

## **COST BENEFIT ANALYSIS**

### **PARAMETERS FOR EVALUATION OF LOSS OF FOREST**

[Proforma – AnnexureVI(b)]

[Loc. DML-2 under Deomali Petroleum Exploration License (PEL)]

<b>Sl No.</b>	<b>Parameters</b>	<b>Hydrocarbon Exploration Project</b>
1	Loss of value of timber, fuelwood and minor forest produce on an annual basis, including loss of man-hours per annum of people who derived livelihood and wages from the harvest of these commodities.	As per enumeration carried out/being carried out by concerned forest authorities.
2	Loss of animal husbandry productivity, including loss of fodder	NIL - there is no loss of any animal husbandry productivity, including loss of fodder.
3	Cost of human resettlement	NIL - there is no displacement or any oustees involved.
4	Loss of public facilities and administrative infrastructure (Roads, building, schools, dispensaries, electric lines, railways etc.) on forest land, or which would require forest land if these facilities were diverted due to the project	NIL - no public facilities as well as administrative infrastructure in the area.
5	Environmental losses: (soil erosion, effect on hydrological cycle, wildlife habitat, microclimate upsetting of ecological balance)	Area involve : 7.370 hectare Total Environmental Loss : 1.87 Crore  Considering the environmental value for of one hectare of fully stocked forest (density 1.0) as Rs.126.74 lacs to accrue over a period of 50 years (as per thumb rule followed in Forest Dept.) and the forest density of the project area as 0.2, total environment loss is Rs. 17.40 Crore [7.370 x (126.74 lacs x 0.2) = 1.87 Crore]
6	Suffering to oustees	NIL - there is no displacement or any oustees involved.

**PARAMETERS FOR EVALUATION OF BENEFIT**  
**NOTWITHSTANDING LOSS OF FOREST**

[Proforma – AnnexureVI(c)]

Sl No.	Parameters	Hydrocarbon Exploration Project
1	Increase in productivity attributed to the specific project	The Deomali Petroleum License (PEL) area is located within the proven petroliferous Assam-Arakan Basin. Several oil & gas producing fields viz. Digboi, Kharsang, Kumchai, etc. have been established in the same belt so far. Since the subject project is an Exploratory Project, the actual hydrocarbon reserve of the PEL area can be projected only after carrying out necessary exploratory drilling activities. However, the resource potential (risked) of Loc. DML-2 is estimated to be 0.20 BCM which amounts to approx. Rs 1050 Crore in present market value.
2	Benefits to economy	If commercial discovery is established in the well, it will contribute significantly to the national economy as above.
3	No. of population benefited	In case commercial discovery is established, there will be lot of direct as well as indirect job/business opportunities especially for the local people. Additionally, OIL will take up development projects for the area under its CSR policy.
4	Employment potential	In case commercial discovery is established, Development Drilling Plan will be taken up which will provide good employment opportunities for the local people. Additionally, number of small scale business opportunities will also grow up in the area.
5	Cost of acquisition of facility on non-forest land wherever feasible	NIL - there is no displacement or resettlement/ rehabilitation involved.
6	Loss of (a) Agriculture & (b) Animal Husbandry production due to diversion of forest land.	There is no eminent loss on agriculture & animal husbandry production due to diversion of forest land.
7	Cost of rehabilitating the displaced persons as different from compensatory amounts given for displacement	NIL - there is no displacement or resettlement/ rehabilitation involved.
8	Cost of supply of free fuel wood to workers residing in or near forest area during period of construction.	NIL - there is no human population in & around the area.

Date : 22.03.2017

Place : Duliajan



*(Signature)*  
22.3.2017

(RK Borah)

Dy General Manager (Land)