

F. No. 8-38/2015-FC
Government of India
Ministry of Environment, Forest and Climate Change
(FC Division)

Indira Paryavaran Bhawan,
Aliganj, Jorbagh Road,
New Delhi - 110003
Dated: 6th March, 2019

To,

**The Principal Secretary (Forests),
Department of Environment & Forests,
Government of Arunachal Pradesh,
Itanagar.**

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 Geo-Enpro Petroleum Limited falling in Changlang District of Arunachal Pradesh.

Sir,

I am directed to refer to the Government of Arunachal Pradesh's letter No. FOR.14-9/Cons/2005/Vol-1/107-10 dated 21.01.2019 and to clarify in respect of condition no.9 of the permission as granted vide this Ministry's letter of even no. dated 27.09.2017 that the approval/permission for 30 wells to be dealt separately and cannot be considered along with permission under Section 2(iii) of FCA, 1980. Accordingly, State Government shall submit proposal for 30 wells as per procedure prescribed in FCA Rules.


With regard to assignment of lease, concerning an area of 9.94 sq. Km. in favour of M/s Geo-Enpro Petroleum Limited falling in Changlang District of Arunachal Pradesh, the permission has already been granted on 27.09.2017 under Section 2(iii) of Forest (Conservation) Act, 1980 subject to certain conditions prescribed therein including that the State Government shall ensure the compliance of the stipulated conditions, and confirmation of deposit of NPV and payment of penalty in the Compensatory Afforestation fund of Arunachal Pradesh managed by Ad-hoc CAMPA.

Yours faithfully,


(Sandeep Sharma) 6.3.19
Assistant Inspector General of Forests (FC)

Copy to:

1. The PCCF, Government of Arunachal Pradesh, Itanagar.
2. The Nodal Officer, Office of the PCCF, Govt. of Arunachal Pradesh, Itanagar.
3. The Add. PCCF (Central) Regional Office, Shillong.
4. User agency.
5. Guard file.
6. Monitoring Cell.


(Sandeep Sharma) 6.3.19
Assistant Inspector General of Forests (FC)

F. No. 8-38/2015-FC
Government of India
Ministry of Environment, Forest and Climate Change
(FC Division)

Indira Paryavaran Bhawan,
Aliganj, Jorbagh Road,
New Delhi - 110003
Dated: 27 September, 2017

To,

The Principal Secretary (Forests),
Department of Environment & Forests,
Government of Arunachal Pradesh,
Itanagar.


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 Geo-Enpro Petroleum Limited falling in Changlang District of Arunachal Pradesh.

Sir,

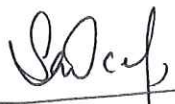
I am directed to refer to the Government of Arunachal Pradesh's letter No. FOR.14-9/Cons/2005/1641 dated 19.11.2015 and in connection with the proposal for grant of petroleum mining lease (PML) over 9.94 sq. Km. (originally proposed 11.00 sq. Km) in favour of M/s Geo-Enpro Petroleum Limited falling in Changlang District of Arunachal Pradesh seeking prior approval of the Central Government under Section-2 (iii) of the Forest (Conservation) Act, 1980. The proposal has been examined by the Forest Advisory Committee constituted by the Central Government under Section-3 of the aforesaid Act.

After careful examination of the proposal of the State Government seeking prior approval under Section-2 (iii) of the Forest (Conservation) Act, 1980 and on the basis of the recommendations of the Forest Advisory Committee, the approval of the Central Government is hereby granted under Section-2(iii) of the Forest (Conservation) Act, 1980 for assignment of lease, concerning an area of 9.94 sq. Km. (originally proposed 11.00 sq. Km) in favour of M/s Geo-Enpro Petroleum Limited falling in Changlang District of Arunachal Pradesh subject to the following conditions:

