

Sub :- Proposal for seeking prior approval of the Central Government under Section – 2(iii) of the Forest (Conservation) Act, 1980 for grant of petroleum mining lease (PML) over 540.0668 Sq Km (5400668 Ha.) of forest land in favour of Chief Engineer, Oil India Limited, Duliajan in Ningru extension Block, Changlang District in the State of Arunachal Pradesh – regarding.

1. The State Government of Arunachal Pradesh vide their letter no. FOR.642/Cons/2015/1711-13 dated 18.12.2015 submitted the above mentioned proposal seeking prior approval of the Central Government under the Forest (Conservation) Act, 1980.
2. The Ministry of Petroleum and Natural Gas, Government of India has re- granted lease under rule 5(I)(ii) of the Petroleum and Natural Gas rules, 1959 (as amended from time to time) to Oil India Limited over the Ningru Extension Block vide their order no. 0-12012/60/2003-ONG/D-IV dated 23.01.2004.
3. The facts related to the proposal as contained in the State Government letter dated 18.12.2015 are given as under:
4. Proposal is exclusively for issuance of Petroleum Mining Lease (PML) for the Ningru Extension PML block without inviting any physical diversion of forest land in accordance with the CEC report dated 25.02.2014 and order dated 8.08.2014 of the Hon’ble Supreme Court of India and also in accordance with the MoEF&CC’s Guidelines dated 24.06.2015. The State Government, based in the eco-class and density of forest worked out the 2% NPV to the tune of Rs. 94,24,84,642/-. Other facts, as contained in the proposal, are given as under:

FACT SHEET

1.	Name of the Proposal	Proposal for seeking prior approval of the Central Government under Section – 2(iii) of the Forest (Conservation) Act, 1980 for grant of petroleum mining lease (PML) over 540.0668 Sq Km (5400668 Ha.) of forest land in favour of Chief Engineer, Oil India Limited, Duliajan in Ningru extension Block, Changlang District in the State of Arunachal Pradesh.
2.	District	Changlang and Lohit
3.	Forest Division	Nampong and Namsai Forest Division
4.	Name of the user agency	Oil India Limited, Duliajan
5.	Nature of the user agency	A Central Government Public Sector Undertaking
6.	Area of forest land proposed for diversion (in hectare)	Nampong Division – 343.397 Sq Km Namsai Division – 197.271 Sq Km Total - 540.0668 ha

		However, no physical diversion is involved; proposal is towards grant of Ningru Extn. Petroleum Mining Lease to OIL only.
7.	Legal status of forest	Reserved Forests
8.	Density of vegetation	0.7 in the scale of 0-1 Very dense Forests - 11,151.986 ha Moderately Dense - 19,927.731 ha Open Forests - 22,482.521 ha Water Body - 504.563 ha Total - 54,066.80 ha
9.	Species-wise (scientific names) and diameter class-wise enumeration of trees (to be enclosed. In case of irrigation/hydel projects enumeration at FRL, FRL-2 meter & FRL-4 meter also be enclosed)	Not required as this stage since the proposal is exclusively towards grant of Petroleum Mining Lease (PML) for the Ningru Extn. PML block to Oil India Limited (OIL) without any involvement of physical diversion of forest land. After obtaining the PML, OIL will submit location-wise FC proposal(s) as & when required under the F(C) Act, 1980 for the forest land involved in its actual drilling & other activities requiring physical diversion of forest land.
10.	Brief note of vulnerability of the forest area to erosion.	Does not arise.
11.	Approximate distance of proposed site for diversion from boundary of forest.	Inside RF
12.	Whether forms part of National Park, wildlife sanctuary, biosphere reserve, tiger reserve, elephant corridor, etc. (If so, the details of the area and comments of the Chief Wildlife Warden to be annexed).	No
13.	Whether any rare/endangered/unique species of flora and fauna found in the area — if so details thereof.	No
14.	Whether any protected archaeological/heritage site/defence establishment or any other important monument is located in the area. If so, the details thereof with NOC from competent authority, if required.	No
15.	Whether the requirement of forest land as proposed by the user agency in Col. 2 of Part—I is unavoidable and barest	NA

	minimum for the project. If so, recommended area item-wise with details of alternatives examined.	
16.	Whether any work in violation of the Act has been carried out (Yes/No). If yes, details of the same including period of work done, action taken on erring officials. Whether work in violation is still in progress.	No
17.	<p>Details of compensatory afforestation scheme:</p> <ul style="list-style-type: none"> i. Details of non-forest area/degraded forest are identified for compensatory afforestation, its distance from adjoining forest, number of patches, size of each patch. ii. Map showing non-forest/degraded forest area identified for compensatory afforestation and adjoining forest boundaries. iii. Detailed compensatory afforestation scheme including species to be planted, implementing agency, time schedule, cost structure etc. iv. Total financial outlay for compensatory afforestation scheme. v. Certificates from competent authority regarding suitability of area identified for compensatory afforestation and from management point of view. (to be signed by the concerned Deputy Conservator of Forests). 	Not required as this stage since no physical diversion of forest land is involved; the proposal is exclusively towards grant of Petroleum Mining Lease (PML) for the Ningru Extn. PML block to Oil India Limited only.
18.	Justification for locating the project in forest area	Oil and Natural gas (hydrocarbons), formed from organic matter from dead plants & animals and found deep under the earth, take millions of years to form & require a specific set of thermodynamic conditions (pressure and temperature). Accordingly, they are found in specific places on the earth. Such hydrocarbons are detected through extensive Geological studies and various surveys viz. Gravity

