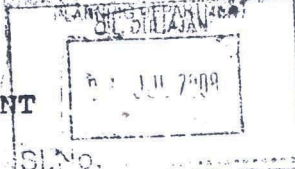


GOVERNMENT OF ASSAM
POWER (ELECT.) MINES & MINERALS DEPARTMENT



No. PEM. 03/2003/161.

Dated Dispur, the 16th June/08

From : Shri D.K. Choudhury, ACS,
Under Secretary to the Govt. of Assam,
Mines & Minerals Deptt.

To : The Executive Director (SS)
Oil India Ltd.,
Duliajan-786602
Dist- Dibrugarh, Assam.



Sub : Grant of Petroleum mining lease for Mechaki
Block measuring 195.00 sq.kms in Tinsukia
Dist. to Oil India Ltd.

Ref : Letter No. PLN/1-7/41-339, dtd. 05.08.2004

Sir,

I am directed to invite a reference to the letter cited above and to say that the Governor of Assam is pleased to grant a Petroleum Mining Lease under Rule 5(1) (ii) of the Petroleum and Natural Gas Rules, 1959 (as amended from time to time) to Oil India Ltd. for Mechaki Block measuring 195.00 sq.kms in Tinsukia Dist. of Assam for production of Crude Oil and Natural Gas for a period of 20 years from the effective date i.e. 19.5.2003 in pursuance of Govt. of India's letter No.0-12012/99/2003-ONG/D-IV, dtd. 5.4.2004 conveying their approval for grant of PML over an area of 195.00 sq.kms. subject to the conditions that Oil India Ltd. shall have to obtain prior approval of the competent authority before undertaking any work in Reserved Forest area.

The grant of PML to Oil India Ltd. is also subject to the observance of the following terms and conditions as laid down hereunder.

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. 19.5.2003.
3. The lease shall be subject to the provisions of the Oil Fields (Regulation & Devt.) 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 if any, 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 trees. 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 employ any foreign nationals surreptitiously in the area along the border.

12. No ground/aerial survey of the Defence VAs/NPs is permitted. Aerial survey, if any would be governed by the provision of Ministry of Defence Letter No. 18(8) 82-D- (GSIH) dated January 31, 1989.

13. Air Force area falling within the zone earmarked for delineation should be avoided.

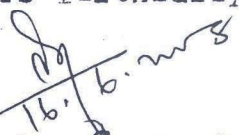
14. For works in close vicinity of India Air Force Units/ installations and visit to these installations, if any, specific permission of Air Hdqrs. should be obtained.

15. Any work within 500m of the perimeter of Air station should be intimated to Air Force authority atleast 10 days before commencement of activities.

16. No obstruction shall 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.

Yours faithfully,


Under Secretary to the Govt. of Assam,
Mines & Minerals Deptt.


HIG

Memo No. PEM.93/2003/161, (A) Dated Dispur, the 16th June/08

Copy to :-

1. The Under Secretary to the Govt. of India, Ministry of Petroleum & Natural Gas, Shastri Bhawan, New Delhi-1 with reference to their letter indicated above.
2. The Director of Geology & Mining, Assam, Kahilipara, Ghy-19 with reference to their letter No. GM/MM/160-K/26, dtd. 4.4.2008.
3. The Deputy Commissioner, Tinsukia Dist. Assam.

By Order etc.,

Under Secretary to the Govt. of Assam,
Mines & Minerals Deptt.