- (i) Legal status of the forest land shall remain unchanged;
- (ii) The State Government shall charge the Net Present Value (NPV) @ 2% of entire forest land allowed to be assigned on mining lease as per the guidelines issued by this Ministry vide its letter 24.06.2015;
- (iii) **The User agency shall pay NPV at the rate 20 per cent for the area under violation, for each year since 1995 the violation of Forest (Conservation) Act 1980 has commenced;**
- (iv) **User agency shall raise penal CA on degraded forest land equivalent to the land utilised in violation of the provision of Forest (Conservation) Act 1980;**
- (v) Action shall be initiated against the erring officials by the state government for transferring and executing lease in 1997 w.e.f 1995. Without prior approval of MOEF&CC
- (vi) User agency shall pay the lease transfer charges as per the procedure laid down in ministry's guideline related to lease transfer. These charges shall be 5 times to the actual charges proposed in the guidelines.
- (vii) No new oil wells shall be drilled in PML area without approval under section 2(ii) of Forest Conservation Act 1980.
- (viii) The proposed forest land for re-grant of the mining lease has to be resurveyed again, and the state government to ensure that:
a. There are no tea gardens or human settlements while giving submitting proposal under Section 2 (ii) of the Forest (Conservation) Act, 1980.


27.9.17

- b. No complaints exist from the local people with regards to the Namchik R.F.
 - c. That no illegal payment of land compensation or tea garden in the reserved forests has been given by M/s Geo Enpro Petroleum Ltd to the encroachers.
 - d. That there are no legal complications from the local people as evident from the public memorandum submitted by the local people as per.
 - e. The proposed forest area for re-grant of the Mining Lease must be depicted in a map alone with compartment numbers.
- (ix) Approval under section 2(ii) for the 30 wells drilled without prior approval under FC Act 1980 shall be obtained.
 - (x) Prior approval of Central Government under section 2 (iii) of FC Act, 1980 shall be subject to payment of admissible NPV
 - (xi) Demarcation of mining lease area will be done on the ground at project cost using 4 feet high concrete pillars with serial numbers, bearing, distance from pillar to pillar and GPS co-ordinates;
 - (xii) At the time of payment of the Net Present Value (NPV) at the then prevailing rate, the User Agency shall furnish an undertaking to pay the additional amount of NPV, if so determined, as per the final decision of the Hon'ble Supreme Court of India;
 - (xiii) All the funds received from the User Agency under the project shall be transferred on line to Ad-hoc CAMPA in the Saving Bank Account pertaining to the State concerned;
 - (xiv) State Government shall, within a period of 30 days from the date of issue of this letter, realize from the user agency, NPV @2% of the entire forest land allowed to be assigned on mining lease, in case NPV of such forest land has not already been realised. In case State Government fails to realize admissible NPV from the user agency within a period of 30 days from the date of issue of this letter, this approval in respect of such mining lease, shall be kept in abeyance, till such time, the NPV of such forest land is realised by the State Government;
 - (xv) No physical diversion of forest land will be allowed and no breaking up of forest land to be permitted without approval under section 2(ii) of FC Act.
 - (xvi) The grant of permission under section 2(iii) of Forest (Conservation) Act 1980 will not confer any right on the project proponent for diversion under section 2(ii) of Forest (Conservation) Act 1980;
 - (xvii) The forest department will be free to manage the forest area as per normal management practices and working plan prescriptions;
 - (xviii) State Government shall ensure the complete compliance of the provision of FRA 2006 prior to executing/ granting forest area on lease;
 - (xix) Grant of this approval does not in any manner, exonerate the concerned authorities in the State Government or in any other Authority, from the proceedings under Section 3A and 3B of the FC Act, liable to be initiated for violation, if any, of the FC Act committed by them by assigning such forest land on mining lease without obtaining prior approval of Central government under Section- 2 of the FC Act;
 - (xx) The approval under section 2 (iii) of FC Act, 1980 shall be valid for a period of co-terminus with the period of PML in accordance with the provisions of P&NG Rules, 1959 made under Oil Field (Regulation & Development) Act, 1958 (ORDA 1958).


 27.9.17

- (xxi) The State Government and User Agency shall ensure compliance to all conditions stipulated above and also the provisions of the all Acts, Rules, Regulations, Guidelines, Hon'ble Court Order (s) and National Green Tribunal Order(s) pertaining to this project, if any, for the time being in force, as applicable to the project.

The State Government shall ensure the compliance of the above conditions before assigning the PMJ. to the User Agency. The permission under Section 2(iii) of Forest (Conservation) Act, 1980 is subject to confirmation of deposit of NPV for the entire area and payment of penalty in the Compensatory Afforestation fund of Arunachal Pradesh managed by Ad-hoc CAMPA.