		survey, magnetic survey, seismic survey, etc. and subsequent interpretation of the data so acquired from such surveys. The eastern part of Arunachal Pradesh, a part of Upper Assam Geological Province, is rich in such hydrocarbon. The Ningru Extn. Block, which covers 540.0668 Sq Km of forest land in Arunachal Pradesh and a part of above province, have been identified to be potential areas for hydrocarbon resources and accordingly awarded to OIL by Govt. of India under nomination basis for its Hydrocarbon Exploration & Production (E&P) activities. As, such, the area cannot be changed.
19.	Whether the proposal require environment clearance	No the State Government has reported that proposal does not require environment clearance.
20.	Displacement of Outsee	Nil
21.	Compliance of Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006	The proposal do not involve physical diversion of forest land and accordingly, the user agency in Part-I has mentioned that standard conditions of CA, NPV and NPV etc. may be insisted at the time of actual physical diversion.
22.	Site inspection report of the Deputy Conservator of Forests (to be enclosed) especially highlighting facts asked in col. 7(xi, xii), 8 and 9 above.	Site Inspection Report enclosed as Annexure-V
23.	Division/District profile	Nampong Forest Division :Jairampur
	i. Geographical area of the district	Changlang District — 4662.0 sq km Lohit District -
	ii. Forest area of the district	Changlang District —744.19 Sq km Lohit District – 33.94 Sq Km
	iii. Total forest area diverted since 1980 with number of cases	Changlang District —229.133 ha in 8 cases Lohit District – 2.675 ha in 1 case cases
	iv. Total Compensatory Afforestation stipulated in the district/ division since 1980 on – a. Forest land including penal Compensatory Afforestation. b. Non- forest land	a. 243.74 ha in degraded forest area in Changlang FD and 5.35 ha in Namsai FD

		b. Nil
	v. Progress of Compensatory Afforestation as on dated 03.09.2015 on - a. Forest land : 243.74 hectare b. Non-forest land	Creation completed; maintenance in progress. Nil in non-forest land While in namsai FD 50 ha of plantation is created during 2003-2004 but washed out during flood Nil in non-forest land
	Specific recommendations of the Deputy Conservator of Forests for acceptance or otherwise of the proposal with reasons	The proposal is recommended for overall interest for development of the area which is inhabited by tribal people of the state. Oil India Limited is a Public Sector Undertaking of Govt. of India devoted to exploration and production of oil and gas. Production of oil & gas is of immense importance to the government as it would boost the economy of the State and the Nation apart from generation of employment. Production of oil & gas benefits the State directly as it receives substantial royalty. Local inhabitants benefit greatly specially to get jobs in OIL and to develop small scale industries from the growth of oil & gas production. Further, the proposal is towards grant of the PML to OIL only without calling for any physical diversion of forest land.

3. The State Government has recommended the proposal for approval of the Central Government without any specific condition.
4. It is also worth mentioning here that earlier Government of Arunachal Pradesh vide their letter dated FOR 14-8/Cons/03/343-46 dated 22.09.2006 submitted a proposal for diversion of 54066.80 ha of forest land seeking prior approval of the Central Government under the Forest (Conservation) Act, 1980 in favour of the same user agency. It had been indicated in the said proposal that entire area of 54066.80 ha will be required for Hydrocarbon exploration (which is a continuous) process. The actual requirement of forest land for exploration drilling can only be determined after the interpretation of seismic survey data. A separate permission/clearance will be obtained from the competent authority under the Forest (Conservation) Act, 1980 for the diversion of forest land for exploratory drilling.

5. As per the site inspection report submitted by the Regional Office, Shillong, vide its letter no. 8-85/2006/RONE-AP/256 dated 3.05.2007 and reported that the area is having fairly dense vegetation, however, some human settlements and cultivations by some tribal in certain area was also observed.
6. The proposal along with the site inspection report submitted by the Regional Office, shilling was considered by the FAC in its meeting held on 3rd July, 2007 and after considering the various issues mentioned in the proposal as well as site inspection report of the Regional Office, the Committee desired that a presentation may be made by the Nodal Officer (FC) of the State Government and the user agency before the FAC in its next meeting. Recommendation of the Forest Advisory Committee was communicated to the State Government vides this Ministry's letter of even number dated 25.07.2007 (Pg 44/c).
7. Subsequently, **the proposal was discussed in the meeting of the FAC held on 9th August, 2007 and the Committee heard the view of user agency in the presence of Nodal Officer.** After examining the relevant aspects, the Committee advised the project proponent to consult the Principal Secretary (Forests) and the PCCF, as well as the Nodal Officer of the State Government and to bifurcate the proposal according to the requirement of forest land and to submit separate proposals, one for exploration and another for diversion of forest land for oil well drilling, infrastructure facilitates, etc. *Recommendation of the Forest Advisory Committee was communicated to the State Government vides this Ministry's letter of even number dated 19.09.2007 (Pg 48/c:F/X).*
8. The State Government, vide their letter no. FOR 14-8/Cons/03/Part/8016-18 dated 24.12.2013, in compliance to above recommendations of the FAC, has submitted following:
 - i. In compliance to letter dated 19.09.2007, the Department of Geology & Mining, Government of Arunachal Pradesh was requested to inform the User Agency to submit the revised proposals as advised by the FAC and the Secretary (Geology & Mining), Government of Arunachal Pradesh has forwarded proposals submitted by the Oil India Ltd. vide his letter dated 14th November, 2013. On perusal of the proposals by the State Forest Department, it is seen that the Oil India Ltd. has Submitted two proposals as per details given below.
 - a. Proposal No. 1: This proposal is submitted in Form-'B' meant for seeking prior approval under Section-2 for renewal of leases which have been earlier granted clearance under Forest (Conservation) Act, 1980. It is mentioned that 54023.09 ha (out of total 54066.80 ha) under Ningru Mining Lease area is required for OIL exploration related activities in Mining Lease areas where no diversion of forest- land for non-forest purposes is immediately required.
 - b. Proposal No. 2: This proposal is submitted in Form-'A' meant for seeking prior approval under Section-2 of the Forest (Conservation) Act, 1980. It is mentioned that the proposal seeking diversion of 43.713 ha of forest land in the Ningru Mining Lease area (i.e. 54066.80 ha) is submitted for drilling location "Loc-NMA".
9. In the meantime, the project proponent has filed an IA in the Supreme Court praying for exemption of NPV. The Hon'ble Supreme Court, based on the recommendation of the CEC report, vide its order dated 8.8.2014 in I.A. No. 3627 in W.P. (C) No. 202/1995 directed as under:

”Learned counsel representing the applicant states that the conclusions drawn by the Central Empowered Committee (CEC) in its Report dated 25.02.2014 is acceptable to the applicant and that the applicant will make the payment in terms of the determination rendered in paragraph 9 of the Report within four weeks. In view of the statement made by the learned counsel for the applicant, I.A.No.3627 stands disposed of.”

