

No. -0-12012/60/2003-ONG/D-IV
Government of India
Ministry of Petroleum & Natural Gas

New Delhi, 23rd January, 2004

To

The Secretary (Mines),
Department of Geology and Mining,
Government of Arunachal Pradesh,
Itanagar.

Subject : Regrant of Petroleum Mining Lease to Oil India Limited for Ningru Block measuring an area of 540.668 sq.kms in Arunachal Pradesh.

Sir,

I am directed to refer to Oil India Limited's application dated 28th September, 2002 addressed to you and your letter recommending the case to this Ministry vide letter No.DGM/ML/OIL/77/96 (Pt.I)/2334-35 dated 28.8.2003 on the above subject and to convey the approval of Central Government for the regrant of a Petroleum Mining Lease (hereinafter referred to as "lease") under rule 5(I)(ii) of the Petroleum and Natural Gas Rules, 1959 (as amended from time to time) to Oil India Ltd., for the above said block/area bounded by the geographical limits as per appendix 'A' and to say that the lease shall be subject to the following terms and conditions in addition to such other terms and conditions as agreed under the Production Sharing Contract and/or deed/agreement signed, if any, in respect of the said block/area.

1. The Lease shall be in respect of Crude Oil and Natural Gas.
2. The lease shall be valid for a period of twenty years from the effective date i.e. 27.11.2003.
3. This Lease shall be subject to the provisions of the Oil Fields (Regulation & Development) Act, 1948 (53 of 1948) and the Petroleum & Natural Gas Rules, 1959 made there under as amended from time to time.
4. Royalty on Crude Oil, Condensate and Natural Gas shall be payable by the lessee as per the terms of Production Sharing Contract entered into

between the lessee and the Central Government in respect of the said block/area or at such rates as may be fixed, from time to time, by the Central Government in consultation with the State Government. The royalty shall be payable on monthly basis and shall be payable by the last day of the month succeeding the period in respect of which it is payable.

5. Immediately on demand or upon determination or relinquishment of any area covered by this lease, the Lessee shall furnish to the Central Government/DGH, through the State Government confidentially the complete records of data as specified in Rule 19(c) of the P&NG rules, 1959. The Lessee shall submit to Central Government, without fail every six month, the results of all operations, boring and test production.
6. Necessary approval from the Competent Authority should be obtained for the Reserve Forest Area(if any) falling in the leased area. "However, the Lessee may carryout surveys for oil exploration in the Reserved Forest area falling in such leased area without obtaining prior clearance of the Ministry of Environment and Forests, Government of India under the Forest(Conservation) Act, 1980 so long as the surveys do not involve cutting of tress. The Lessee shall, however, in no circumstance carryout such surveys in specially protected area like wildlife sanctuary, national park and preservation or sample plots demarcated by the Forest Department. (Ref. Letter No.11-28/86-FRY(CONS) dated 08.05.1986. Department of Environment, Forest & Wildlife, Government of India)".
7. If International companies or foreigners are entrusted with the task, the lessee may get security-vetting of these companies through the Cabinet Secretariat(Research & Analysis Wing) with help of this Ministry. The lessee shall also seek prior clearance from the Ministry of Home Affairs and Ministry of defence with the full particulars of the foreigner employees under intimation to this Ministry.
8. The lessee shall issue Identity cards to each of the employees. The system of checking identity cards of personnel will have to be strictly enforced.
9. Security to its employees both at the project site and en-route in insurgency-affected areas will be the responsibility of the lessee.
10. The lessee shall allow Government authorities to enter and inspect area for security checkup, if necessary.
11. Lessee shall not employee any foreign nationals surreptitiously in the area along the border.

12. No ground/aerial survey of the Defence VAs/VPs is permitted. Aerial survey, if any would be governed by the provision of Ministry of Defence Letter No. 18(8)82-D-(GS III) dated January 31, 1989.
13. Air Force areas falling within the zones embarked for delineation should be avoided.
14. For works in close vicinity of Indian Air Force units/installations and visit to these installations, if any, specific permission of air Hdqrs. should be obtained.
15. Any work within 500m of the perimeter of Air Force station should be intimated to Air Force authority atleast 10 days before commencement of activities.
16. No obstruction shall be erected higher than 15 mtrs. within 5 kms radius of Air Force Airfields and construction of any high mast/towers shall be carried out in consultation with the Air Force Authority.
17. Lessee shall execute a separate lease deed in respect of such other covenant, terms and conditions as per the prescribed format.



(N.C. Zakhup)

Under Secretary to the Govt. of India

Tel. : 2338 7849

Copy to:

1. Chairman & Managing Director,
Oil India Limited, 5 Sikandara Road, New Delhi.
2. Director General, Directorate General of Hydrocarbons, New Delhi
3. Guard File