

**UNIVERSITY OF PETROLEUM & ENERGY STUDIES  
DEHRADUN  
End Semester Examination – December, 2017**

**Program/course: M.Tech - PE**  
**Subject: Petroleum Law & Contract Administration**  
**Code : MBCG 726**  
**No. of page/s: 2**

**Semester : III**  
**Max. Marks : 100**  
**Duration: 3 Hours**

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**Section A- Objective type/Short answer questions -**

Comment on the following (Answer in one to two sentences) – State with reason whether true or false (2X5 =10 Marks) –

1. In case of natural love and affection between the parties there must be the existence of consideration.
2. Performance must be the given by the promisor alone and not by his agent.
3. Moral pressure is an example of undue influence.
4. There was no distinguishing feature of old concession in Middle East and USA.
5. There is just one type of joint venture agreement prevalent in the world in the oil and gas sector.

**Section B - Conceptual questions (20 Marks)**

6. Write short notes on the following (5 X2 = 10 Marks) –
  - (a) Instantaneous mode of communication
  - (b) Contract without consideration.
7. What do you understand with the minor's agreement? Write a note on the relevant case laws relating to minor's agreement. (5 Marks)
8. Distinguish between the fraud and misrepresentation. (5 Marks)

**Section C- Analytical type questions (20 Marks)**

9. Write a brief note on the historical aspect of the development of oil & gas sector. Point out the important historical legal development which shaped this sector. (10 Marks)
10. What do you understand with unitization? How does it play a role to facilitate the legal principles in the field of oil & gas laws?

**Section D- Application based/problem based/Case study (50 Marks)**

11. “Good Girl” Soap Co. advertised that it would give a reward of Rs.1,000 who developed skin disease after using, “Good Girl” soap of the company for a certain period according to the printed directions. Miss Rakhi purchased the advertised “Good Girl” and developed skin disease in spite of using this soap according to the printed instructions. She claimed reward of Rs.1,000. The company refused the reward on the ground that offer was not made to her and that in any case she had not communicated her acceptance of the offer. Decide whether Miss Rakhi can claim the reward or not. Refer the relevant case law, if any. (15Marks)
12. What do you understand with concessions? Elaborate. What are the points of similarity and differences between the old and modern concessions with regards to the following -
- (a) contract period
  - (b) Royalties
  - (c) Size of tracts
  - (d) Taxes (20 Marks)
13. Whether all kinds of agreements can be treated as a ‘contract’ under Indian Contract Act. Elaborate in the light of Balfour v Balfour case. (15 Marks)



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**Section A-** Objective type/Short answer questions -

Comment on the following (Answer in one to two sentences) – State with reason whether true or false (2X5 =10 Marks) –

1. Marriage Brokerage Contracts are the valid contract and not against the public policy.
2. A person who is of unsound mind cannot enter into the contract when he becomes sound minded.
3. All illegal agreements are void but vice versa are not true.
4. There is the concept of cost oil and profit oil in the case of modern concession.
5. The system of licensing is not prevalent in the area of oil & gas contracts.

**Section B** - Short Answer type question (20 Marks)

6. “A contract without consideration is void”. Discuss. (5 Marks)
7. What are the essentials of forming a valid legal contract in the eyes of Law? Discuss. (5 Marks)
8. Write a short note on the joint operating agreement.(5 Marks)
9. What do you communication of offer and acceptance? (5 Marks)

**Section C-** Analytical type questions (20 Marks)

1. Explain and analyse the Principles laid down in the following any one case.
  - a) Balfour V. Balfour
  - c) Lalman V. Gauri Dutt. (10 Marks)
10. What do you understand with the competency to contract? Describe with the help of case laws. (10 Marks)

**Section D-** Application based/problem based/Case study (50 Marks)

11. What are the points of differences between the old concession of Middle East and old concession of United States? (10 Marks)
12. “The rule of capture as prevalent in the oil & gas sector is not only confined to oil & gas as commodity. This is an internationally accepted rule which governs the laws relating to the oil & gas.” Elaborate with help of case laws various aspects of the rule of capture along with its exceptions. (20 Marks)
13. “The Contractor shall have the right to take and dispose of the certain quantity of Contract Crude Oil for each Calendar Month ... (herein referred to as “Cost Oil”) for the purpose of recovering its costs and expenses incurred in respect of Petroleum Operations. The quantity of Cost Oil which the Contractor shall have the right to take and dispose of in any Calendar Month shall be equal to that quantity of Contract Crude Oil which has a value equal to the aggregate of all Petroleum Costs incurred by the Contractor and allowed to be recovered pursuant to this Contract;...provided, however, that the Contractor shall not be entitled to any Cost Oil in excess of forty (40%) percent of the aggregate quantity of all Contract Crude Oil for any Calendar Month. All Petroleum Costs which remain unrecovered hereunder shall be carried forward until fully recovered in the succeeding Calendar Months.”
- Designate what kind of contractual arrangement between the parties. Elaborate the essential legal features of such arrangements. (20 Marks)