10. As per the report of CEC dated 25.02.2014 and above-mentioned order of the Hon’ble Supreme Court, OIL is ready to pay the notional NPV amount at the rate of 2% of the estimated NPV of Rs 3700 crore for renewal/grant of the petroleum mining leases falling in reserved forests with fairly dense vegetation, as and when the demand for such payment is raised by the competent authority.

11. The instant proposal involves fresh approval of the Central Government i.e. no approval under the Forest (Conservation) Act, 1980 has been obtained by the user agency earlier. Therefore the instant proposal will be governed by the provision of the para 5 (i) to (v) of the Guidelines dated 24.06.2015.

12. The FAC discussed the above proposal in its meeting held on 31.12.2015 and noted as below:

- I. Proposal of the State Government submitted vide their letter no. FOR.642/Cons/2015/1711-13 dated 18.12.2015 is exclusively for prior approval of the central government under Section – 2(iii) of the Forest (Conservation) Act, 1980 for issuance of Petroleum Mining Lease (PML) for the Ningru PML block without inviting any physical diversion of forest land in accordance with the CEC report dated 25.02.2014 and order dated 08.08.2014 of the Hon’ble Supreme Court of India and also in accordance with the MoEF&CC’s Guidelines dated 24.06.2015.
- II. The State Government, based in the eco-class and density of forest worked out the 2% NPV to the tune of Rs. 94,24,84,642.
- III. Legal status of the land proposed for assignment of the Petroleum Mining Lease is Reserve Forest under Nampong Forest Division (343.397 Sq Km or 34339.7 ha) and Namsai Forest Division(197.271 Sq Km or 19727.1 ha)
- IV. However, no physical diversion is involved; proposal is towards grant of Ningru Petroleum Mining Lease to OIL only.
- V. Density of the vegetation is 0.7 in the scale of 0-1 as per detail below
 - a. Very dense Forests - 11,151.986 ha
 - b. Moderately Dense - 19,927.731 ha
 - c. Open Forests - 22,482.521 ha
 - d. Water Body - 504.563 ha
- VI. Enumeration of the trees is not done on the ground that the proposal is exclusively for grant of Petroleum Mining Lease (PML) for the Ningru PML block to Oil India Limited (OIL) without any involvement of physical diversion of forest land. After obtaining the PML, OIL will submit location-wise FC proposal(s) as & when required under the F(C) Act, 1980 for the forest land involved in its actual drilling & other activities requiring physical diversion of forest land.

- VII. The proposed area does not form part of National Park, wildlife sanctuary, biosphere reserve, tiger reserve, elephant corridor, etc. Also, as stated, it does not have any rare/ endangered/unique species of flora and fauna.
- VIII. No land for CA has been identified and no CA scheme has been submitted on the ground that no physical diversion of forest land is involved; the proposal is exclusively towards grant of Petroleum Mining Lease (PML) for the Ningru PML block to Oil India Limited only.
- IX. The Ningru Block, which covers 540.668 Sq Km of forest land in Arunachal Pradesh and a part of above province, have been identified to be potential areas for hydrocarbon resources and accordingly awarded to OIL by Govt. of India under nomination basis for its Hydrocarbon Exploration & Production (E&P) activities. As, such, the area cannot be changed.
- X. No displacement of people is involved.
- XI. The State Government has recommended the proposal for approval of the Central Government without any specific condition.
- XII. The original proposal was submitted by the Government of Arunachal Pradesh vide their letter dated FOR 14-8/Cons/03/343-46 dated 22.09.2006 for diversion of 54066.80 ha of forest land. As per the site inspection report of this proposal submitted by the Regional Office, Shillong, vide its letter no. 8-85/2006/RONE-AP/256 dated 3.05.2007 Regional office had reported that the area is having fairly dense vegetation, however, some human settlements and cultivations by some tribal in certain area was also observed.
- XIII. The original proposal for diversion of the forest land was discussed in the meeting of the FAC held on 9th August, 2007. After examining the proposal the Committee advised the project proponent to consult the Principal Secretary (Forests) and the PCCF, as well as the Nodal Officer of the State Government and to bifurcate the proposal according to the requirement of forest land and to submit separate proposals, one for exploration and another for diversion of forest land for oil well drilling, infrastructure facilitates, etc. Recommendation of the Forest Advisory Committee was communicated to the State Government vides this Ministry's letter of even number dated 19.09.2007.
- XIV. The State Government, vide their letter no. FOR 14-8/Cons/03/Part/8016-18 dated 24.12.2013, in compliance to above recommendations of the FAC, submitted
- a. Proposal No.1 in Form-'B' meant for seeking prior approval under Section-2 for renewal of leases which have been earlier granted clearance under Forest (Conservation) Act,1980.It is mentioned that 54023.09 ha .(out of total 54066.80 ha) under Ningru Mining Lease area is required for OIL exploration related activities in Mining Lease areas where no diversion of forest- land for non-forest purposes is immediately required.
 - b. Proposal No. 2 in Form-'A' meant for seeking prior approval under Section-2 of the Forest (Conservation) Act, 1980 for diversion of 43.713 ha of forest land in the Ningru Mining Lease area (i.e. 54066.80 ha) is submitted for drilling location "Loc-NMA".

