



CIN U74899DL1994PLC063063
Production Sharing Contract Kharsang

GEPL/GOAP/2017/05

November 09, 2017

The Additional PCCF (Cons.) & Nodal Officer
Office of the PCCF
Department of Environment and Forests
Government of Arunachal Pradesh
Itanagar-791111

Kind Attn: Sh. D. Riba, CF (Cons.), O/o APPCF, Itanagar

Ref.:

1. Your letter no. FOR.14-9/Cons/2005/234 dated March 21, 2017
2. MOEF & CC letter no. F. No. 8-38/2015-FC dated September 27, 2017

Sub.: Proposal for granting of permission under Section 2 (iii) FC Act, 1980 towards re-grant of Kharsang Petroleum Mining Lease (PML) covering 9.94 Sq.Km. (originally proposed 11.00 Sq.Km.) in favour of M/s. GeoEnpro Petroleum Ltd., falling in Changlang District in State of Arunachal Pradesh.

Dear Sir,

This is with reference to the meeting held with CF (Cons.), O/o PCCF, Itanagar on November 8, 2017 regarding compliances stipulated in above referred MoEF&CC letter on the subject matter. After detailed deliberation and discussions we would like to submit the following for your kind consideration:

1. MoEF&CC in their above referred letter under point no. (iii), has imposed a condition that the User Agency shall pay NPV at the rate 20 percent for the area under violation, for each year since 1995 the violation of Forest (Conservation) Act, 1980 has commenced.

In this regard, please note that the Forest Advisory Committee (FAC) during its meeting held on May 16, 2017 took cognizance of the response dated March 21, 2017 provided by the State Government of Arunachal Pradesh to the letter from MoEF&CC dated January 12, 2017, wherein the MoEF&CC had raised the matter of violation of the provisions of the Forest (Conservation) Act, 1980. Minutes of the FAC meeting held on May 16, 2017 are enclosed for your ready reference.

The State Government in its response had reported that *"The records maintained in our office reveal that only 7 locations (sl. No. 22-28) covering an area of 5.318 ha do not have valid FC clearance. M/s Geo Enpro has submitted that these 7 locations were identified prior to 1995 by M/s Oil India Limited before taking over of the Kharsang oil field by M/s Geo Enpro.*

GeoEnpro Petroleum Limited

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In view of the above, it is requested to kindly permit regularization of these 7 locations (with 6 oil producing wells) by imposing penalty under Penal CA or as deemed fit by MoEF & CC."

Please note that there is no other forest land that was diverted or utilised without approvals by the participating interest holders of the Kharsang Production Sharing Contract (PSC).

Even the site inspection report also mentioned about the area diverted by Oil India Limited prior to 31.10.1980 and the approvals obtained by Oil India Limited under the Forest (Conservation) Act, 1980 for diversion post 31.10.1980 and stated that these were transferred as per the mining lease by the State Government. The violation highlighted in the site inspection report was that of the State Government not obtaining the prior approval of the Central Government under the Forest (Conservation) Act, 1980. Also it is pertinent to note that Oil India Limited continued as a majority participating interest holder in the Kharsang Field and controls the operations at Kharsang Field through their participation in the operating and management committees.

In view of above, we request you to compute the NPV for the 5.318 ha of area under violation and intimate us of the amount to be paid as per condition (iii) and (iv) of the letter dated September 27, 2017 of the MoEF&CC.

Also kindly regularize the above said area.

2. MoEF & CC in their letter under point no. (ix) also imposed a condition to obtain approval under section 2 (ii) for the 30 wells drilled without prior approval under FCA 1980.

In this regard, we would like to apprise you that post execution of PSC, 4.884 Hectare of land was diverted for non-forest purposes in 2005 to carryout drilling activities with the approval of MOEF&CC as per the provisions of the FCA, 1980. However, our further diversion proposals for forest land were not considered by MOEF&CC due to the lack of clarity on the matter of prior approval of MoEF&CC for the execution of Kharsang Field PML and therefore, deviated wells were drilled from the existing well plinths located within the already diverted forest land.

We would like to apprise you that these additional wells have been drilled either by Oil India (1 well) or GeoEnpro Petroleum Limited (29 wells) as the operator of Kharsang Field PSC from the existing diverted forest lands for which the FC approval was originally obtained for drilling of 1 well each. Please note that no new forest area was diverted and no trees were felled because of the drilling of these additional wells. The list of 30 wells is enclosed as Annexure-1.

All deviated wells were drilled by the Consortium from the approved diverted locations from MOEF & CC and in line with the directive of the Management Committee (MC) (including representation from MoPNG) during its meeting held on March 09, 2007. Copy of the relevant page of the minutes is enclosed.

In view of the above, for the compliance of the said condition, post facto approval may please be granted for these wells.

A handwritten signature in blue ink, located at the bottom right of the page.

In addition to above, to comply with the condition mentioned under point no (vi) of MOEF & CC letter, it is also requested to advise us for the payment of lease transfer charges as per the procedure laid down in Ministry's guideline related to lease transfer.

Considering the above and the urgency in execution of PML, we request your earnest support for an early action on the compliances of MOEF&CC.

Thanking You,

Yours Sincerely,

A handwritten signature in blue ink, reading 'Raja Sekhara Reddy'. The signature is fluid and includes a checkmark at the end.

Raja Sekhara Reddy

Chief Financial Officer

GeoEnpro Petroleum Limited

As Operator of Kharsang Field

Encl: As above