Yours faithfully,



(Sandeep Sharma) 27.8.17

Assistant Inspector General of Forests (FC)

Copy to:

1. The PCCF, Government of Arunachal Pradesh, Itanagar.
2. The Nodal Officer, Office of the PCCF, Govt. of Arunachal Pradesh, Itanagar.
3. The Add. PCCF (Central) Regional Office, Shillong.
4. User agency.
5. Guard file.
6. Monitoring Cell.



(Sandeep Sharma) 27.8.17

Assistant Inspector General of Forests (FC)

GOVERNMENT OF ARUNACHAL PRADESH
DEPARTMENT OF ENVIRONMENT AND FORESTS
ITANAGAR-791 111.

No. FOR.14-9/Cons/2005/ 234

Dated: 21st March' 2017.

To

✓ The Inspector General of Forests (FC)
Govt. of India, Ministry of Environment, Forests & Climate Change,
Indira Paryavaran Bhawan, Aliganj Jor Bagh Road,
New Delhi-110003.

Sub:- Proposal for granting of permission under FC Act, 1980 towards re-grants of Kharsang Petroleum Mining Lease (PML) covering 9.94 sq km (originally proposed 11.00 sq km) in favour of M/s Geo-Enpro Petroleum Limited falling in Changlang District of Arunachal Pradesh

Ref:- F.No8-30/2015-FC dated 12th January, 2017.

Sir,

I am directed to refer to Ministry's letter mentioned above on the subject seeking compliance of the State Govt. on the observations made by Forest Advisory Committee (FAC) in its meeting held on 26th December, 2016 and to submit the following:-

Sl No	Observation of the FAC	Submission of the State
1	It is observed that there has been continuous violation of the provision of Forest (Conservation) Act, 1980. State Government to fix the responsibility of the officials responsible for violation and report the names to the Regional Office, Shillong.	It is submitted that explanations on violation of FC Act, 1980 were sought from the concerned CCF/DFO and the Dept. of Geology & Mining, Govt. of AP, being nodal department for regulating mining (copy enclosed at annexure-A). In reply, the Dept. of Geology & Mining has submitted that the State Govt. awarded PML in 1995 to Oil India and other companies. Since Oil India Ltd, as a Govt. company, continued to be a dominant partner in the project and as Oil India has been operating in this area since 1963, the requirement of prior approval of the Central Govt. under FC Act 1980 was apparently not felt in 1995 (copy of letter enclosed at annexure-B) .
2	Regional Office, Shillong shall take action against the responsible officials under section 3A and 3B of Forest (Conservation) Act, 1980.	The CCF, SAC, Deomali has submitted that mining of petroleum product in notified forest without prior approval from 1995 onward is not true and no any officer who were DFO Nampong Div. from 1995 onward be made responsible for entry of M/s Geo Enpro Petroleum Ltd in Kharsang oil field (copy of letter enclosed at annexure-C).

3	<p>The State Govt. to ensure that the non-forestry works being carried out on the forest land in violation of the provision of Forest (Conservation) Act, 1980 shall be stopped immediately.</p>	<p>In this connection, it has been informed by the user agency that the stoppage of work shall adversely impact the production of crude Oil from Kharsang Field as the restoration of the production to the current levels (~1000 BOPD) may not be possible since there is high likelihood of permanent damage to the reservoir, which will be detrimental to all the parties concerned including the State Govt.</p> <p>It is also submitted that M/s Oil India Limited had drilled a total of 36 wells in Kharsang Oil Field prior to 1995 and M/s Geo Enpro has drilled another 34 wells till date either on already FC cleared locations of M/s Oil India Ltd or on FC cleared location of M/s Geo Enpro Ltd (except 5 wells). A detailed location-wise summary of all 70 wells vis-à-vis FC status is given in annexure-D.</p> <p>It is gathered from the location-wise summary statement that non-forest activities are being carried out at 45 locations, of which 13 location (sl. no. 1-13) covering 37.750 ha were broken prior to 1980. Of the remaining 32 locations, 25 locations have FC clearances as indicated against sl. no. 14-21 & sl. no. 29-45 covering an area of 99.631 ha.</p> <p>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 Ltd before taking over of the Kharsang oil field by M/s Geo Enpro.</p> <p>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.</p>
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In addition to the above, it is to submit that the Kharsang Oil Field was awarded by Govt. of India on 16th June 1995 to a consortium of companies comprising of M/s Geopetrol International, M/s Jubilant Energy (Kharsang) Private Limited & M/s GeoEnpro Petroleum Limited on Production Sharing Contract (PSC) for carrying out petroleum operations and activities ancillary thereto. Accordingly, the State Govt. granted and/or executed the Petroleum Mining Lease (PML) with consortium of companies on 21st Oct' 1997 (effective from 16th June' 1995) for a term of 20 years, extendable for further period up to but not exceeding 35 years in accordance with the production sharing contract. At present around 35 wells are on production at Kharsang Field producing around 1000 BOPD.