- XV. In the meantime, the project proponent filed an IA in the Supreme Court praying for exemption of NPV. The Hon'ble Supreme Court, based on the recommendation of the CEC report, vide its order dated 8.8.2014 in I.A. No. 3627 in W.P. (C) No. 202/1995 directed as under:
- "Learned counsel representing the applicant states that the conclusions drawn by the Central Empowered Committee (CEC) in its Report dated 25.02.2014 is acceptable to the applicant and that the applicant will make the payment in terms of the determination rendered in paragraph 9 of the Report within four weeks. In view of the statement made by the learned counsel for the applicant, I.A.No.3627 stands disposed of."*
- XVI. Subsequently the Oil India Limited intimated that as per the report of CEC dated 25.02.2014 and above-mentioned order of the Hon'ble Supreme Court, OIL is ready to pay the notional NPV amount at the rate of 2% of the estimated NPV of Rs 3700 crore for renewal/grant of the petroleum mining leases falling in reserved forests with fairly dense vegetation, as and when the demand for such payment is raised by the competent authority.
- XVII. In light of directions contained in the Hon'ble Supreme Court order dated 8.08.2014 and on the request of the State Government the matter was taken up in the Ministry and after thorough consultation with the State Government and the user agency the MoEF&CC vide its letter dated 24.06.2015 has issued Guidelines streamlining the procedure for grant of approval under the Forest (Conservation) Act, 1980 for Petroleum Mining Leases under Petroleum and Natural Gas Rules 1959.
- XVIII.** New Petroleum Mining Lease has been executed with effect from 2003 after the expiry of old mining lease which were effective from 1983 to 2003. However no prior approval of the Government of India was obtained before the execution of the PML. The petroleum production in the area proposed for assignment by way of Petroleum mining lease is in progress. Therefore this is a violation case.
- XIX. The FAC in its meeting held on 31.12.2015 after thorough deliberation recommended that :**
- a. Considering the violations observed by the FAC the state government may be asked to explain the reasons for the execution of the PML without obtaining prior permission of the central Government under Forest (Conservation) Act 1980. The state Government may also be asked to intimate the area under the non forestry use since 2003 without obtaining the approval under Forest (Conservation) Act 1980.
 - b. The regional office may carry out the inspection of the proposed area and submit the site inspection report clearly mentioning the area under non forestry use since 2003 without obtaining the approval under Forest (Conservation) Act 1980.
 - c. The state government may also submit the detailed DGPS maps of the area under non forestry use of forest land as well as lease area.
13. The above observations of FAC were forwarded to the State Government of Arunachal Pradesh vide this Ministry's letter of even number dated 19.01.2016 Now the State Government of Arunachal Pradesh vide their letter no. FOR.14-8/Cons/20063/Part

/291-93 dated 10.03.2016 submitted the requisite information along with annexure is available at The point wise comments of the same is given as below:-

S. No.	Point raised by MoEF & CC on recommendation of FAC held on 31.12.2015	Reply submitted by State Govt.
1.	<p>Considering the violations observed by the FAC the state government may be asked to explain the reasons for the execution of the PML without obtaining prior permission of the central Government under Forest (Conservation) Act 1980. The state Government may also be asked to intimate the area under the non forestry use since 2003 without obtaining the approval under Forest (Conservation) Act 1980.</p>	<p>In this regard the State Government informed that as per information provided by the M/s Oil India Limited, so far no Petroleum Mining Lease has been executed for the Ningru block covering 540.668 sq. km of forest land after the expiry of the earlier PML on 26.11.2003.</p> <p>Further the user agency had been operating in this block for Oil & Gas exploration since November, 1963 on the strength of Petroleum Exploration License and thereafter on the PML, which was granted w.e.f. 27.11.1983 for a period of 20 years. After the expiry of PML on 26.11.2003, these operations are in hold in this block as the renewal of PML could not be granted due to pending issues of payment of NPV and Forest clearance. Though the Ministry of Petroleum and Natural Gas, had conveyed its approval on 23.01.2004 for re-grant of PML for this block w.e.f. 27.11.2003 for 20 years but the State Government of Arunachal Pradesh has so far not executed the mining lease pending prior approval under the Forest (Conservation) Act, 1980.</p> <p>However, the PML granted in 1997 for a period w.e.f. 27.11.1983 to 26.11.2003 was opposed by the Department but without any positive outcome. In this</p>

		<p>connection, a copy of letters even no. dated 08.09.2004 and 04.10.2004 along-with the copy of noting of this file.</p> <p>The user agency also submitted that forest land for non-forestry use is at 27 locations covering 136.123 ha in the Ninguru Block, of which 59.59 ha was broken up prior to 1980. Of the remaining 76.533 ha of forest land, only 40.391 ha was used after obtaining the approval under the Forest (Conservation) Act, 1980.</p>
2.	The regional office may carry out the inspection of the proposed area and submit the site inspection report clearly mentioning the area under non forestry use since 2003 without obtaining the approval under Forest (Conservation) Act 1980.	In this regard the Regional Office informed that the Site Inspection Report has been carried out by the CCF (C) Shillong and submitted to the MoEF & CC with annexures vide letter No. 8-118/2006-FC (Vol.)/3570-72 dated 28.03.2016
3.	The state government may also submit the detailed DGPS maps of the area under non forestry use of forest land as well as lease area.	<p>In this regard the State Government informed that as far as submission of detailed DGPS maps of the are under non-forestry use of forest land is concerned, it is submitted that the DGPS maps are under preparation and will be submitted to MoEF & CC by the M/s. Oil India Limited, directly.</p> <p>However, the DGPS maps have not yet to be received.</p>

14. The forest land proposed to be diverted has been **inspected by Shri B.S. Kharmawphlang, Addl. Chief Conservator of Forests (Central), Regional office (North East Zone), Shillong.** Additional information furnished in the inspection report submitted by the Regional Office (North East Zone), Shillong vide their letter dated 28.03.2016 are as below:-

The site inspection was carried out on 04.03.2016 accompanied by Shri.P.S.Narayana,GGM(FHQA), Shri R.K.Borah CET.NEF.Oil,Shri.J.Lahiri,CM,(Engg & HSE),Shri C.Loma Divisional Forest

Officer Nampong, and Shri.Kuldev Singh Rawat, Range Officer, Government of Arunachal Pradesh, Forest Department .The observations given below were as per records and documents available in the Regional Office, Shillong, provided by State Government and Oil India Ltd and factual observations in the field.

