

Summary about Non-Applicability of EIA Notification 2006 for North Balol Block during earlier project activities

Government of India (GOI) in its effort to increase indigenous production of oil and natural gas in the Country has opened oil sector by allowing private investments. Accordingly, GOI offered small size fields during second round of development in 1993. A letter of intent was awarded by GOI for North Balol Block development in 1995.

The Consortium of Hindustan Oil Exploration Company Ltd (HOEC), Gujarat State Petroleum Corporation Limited (GSPC) and Heramec Ltd. (now GNRL Oil and Gas Ltd), signed production sharing contract(PSC) with GOI on February 23, 2001. HOEC is designated operator for the Block.

Subsequent to the signing of PSC, HOEC planned development activities to produce hydrocarbon with a project investment of approx. 12.90 crores (< 50 crores).

Our project involving developmental activity like levelling of site, construction of storage shed and laying of pipelines etc commenced from June 2003 onwards. The completed developmental activities are falling under project **list 09 of schedule I of Environmental Impact Assessment Notification, 1994** where the Ministry **exempted projects** involving Exploration for oil and gas and their production, transportation and storage with project investment **of less than 50 crores**.

Accordingly, for complying with the Production Sharing Contract signed with Government of India HOEC have completed and submitted EIA report to DGH required before taking up development activities in the Block as Environmental Clearance as per EIA Notification 2006 is not applicable during that period.

Relevant annexures along with this document are:

1. Signed Minutes of the Management Committee meeting participated by DG of DGH along with HOEC, GSPC and Heramec officials.
2. Copy of Environmental Impact Assessment Notification, 1994.



NORTH BALOL BLOCK
2ND MANAGEMENT COMMITTEE MEETING
held at DGH on 09.07.2003
Minutes of Meeting

Management Committee Meeting held at DGH Office in New Delhi on July 9, 2003 from 11:00 hours to 14:00 hours.

Members Present:

- (i) Dr. Avinash Chandra, DG, DGH – Chairman
- (ii) Mr. Vipul Bhatt – GM (P&E), HOEC
- (iii) Mr. Sastry Karra – CEO, Heramec Ltd.
- (iv) Mr. M.Y. Farooqui – DGM (Project) – GSPC

List of other participants are enclosed.

Chairman welcomed all the participants. The following points were discussed as per Agenda.

1. REVIEW / FOLLOW UP ACTIONS OF MCM # 1 DATED OCTOBER 28, 2003

Gas Market Study:

DGH inquired on the modification by consortium to MCM-1 minutes on Gas Market Study. GSPC informed that they want to sale their share of gas separately & Gas Market Survey was already carried out earlier. DGH clarified that Gas Market Study for companies separately will not be allowed for Cost recovery . Consortium agreed on the same. DGH suggested that copy of the report on gas Market Survey carried out by GSPC may be furnished.

2. APPRAISAL OF PROGRESS OF DEVELOPMENT OPERATIONS IN FY 2002-03

A. E & P Activities

• **Data Collection**

Well history files for North Balol have been collected from ONGC, Mehsana. It is found data gaps and contradictions in North Balol Well no. 3 well information received from ONGC.

• **Statutory Compliance**

- Consent from DGMS on Notice of construction of Gas Collecting Station (GCS) and notice of opening of mine have been received on June 17, 2003.
- No Objection certificate (NOC) to start hydrocarbon production from GSCB received on June 16, 2003.
- Base Line Survey has been carried out by Kadam Environment Consultant as per PSC requirement. Rapid Environment Impact Assessment (EIA) study is under progress.

- **Logistics & Civil works**

Area demarcation for well Site & approach road, well site leveling & cleaning for well no. 1, 2, 3, 4, 5 & 8 is completed.

Well nos. 1, 2, 3, 4 & 5 (including GCS) are fenced. DG, DGH advised to fence the abandoned wells also for safety reasons.

Tube well and underground water reservoir are constructed at North Balol Gas Collecting Station (GCS).

Installed Bean Housing at NB#1 & 4 and painted wellheads / Xmass tree of well NB#1, #2, #4 & #5.

The construction of field office building and storage shed at GCS (well No. NB-5) are under completion.

- **Land acquisition**

Additional land has been acquired for GCS at North Balol well no. 05. Land for alternate approach roads for North Balol well no. 1 & 8 have been acquired. Operator informed that problems being faced in Land acquisition for North Balol well no. 08 and help from ONGC is sought for payment of rental to land owners.

- **Material procurement for well activation & testing**

Well Head control valves for X-mass tree were installed on well no. 1, 2, 3, 4 & 5. Separator, Chikson, Valves, Gas Meters etc. were procured.

- **Gathering pipelines**

Consortium identified suitable location for the Gas Collecting Station [GCS] at well NB # 5. The route for gathering pipelines for connecting the wells to GCS was identified and pipelines were procured. DGH inquired about reason of the unscheduled expenditure of purchase of pipe without approval of OC & MC and whether the pipes were purchased as per procedure provided in PSC. Operator informed that they want to produce gas from the field earliest possible and therefore purchased the pipes from Indian supplier on consignment basis.

On the above query of DGH for purchase of the pipelines, HOEC informed that the pipelines were purchased as per provision of PSC and explained with tabulated comparison of quotations for 3" & 4" seamless pipes from five (5) manufacturers / stockists. It was observed that as per the tabulated details the Maharashtra Seamless Ltd. quoted the minimum landed cost including other suitable terms & conditions. MC agreed for the regularisation of the purchase of pipeline at Rs. 83.2 lacs as expenditure for 2002-03 subject to submission of documents by the operator explaining the reason of the unscheduled purchase without prior approval of OC & MC and undertaking that the pipes were purchased as per provision of PSC.

