petroleum industry testing methods.
Discovery Area	That part of the Contract Area about which, based upon Discovery and the results obtained from a Well or Wells drilled in such part, the Contractor is of the opinion that Petroleum exists and is likely to be produced in commercial quantities.
Discovery well	An exploratory well that encounters a new and previously untapped hydrocarbon deposit.
Dry Docking	Dry docking is a term used for repairs or when a ship is taken to the service yard so that the submerged portions of the hull can be cleaned or inspected.
Exploration	The phase in which a possible hydrocarbon region is being investigated, either by geological or geophysical surveys or by exploratory drilling. Successful exploration is followed by appraisal and development.
Exploration Operations	Operations conducted in the Contract Area pursuant to the contract in searching for Petroleum and in the course of an Appraisal Programme and shall include but not be limited to aerial, geological, geophysical, geochemical, palaeontological, palynological, topographical and seismic

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	surveys, analysis, studies and their interpretation, investigations relating to the subsurface geology including structural test drilling, stratigraphic test drilling, drilling of Exploration Wells and Appraisal Wells and other related activities such as surveying, drill site preparation and all work necessarily connected therewith that is conducted in connection with Petroleum exploration.
Exploration Well	A well drilled for the purpose of searching for undiscovered Petroleum accumulations on any geological entity (be it of structural, stratigraphic, facies or pressure nature) to at least a depth or stratigraphic level specified in the Work Programme.
Field	An Oil Field or a Gas Field or combination of both as the case may be.
FPSO vessel	A ship that is stationed above or near an offshore oil field. Produced fluids from subsea completion wells are brought by flowlines to the vessel where they are separated and treated.
Gas Field	Within the Contract Area, a Natural Gas Reservoir or a group of Natural Gas Reservoirs within a common geological structure of feature.
Hydrocarbons	Organic chemical compounds of hydrogen and carbon atoms. There are a vast number of these compounds and they form the basis of all petroleum products. They may exist as gases, liquids or solids. An example of each is methane, hexane and asphalt.
Infill drilling	Drilling between producing wells in a developed field to produce petroleum at a faster rate.
Joint venture	A business or enterprise entered into by two or more partners. Joint venture leasing is a common practice. Usually the partner with the largest interest in the venture will be the operator.
Natural gas	“Natural Gas” means 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.
Operator	The Company who (a) is responsible for maintaining a producing lease & (b) is in charge of operations in working interest area.
Participating Interest	Participating Interest means, in respect of each Party constituting the Contractor, the undivided share expressed as a percentage of such Party’s participation in the rights and obligations under the Contract.
Production Sharing Contract	The Contract between Government and International/National Exploration & Production (E&P) Company. The E&P Company bears the cost of exploration, drilling and production. The E&P Company is reimbursed for expenditures from the sale of oil/gas. After reimbursement, the oil/gas proceed is split by an agreed formula.
Profit oil	Produced oil that split between a host company and a multinational company by an agreed formula after the multinational company has been reimbursed for expenditure.

Prospect	A location where both geological and economic conditions favor drilling a well.
Recovery factor	The percentage of oil and/or gas in place that will be produced from a reservoir.
Reserves	The calculated amount of gas and/or oil that is expected to be produced from a well /wells or a field. Proven reserves are calculated with reasonable certainty. Developed reserves can be produced from existing wells whereas undeveloped reserves cannot. Unproven reserves are not as certain due to technical and economic reasons as proven reserves. Probable and possible reserves are even less certain.
Reservoir	A naturally occurring discrete accumulation of Petroleum.
Royalty	Usually a fixed percentage of a specified crude or gas value per unit produced, to be paid to the host government. It is a fixed charge independent of profit or loss.
Site Restoration	All activities required to return a site to its state as of the Effective Date pursuant to the Contractors environmental impact study and approved by the Government or to render a site compatible with its intended after use (to the extent reasonable) after cessation of Petroleum Operations in relation thereto and shall include, where appropriate, proper abandonment of Wells or other facilities, removal of equipment, structures and debris, establishment of compatible contours and drainage, replacement of top soil, re-vegetation, slope stabilization, in-filling of excavations or any other appropriate actions in the circumstances.
Tertiary	A period of geological time from 65 to 1.8 million years ago. It is part of the Cenozoic Era.
Well	A hole drilled or bored into the earth, usually cased with metal pipe for the production of gas or oil. Also, a hole for the injection under pressure of water or gas into a subsurface rock formation.
Wellhead	The forged or cast steel fitting on the top of a well. It consists of casing heads located on the bottom and a tubing head on the top. It is bolted or welded to the top of the surface casing.
Work Programme	A work programme formulated for the purpose of carrying out Petroleum Operations.