Legal status of the forest land proposed for diversion.

The legal status as mentioned in the forwarding letter No.14-8/Cons/2003/ 1711-13 Dated 18.12.2015 is a Reserved Forest under Nampong Forest Division 343.97 [sq.km](#) and under Namsai Forest Division 197.271 [sq.km](#).

In Part —II Sl.No.7 the proposed mining lease is in Manabhum R.F i.e. 10504.0 ha and Tengapani R.F 9223.13 ha i.e. 19727.13 ha or 197.271 [sq.km](#) under Namsai Forest Division.

In Part-II Sl.No.7 of the proposed mining lease is in Miao R.F 7306.80 ha Diyun R.F 14137.32 ha Namphuk R.F 5200.00 ha Namchik R.F 747.30 Honkap R.F 3669.50 ha Namgoi R.F 660.40 ha and Rima R.F 2618.35 ha Le.34339.67 ha or 343.397 sq.km.

Item wise break-up details of the forest land proposed for diversion.

This is a mining lease proposed over an area of [540.668sq.km](#), there is no breakup.

Whether proposal involves any construction of buildings (including residential) or not. If yes details thereof.

There is no break up of forest land by Oil India Limited but most of the forest land of 540.668 [sq.km](#) was seen to be occupied by the people. Tea gardens cultivated field and human settlements were seen inside the proposed forest area for the mining lease.

Total cost of the project at present rates.

Not Applicable at this stage.

Whether forest area proposed for diversion is important from wildlife point of view or not.

The Forest area may be habitat for some Wildlife spp as per the approved Working Plan of Nampong Forest Division in chapter (II)(B) the list of Wildlife spp is as per Annexure of Chapter II (B). However as mentioned in the proposal by the State Government the area is not important from the Wildlife point of view. In the area of 540.668 sq.km and the part of the mining lease **where tea garden and human settlement exist no wild life can be seen.**

Vegetation

The vegetation of Namchik Forest consist is a typical three storied forest in Hollong (*Dipterocarpus macrocarpus*) and Mikai (*Phoebe attenuate* and *Phoebe cooperiana*) mixed with Gonsorai,cinnamum, *Artocarpus chaplasha*, *Michelia*

champaca, *Toona ciliata*, hoolock (*Terminalia myriocarpa*) etc. As this proposal is for mining lease no felling is involved at present.

Total number of trees to be felled.

No trees were enumerated as it is a Mining Lease, however it was observed during the site visit that a large number of trees were felled for the growing of tea garden and settlement by the local people inside the proposed forest land . The tea garden was seen to be maintained by the non local people.

Effect of removal of trees on the general eco-system in the area.

The trees were felled for the establishment of the tea garden and construction of labourer huts by the local people , this has made the large forest area denude of any trees species, the shrubs and the ground cover was completely destroyed. The cultivation of tea requires a huge quantities of pesticides, fungicides which is directly affecting the soil and other micro organism present in the reserved forest. Therefore even when there is no felling of tress in the present proposal for the mining lease but the establishment of tea garden and encroachment has effect the forest eco-system in general.

Background note on the proposal.

Ningru PML Block (540.668 sq.km) in Lohit & Changlang Districts falling under Namsai & Nampong Reserve Forests (RFs) Divisions of Arunachal Pradesh, since 26th November,1963,Oil is operating in the Ningru block allotted as PEL area.

The Director (Geology & Mining) vide his letters DGM/PML-Ningru /45/96-94 dated 05.05.1997(copy enclosed as Annexure-2) and DGM/ML/OIL/77/96(Pt-10)/44 dated 13.05.1997(copy enclosed as Annexure-3) intimated OIL for execution of the PML deed and advised to deposit the balance amount for executing the deed. Then the Chief Secretary ,Government of Arunachal Pradesh issued Office order in this regard vide DGM/ML/OIL/77/96(Pt-I) dated 13.05.1997(copy enclosed as Annexure-4) and 19.08.1997 Copy enclosed as Annexure-5) for executing PML Deed for OILS Ningru Block & Kharsang JV Blocks. Accordingly the Secretary(Geology & Mining) authorized DC Changlang to sign the deed vide his letter DGM/ML/OIL/77/96(PT-I) dated 19.08.1997 (Copy enclosed as Annexure-6) and issued Office order in this regard vide DGM/MIJOIL/77/96(PT-I)/179- 84 dated 25.08.1997 (Copy enclosed as Annexure-7) and thus the deed was signed on 12.09.1997(Copy enclosed as Annexure-8).

The Ningru PEL area was subsequently converted to PML area for 20 years wef 27thNovember,1983 vide MoPNG's letter dated 28th November,1984(Copy enclosed as Annexure-9).After expiry of the PML of the

Block on 26th November ,2003,all new above surface E & P activities of OIL are kept in abeyance.

Since after expiry of the PML in November,2003.Oil has not undertaken any new above surface E & P activities in the Block, except keeping the Producing well under operation. The production has been continues, as closure of production from any producing field can lead to irreversible damage to the reservoir and it may be difficult to restore the fields to their earlier level of production. In this context Secretary MoPNG's letter dated 20.12.1996(copy enclosed as Annexure10) to the Chief Secretary ,Government of Arunachal Pradesh and Secretary, MoEF & CC followed with Joint Secretary, MOPNG's letter Dated 23.12.1996(copy enclosed as Annexure-11-A-B) to the Secretary ,MoEF & CC also clarifies the same, which is the only reason for which Oil has been compelled to keep the flowing Well(s) under production.