Currently the pipeline route survey and level elevation survey has been completed. The contractors for pipeline laying, third party inspection, cathodic protection have been identified.

Operator is in the process of awarding the pipeline laying contract so that the pipe laying work commences immediately after the monsoon.

The report on Gathering lines design have been submitted to partners and DGH.

- **Facilities**

The report on GCS facilities design had been submitted to partners and DGH and MC urged operator to initiate action for installation of the facilities.

- **Well activation & work over**

Operator informed that activation of well no. 1, 2 & 4 and work over operation for recovery of fished tubing at well no. 3 were completed successfully. Operator further informed that efforts are on to activate well no. 3.

- **Well Testing and reservoir data acquisition**

Consortium carried out 4 bean wells testing of North Balol #1, #2 and #4. The testing results were presented.

B. G & G Activities

- **Data Collection**

Operator briefed MC about the collection of following G & G data from ONGC:

- Log data within the block
- Log data for Gamanpura -1, out side the block boundary
- 2D & 3D Seismic data

- **Data copying & digitization**

Operator appraised MC about the copying of 2D & 3D seismic data to 8 mm Cartridge and digitization of well logs and seismic base maps. Operator agreed to provide the same . Operator further informed that the CD of digitized well logs has been provided to partners and DGH. DG, DGH advised operator to provide hard copies of all the well logs for their study on or before 14th July 2003.

- **G & G interpretation**

Operator informed about the following on the G&G-

- The 2D & 3D seismic data are loaded to Charisma workstation after initial data loading problem Log data correlation and Time interpretation of four levels has been completed

and report, titled "Geological & Geophysical studies in North Balol" has been submitted to the partners and DGH.

- Petrophysical analysis of the Wells has been completed and report titled "Well Log analysis in North Balol Block" has been submitted to the partners and DGH.
- The Way forward in North Balol G&G model is to carry out the following-
 - Prepare Depth and thickness maps.
 - Attribute analysis, time and horizon slices.
 - Horizon flattening to know the Palaeo-Geology.
 - Identification of the prospective areas.
 - Estimation of the Reserves.

DGH suggested to evaluate the presence of gas in North Balol field using seismic data and inferences drawn from the available Sonic logs.

C. Gas Evacuation Strategy

The gas marketing study report was presented to MC.

Consortium is publishing an advertisement for gas sale in the newspapers. The forward action plan for the Gas Evacuation Strategy was presented to MC. MC approved Gas Evacuation Strategy schedule as per annexure - A. Consortium would like to begin gas sale by first quarter of 2004.

3. PRODUCTION TARGET

- **Committed date of production**

Consortium informed that pending Gas Sale Agreement (GSA), operator would be ready to produce gas from the field by first quarter of 2004 on best effort basis.

- **Expected production vis-a-vis committed in Appendix-H of PSC**

Based on the well test analysis results preliminary estimates are to the tune of 30000 SCMD gas from wells i.e. NB # 1, 2 & 4 and may go upto 50,000 SCMD gas upon successful activation & testing of well NB # 3. DGH informed the operator to achieve the production target mentioned in the Appendix-H of the PSC for North Balol field.

DGH further informed that oil production is also committed in the Appendix-H of PSC @ 5m³/d. Operator informed that North balol #5 & #8 wells are also considered for testing in the current year and oil production is expected from both the wells. Further, with the successful drilling and testing of new well the target production is expected to go above 60000 SCMD gas from 5 wells (NB#1, 2, 3, 4 & new well). One new well is kept in the budget of this year to be drilled to enhance gas / oil production from the field.

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4. AUDITED STATEMENT OF ACCOUNTS FOR FY 2002-03

Operator informed MC that expenditure of Rs. 235.78 Lacs has been made in the financial year 2002-03 including unscheduled pipeline purchase of Rs. 84 lacs.

MC member insisted for submission of documents for purchase of pipelines at Rs. 83.2 lacs as discussed earlier during appraisal of progress of development operation as Agenda - 2 ^{above.}

DGH further advised operator to submit quarterly and annually reports regularly as per provision of the PSC in Govt. approved format.

5. WORK PROGRAMME FOR FY 2003-04

- MC approved the work programme for FY 2003-04 as per **Annexure-I**.
- MC approved work on well NB # 5 and NB # 8 as additional to committed work programme for Phase 1, as per Appendix - H of the PSC.

6. BUDGET FOR FY 2003-04

Operator presented a total budget of Rs. 717.10 Lacs for the FY 2003-04. DGH advised operator to submit the techno-economics for the following options enabling DGH to review the budget:

1. Putting existing four wells on production.
2. Drill one new well.
3. Drilling one new well in addition to putting existing wells on production.

DGH advised operator to submit the details on the spill over amount from FY 2002-03.

DG, DGH directed consortium to carry out the activities for the Phase -I as committed in PSC . However the budget approval for the FY-2003-04 will be approved only after getting satisfactory details as above and Govt. of India will be appraise of the higher cost proposed if necessary as per PSC.

The operating Committee, specially Heramec Ltd. has put an objection on the manpower cost of Rs. 59.50 lacs since many activities are not completed.

7. APPOINTMENT OF AUDITOR FOR FY 2003-04

MC approved to reappoint M/s. