

**Annexure-8**

(referred to in para 3.3.6 (i))

**Method adopted by different PSCs for calculation of wellhead value**

<b>Name of party/JV</b>	<b>Elements deducted from sale price for working out wellhead value of gas</b>
Panna-Mukta & Tapti	Transportation charges and processing charges, amortized processing and transportation investment (capital expenditure) and operating expenses for processing and transportation which are all in the nature of post wellhead expenditure.
Ravva	The actual expenditure in respect of transportation and treatment costs were aggregated in common cost pool and unit cost was determined by dividing the common transportation and treatment cost by total barrels of oil equivalent (i.e oil plus oil equivalent of gas) to arrive at post wellhead cost per BOE (Barrel of Oil Equivalent). This unit cost per BOE was then applied to arrive at cost per 1000 SCM' of gas, for the purpose of calculation of royalty on the gas.
Lakshmi	Routine production and treatment expenses, depreciation and interest on capital employed & royalty on gas.
ONGC	ONGC pays royalty on gas on sale price
OIL	Value of wellhead is derived backwards from sale price after deducting gas collection and compression cost.