The details of the Oil Wells in the Ningru PML block along with the GPS Co-ordinates of Oil India Limited are enclosed as Annexure -12 and Annexure -13. The statement of the total land use by the Oil India Limited and the number of Oil Wells enclosed as Annexure -14.

The exploration drilling of Nine Wells are on hold for which FC has been obtained under Section ii) of FC Act 1980 during the period from 1990 to 1992 for drilling at Locations:KUAG -3.725 ha, KUAJ -4.061 ha, KUZ -4.378 ha,KUX-1.55 ha,KUR-3.628 ha ,KUAC -3.581 ha,KUAE-3.956 ha,KUP-3.922 ha ,KUL-3.189 ha mentioned in sl.no.16-25 of Annexure -15.

The Supreme Court of India's Judgement on NPV for Petroleum Mining Leases under Provision of FC Act 1980: For getting relaxation on NPV payment for both the blocks ,under purview of FC Act - 1980,011 Field an Interlocutory Application (IA-3627)before the Hon'ble Supreme Court of India on 26.04.2013 as the Oil & Gas exploration activities carried out in Petroleum Mining Lease areas grossly differs from the coal and other Mining activities carried out under Purview of Mines and Minerals (Development & Regulation)Act,1957 (MMDR Act 1957).On the basis of OIL's prayer , the APEX Court passed its Judgement on 08.08.2014 for payment of NPV 2% only for the PMLs granted under provision of Petroleum and Natural Gas Rules,1959 as it grossly differs from the other Mining Leases granted under MMDR Act -1957 and FC Act 1980 speaks about grant of Mining Leases under MMDR Act 1957 only.

Accordingly Oil India Limited deposited Rs.74 Crores as NPV on 11.09.2015 for both the blocks (Ningru and Ningru Extension) for a total area of 615.668 sq.km on the basis of Supreme Court's order dated 08.08.2014 and report of Central Empowered Committee(CEC) dated 25.02.2014.

(Reference Documents supply by Oil India Limited).

Compensatory Afforestation:

Compensatory Afforestation is not applicable at this juncture however it will be essentially required when the existing tea garden is cleared of the tea bushes to afforest the denuded forest area. The tea garden which is a non-forestry activity was raised by the local people inside Reserved Forest. The State Government did not take any action to prevent such large scale tea cultivation. In the Reserved Forest where the people had settled and Government of Arunachal Pradesh had established and set up infrastructure for Government Departments immediate action is to be taken up by the State Government before the mining lease is to be consider by the Ministry.

Whether proposal involves violation of Forest (Conservation) Act, 1980 or not.If yes, a detailed report on violation including action taken against the concerned officials.

The activities carried out by Oil India Limited in the Ningru PML 540.668 sq.km is as per the Annexure-15. The well No.KMC-13 at location KUAK sl.no.13 of Annexure-12 involves an area 2.272 ha at Sl.no.4 of Annexure-14.

No Lease Agreement was executed for the 540.668 sq.km by Oil India with the State Government after 2003. The only lease agreement executed by the Oil India Limited was dated 12.12.1997 which was affective from 27.11.1983 for the term of 20 years enclosed as Annexure-2.

Whether proposal involves rehabilitation of displaced persons.If yes, whether rehabilitation plan has been prepared by the State Government or not.

No, as this is a Reserved Forest in 540.668 sq.km. Encroachers are to be evicted out of the Reserved Forest as per Acts & Rules.

Reclamation plan:

Details and financial allocation.

details on catchment and command area under the project. Catchment area treatment plan to prevent siltation of reservoir.

The State Government will have to submit a detailed scheme for such reclamation in the forest area illegally occupied by the encroachers.

Cost benefit ratio.

Not Applicable at this stage on the proposal for mining lease.

Recommendations of the Principal Chief Conservator of Forests/State Government.

As per the Part V of Proposal dated 23.11.2015.

Recommendations of Regional Chief Conservator of Forests (Additional Principal Chief Conservator of Forests) along with detailed reasons.

The recommendation of the Additional Principal Chief Conservator of Forests will be his forwarding letter to the Ministry.

Regional Chief Conservator of Forests shall give detailed comments on whether there are any alternatives routes/alignment for locating the project on the non-forest land.

This is a site specific proposal for oil drilling which had existed since 1967 by the Oil India Limited.

Numbers of Scheduled Caste/Scheduled Tribe to be benefited by the project.

The State Government of Arunachal Pradesh has not mentioned any existing Forest Village in the Reserved Forest area of the 540.668 sq km, therefore there is no Scheduled caste/Scheduled Tribe to be benefited by the project. However, also the State Government did not mentioned such benefits for the Scheduled caste/Scheduled Tribe. But the Project will benefit the tribals of the Changlang District.

Whether land being diverted has any socio-cultural/religious value.

Whether any sacred grove or very old growth trees/forests exists in the areas proposed for diversion.

No

Whether the land under diversion forms part of any unique eco-system.

No

Situation w.r.t. any P.A.

Tengapani Reserved Forest and Manabhum Reserved Forest is his proposal is 13 km approximately away from the Namdapha National Park(Tiger Project). The Miao R.F Diyun R.F , Namphuk R.F, Namchik R.F, Honkap R.F, Namgoi R.F, and Rima R.F, are 8-14 Kms away from Namdapha National Park.

Any other information relating to the project.

The observations in the field and from the documents made available by the Environment & Forest Department Government of Arunachal Pradesh are mentioned below:

The Divisional Forest Officer, Namsai Forest Division in Part -II at (Annexure-16) at SLNo.7.(iv) has clearly stated the proposed area is 19727.13 ha out of which (a)9223.13 ha in Tengapani Reserved Forest and (b) 10504.0 ha in Manabhum Reserved Forest, without mentioning the compartment numbers. The compartment number in these proposed Reserved Forest has also not been mentioned nor depicted in the map of SOI Topo Sheet.