It is also submitted that the PML only permits rights over oil deposits to the User Agency and does not grant any surface right over the land. As a result, over the years some of the PML area has been encroached upon by the schedule tribe population of the State. The regularization of encroachments are under active consideration of the State Govt. A note on process initiated by the State Govt. is **annexed at 'E'**. As the regularization process is a time consuming activity, the outcome of this exercises will be intimated in due course of time after the receipt of report from concerned DFO & DC.

The summary of the above submissions reveals the following:-

- i. No prior permission under the Forest (Conservation) Act, 1980 from Central Govt. was obtained for **change of user agency** from M/s Oil India Ltd to M/s Geo Enpro Petroleum Limited.
- ii. No prior permission under the Forest (Conservation) Act, 1980 from Central Govt. was obtained for **transfer of part of leased out forest area** of M/s Oil India Ltd to M/s Geo Enpro Petroleum Limited. However, the **Central Govt. did not object to such transfer of part of leased out forest area** to M/s Geo Enpro Petroleum Limited while considering and granting FC clearances to 8 oil wells at 5 locations vide letter no. 8-12-82/2003/RONE-AP(vol.2) dated 14.02.2005.
- iii. Out of total area of 142.699 ha presently under non-forest use for 70 oil wells and 3 other activities at 45 locations; 37.750 ha was broken prior to 1980 and 99.631 ha was broken up after obtaining valid FC clearances from the Central Govt.; and **only 5.318 ha of forest land does not have any valid FC clearance**. Though M/s Geo Enpro Petroleum Ltd. claims that 7 locations covering 5.318 ha area has been included in diverted 21.44 ha vide letter no. 8-372/82-FRY(Cons) dated 28.06.1983 but no documentary evidence has been produced by M/s Geo Enpro Petroleum Ltd.

In view of the above, it is requested to kindly permit re-grant of Kharsang Petroleum Mining Lease (PML) covering 9.94 sq km (originally proposed 11.00 sq km) forest area under FC Act, 1980 in favour of M/s Geo-Enpro Petroleum Limited falling in Changlang District of Arunachal Pradesh.

Enclo:- As above.

Yours faithfully,

(CD Singh)

CCF (Cons) & NO (FCA)

Copy to:-

1. The Addl. Principal Chief Conservator of Forests (Central), Government of India, Ministry of Environment, Forests & Climate Change, North Eastern regional Office, LAW-U-SIB, Lumbatngen, Near M.T.C. Workshop, Shillong - 793 021 for information.
2. The M/s Geo-Enpro Petroleum Limited with reference to their letter no. GEPL/GOAP/2017/ 02 dated 07.03.2017 for information please.

(CD Singh)

CCF (Cons) & NO (FCA)

**GOVERNMENT OF ARUNACHAL PRADESH
DEPARTMENT OF ENVIRONMENT & FORESTS
ITANAGAR**

No.FOR.14-9/Cons/2005/1641

Dated: 19 November, 2015.

To

The Secretary, Government of India
Ministry of Environment, Forests & Climate Change,
Government of India
Indira Paryavaran Bhawan,
Jorbagh Road, Aliganj,
New Delhi- 110 003

Sub: Proposal for granting of permission under FC Act, 1980 towards re-grant of Kharsang Petroleum Mining Lease (PML) covering 9.94 sq km (originally proposed 11.00 sq km) falling in Changlang District of Arunachal Pradesh.

Case No. 379 dated 16th November, 2015

Sir,

I am directed to send herewith a proposal towards re-grant of permission under FC Act, 1980 for Kharsang Petroleum Mining Lease (PML) covering 9.94 sq km falling in Changlang District of Arunachal Pradesh in favour of M/s Geo- Enpro Petroleum Limited.