The Divisional Forest Officer, Nampong Forest Division, in Part-II at (Annexure-I 7) at

SLNo.7(iv) has clearly stated the proposed area is 34339.67 ha out of which(a) 7306.80 ha in Miao Reserved Forest(b) 14137.32 ha in Diyun Reserved Forest (c) 5200.00 ha in Namphuk Reserved Forest(d)747.30 ha in Namchik Reserved Forest (e)3669.50 ha in Honkap Reserved Forest (f) 660.40 ha in Namgoi Reserved Forest and (g)2618.35 ha in Rima Reserved Forest in all these proposed Reserved Forest the compartment numbers were not mentioned.. The compartment number in these proposed Reserved Forest has also not been mentioned nor depicted in the map of SOI Topo Sheet.

The Total proposed forest area for the mining lease is 54066.80 ha 540.668 sq km.

The Divisional Forest Officer, Nampong Forest Division has clearly demarcated the type of forest in the proposed Mining Lease of 540.668 sq km and authenticated at in the following category;(a) Very Dense: 11151.986ha(b)Dense Forest :19927.731 ha (c)Open Forest:I 1778.619 ha(d)Non —Forest Area:10703.902 ha and (e)Water Body :504.563 ha i.e. 54066.80ha or 540.668 sq.km.

From the above,(54066.80 -10703.902) ha= 43362.898 ha or 433.6298sq.km.is a forest area.

In view of (iv) above, the forest area and the non forest area required to be recheck again by the Forest Department

During the Site Inspection of the 540.668 sq km it was observed that a large area has been occupied by the people for settlement and cultivation. To ensure that the Mining Lease of 540.668 sq.km of forest land is free from encroachment and occupation by various Department of Government of Arunachal Pradesh and other people a detailed survey is to be carried out under the supervision of an Officer not below the Chief Conservator of Forests , Government of Arunachal Pradesh.

In the proposal for mining lease for 540.668 sq.km only the names Manabhum R.F, Miao R.F,Namphuk R.F, Namchik R.F are mentioned in the SOI Toposheet submitted along with the proposal. The other R.F namely Tengapani, Diyun, Honkap, Namgoi and Rima were not mentioned in the SOI Toposheet showing the 540.668 sq.km proposed mining lease. No compartment numbers were either depicted in this map with G.P.S-Cordinate authenticated by the Divisional Forest Officer.

This clearly reflected that proper site identification by the field officers as per the Approved Working Plan of Namsai and Nampong has not been carried out. Therefore the entire exercise of survey, demarcation and to determine the forest land illegally occupied by the people and State Government area and forest area is to be carried out again.

In case the forest area under the mining lease is illegally occupied by the people and various Department Government of Arunachal Pradesh immediate action is to be taken or the NPV is to be paid by the Government of Arunachal Pradesh.

The activities of Oil India is confine to Kumchai Oil Field enclosed as Annexure-19.

After the State Government takes immediate action for the illegal encroachment in Reserved Forest by the local people and Ministry may consider the mining lease

The photographs taken during the site visit are enclosed as Annexure.

15. The proposal was placed in FAC meeting held on 03.05.2016 and after thorough deliberation recommended that:

- i. The state government shall provide the details of approval under FC Act 1980, if any obtained for execution of lease deed in year 1997 for a period of 20 years with effect from 1983 to 2003. It may also be clarified if any well was operating in the area after expiry of lease in 2003.
 - ii. The State Government shall also provide its comments on the observations contained in the Site Inspection Report of the Regional Office of the MOEF & CC.
16. Accordingly, the State Govt. of Arunachal Pradesh was requested vide this Ministry's letter dated 26.05.2016 to furnish the reply as per recommendation of FAC. In its meeting held on 03.05.2016.

17. It is observed that the compliance of Scheduled Tribe and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 has not been given.

18. The State Government, vide their letter no. FOR.14-8/Cons/2003/Part/1289-91 dated 26.08.2016 (pg. 347-358/c) has submitted point wise reply of the Ministry's letter dated 26.05.2016 (pg. 346/c) on the recommendation of FAC. The reply is reproduced below:

Point no. 1: The state government shall provide the details of approval under FC Act 1980, if any obtained for execution of lease deed in year 1997 for a period of 20 years with effect from 1983 to 2003. It may also be clarified if any well was operating in the area after expiry of lease in 2003:

It is reported by the State Govt. that out of 27 drilling locations identified by M/s Oil India Limited in the above PML area so far, drillings were done at 14 locations only (location details at Annexure-I (Pg. 351/c)). Of these 14 locations, FC clearance was obtained in respect of only 1 location (Annexure-II (Pg. 352/c), i.e., for well at L. no. 5 (KMC-5 / KUF of Annexure-I (Pg. 351/c)). the FC clearances in respect of other 13 drilling locations were not obtained. It is however, submitted that no mining activity or any other surface activity are going on at these locations since 2003 except only one well (KMC-13 at S.I no. 13 of Annexure-I (Pg. 243/c)), which is currently operating in the area. This well KMC-13 (location-KUAK) does not have FC clearance. Copy of the site inspection report duly signed by the representative of M/s Oil India Ltd is also enclosed (Annexure-III (Pg. 356/c)) for perusal. It is also submitted that out of 136.123 ha forest land identified for non-forest use at 27 locations

in Ningru Block, 59.59 ha was broken prior to 1980. Of the remaining 76.533 ha of forest land, mining / other surface activity are going on since 2003 except involving 3.1 ha forest land at well no. KMC -13 (KUAK/KUB) However, 11 FC approvals including 08. In-Principle and 03 final (covering 11 drilling locations and measuring 40.391 ha of forest) were obtained.

Point-2 The State Government shall also provide its comments on the observations contained in the Site Inspection Report of the Regional Office of the MOEF & CC.

Reply of State Govt.: In this regard it is informed by the State Govt. that the detail survey of the area has been undertaken by the DFOs concerned and it may take some time to complete the entire exercise as per the observations of the Regional CCF I its SIR. In the meantime, M/s OIL has been pressuring the State Govt. for pursuing the matter with the Central Govt. for re-grant of PML to enable them to set up the 10 MW gas based thermal power plant in Changlang district of Arunachal Pradesh. OIL has submitted the following (Annexure-IV (Pg. 250-251/c)):-

- I. OIL has been operating in the Ningru area of Arunachal Pradesh since 1963 originally on the strength of Petroleum Exploration License (PEL) and thereafter on the Petroleum Mining Lease (PML) w.e.f. 27.11.1983 for a period of 20 years.
- II. The surface right issue, viz. various Govt. establishments, towns, villages, encroachments, etc., within the Ningru block had never come up and linked to the grant of PEL in 1963 as well as during the grant of the PML from 1983 to 2003. when such establishments, towns, villages, etc. co-existed within the block area.
- III. Grant of PML does not automatically authorize the lessee to alter the surface position & undertake non-forestry activities in the PML area and the onus of the block does not lie with the lessee.
- IV. In PML granted under Petroleum & Natural Gas Rules, 1959 (PNGR 1959) which normally covers a large area, only a very small area comprising hardly 1-2% of total PML area is usually diverted for lessee's drilling, production and other allied activities.
- V. Re-grant of the Ningru PML will not authorize OIL to directly take up non-forestry activities within the PML block; it will give OIL only the Preferential Right without any Surface Right over the block area.
- VI. OIL will have to obtained FC clearances under section 2 (ii) of FC Act, 1980 for each and every piece of forestland required for its drilling, production and other allied activities.
- VII. Unlike mining lease granted under MMDR Act, 1957, in PML granted under PNGR, 1959 the onus of the block does not lie with the lessee and as such all other activities of day to day common life including settlements of villages,

towns, habitations, cultivations, etc., including encroachment, if any, can co-exist as surface rights within the block area.

VIII. As per MoEF&CC's guidelines dated 07.10.2014, conditions which are beyond the control of User Agency must not be linked to the grant of approval under F Act, 1980 to any specific project. Since, OIL does not have any various government establishments town, villages, encroachments etc. 1.1:IT, the block the same should not be linked with approval under F (Conservation) Act, 1980 towards re-grant of the PML.

19. In addition to the above, it is also reported by the State Govt. that the instant proposal is for re-grant of PML over 540.668 sq km of forest land in favour of M/s. Oil India Limited, a Central Govt. owned PSU. The original proposal for renewal of PML over 540.668 sq km of forestland at Ningru block was submitted to Govt. of India for grant for FC clearance under section-2(iii) of FC Act, 1980 vide letter no. FOR.14-8/Cons/03/343-46 dated 22.09.2006. However, the FC clearance could not be granted probably due to non-existence of suitable guidelines for granting Petroleum Exploration License (PEL) / Petroleum Mining Lease (PML) in accordance with PNGR 1959 and dispute over quantum of NPV chargeable against PEL/PML. This issue got resolved with the formulation of new guidelines for obtaining FC clearance involved in the petroleum mining leases vide Ministry's letter no F.No.8-118/2006-FC dated 24.06.2015 in compliance of Hon'ble Supreme Court judgment dated 08.08.2014 in case of IA no.3627 in WP(C) No.202/1995 in case of T.N. Godavarman Thirumulpad vs. Oil India Limited and others.

20. The CCF & Nodal Office, Govt. of Arunachal Pradesh (Pg.349-350/c) has also submitted the following for favour of information and consideration to avoid any further delay in re-grant of PML to M/s OIL:

- (i) Mining of oil and natural gas falls under the category of underground (UG) mining. It is normally done through sinking of deep bore-well.
- (ii) Under the Petroleum & Natural Gas Rules, 1959 (PNGR 1959), there are 2 types of MoU/MoA executed by the Ministry of Petroleum & Natural Gas, viz. PEL (Petroleum Exploratory Licence) and PML (Petroleum Mining Lease), both for certain fixed period of time over an area supposed to have mineral oil/gas deposits.
- (iii) Under both PEL & PML, all activities including 2D seismic survey / exploratory drilling / production drilling / mining of mineral oil/gas, etc., are carried out simultaneously.
- (iv) Execution of either PEL or PML comprising non-forest / forestland provides a preferential right over the land only and does not entail any permission for carrying out any non-forest activity over an area.

- (v) Before executing PEL or PML over a forestland, the forest clearance under section 2(iii) of the Forest (Conservation) Act, 1980 is required.
- (vi) The execution of PEL/PML is akin to entry permit (preferential right) given to an individual to enter into the non-forest / forest area without any working permission. This entry permission in the form of PEL/PML is to be granted under section-2(iii) of the Forest (Conservation) Act, 1980 after payment of 2% of NPV of the forest area involved in the lease.
- (vii) The preferential right acquired through PEL or PML over an area (forest or otherwise) empowers the project proponent to block or prevent the entry of any other project proponent or stake holder into exploration/mining of petroleum & natural gas in that area.
- (viii) The execution of PEL/PML does not amount to diversion of forest land for non-forest purposes. As such, it does not provide any surface right over the area to the license / lease holder.

Therefore, the FC clearance under section-2 (iii) for execution of PEL/PML and FC clearance under section-2 (ii) for diversion of forest land for non-forest purposes are two different clearances having different connotations under the PNGR, 1959 as submitted above.

- (x) It is also a fact that without having valid PEL/PML, a project proponent cannot acquire FC clearance under section-2 (ii) for diversion of forest land for non-forest purposes.

In view of above, the file is submitted for consideration if we may place the fact of the above proposal as detailed in above note before FAC in its forthcoming meeting scheduled to be held on 09th -10th November, 2016.