Brief Description:

Kharsang Petroleum Mining Lease (PML) area falls in Changlang District of Arunachal Pradesh. The Petroleum Mining Lease (PML) over 11.0 sq km (1100 ha) was executed on 21st October, 1997 by the State Government w.e.f. 16th June, 1995 for a period of 20 years i.e. upto 15th June, 2015. The earlier proposal for Kharsang Oil Field was 11.0 sq km. After inspection of the site and verification of the boundary co-ordinates, the actual area comes to 9.94 sq km instead of 11.0 sq km as per FSI's map 2009.

Details of forest land proposed for diversion:

The total forestland required for the project is 994 ha.

Sl. No.	Name of Forest Division	Name of District	Area (in ha)	Legal status of forest land proposed for diversion.
1.	Nampong	Changlang	994 ha	Reserved Forests

1. **Map enclosed:**
 - (i) The User Agency has furnished the map of the proposed Petroleum Mining Lease area in Survey of India, Toposheet No. 92 A/3 in 1:50,000 Scale duly authenticated by the concerned DFO as well as User Agency (**Annexure- I**).
 - (ii) Map showing forest density within Kharsang Oil Field (PML area) in Changlang District, Arunachal Pradesh (**Annexure- II**).
 2. Justification for locating the project in the forest area has been given in column. no. 1 (iv) in Form- 'A'.
 3. **Assessment of forest stock:** Not required at this stage since, the proposal is exclusively towards grant Petroleum Mining Lease (PML).
 4. **Density of Vegetation:**

a) Very dense forests=	86 ha.
b) Medium dense forests=	466 ha
c) Open Forests=	438 ha
d) Water body=	04 ha
Total forest area=	994 ha
 5. **Net Present Value (NPV):** Based on the eco-class and density of forest land proposed for granting of Mining Lease the **Net Present Value (NPV) @ 2% (as per Supreme Court's Order)** comes to Rs. 1,69,98,640/-. Calculation sheet of NPV is at (**Annexure- III**). *The correctness of calculation may kindly be perused. Cg...*
 6. **Flora & Fauna and Archaeological importance:** No rare/ endangered/ unique species of Flora & Fauna found in the area as stated by the DFO in Part- II of Form- 'A'.
- The area proposed for Mining Lease does not form a part of National Park/ Sanctuary/ Biosphere Reserve or Elephant Corridor etc. Moreover, the area does not have importance from archaeological point of view. As per information furnished by DFO, the distance of the proposed area is 20 km (approx) away from the nearest Wildlife Sanctuary/ National Park.
7. **Compensatory Afforestation:** Not required at this stage. The proposal is exclusively for grant of permission for Petroleum Mining Lease under Section- 2 (iii) of FC Act, 1980 for the entire forest land located within the Kharsang Petroleum Mining (PML) area. No physical diversion of the forest land is required.
 8. **Displacement of human population:** There is no displacement of people due to the project as stated by the User Agency in para-3 of Part-I of Form- 'A'.
 9. **Environmental Clearance:** The Ministry has granted Environmental Clearance (EC) on 15th November, 2007 for 40 wells. 29 wells have already been drilled out of 40

wells as stated by the User Agency. Extension of the validity of the EC has been accorded by the Expert Appraisal Committee (EAC) for 3 (three) years w.e.f. 14.11.2014. Copy of the EC alongwith the minutes of the meeting is enclosed at (Annexure- IV).

10. **Cost Benefit Analysis:** Enclosed at (Annexure- V).
11. **Catchment Area Treatment Plan:** Not applicable.
12. **Compliance of FRA:** Not applicable.
13. **Violation of Forest (Conservation) Act/Indian Forest Act:** Nil.
14. **Recommendation of the State Government:** The State Government has recommended the proposal.

I would, therefore, request you to kindly convey the approval of the Ministry of Environment, Forest & Climate Change, Government of India under the Forest (Conservation) Act, 1980 for issuance of permission for re-grant of Kharsang Petroleum Mining Lease (PML) in favour of M/s Geo- Enpro Petroleum Limited.

Encl: As stated above.

Yours faithfully,

(C. D. Singh)

CCF (Cons)

& Nodal Officer (FCA)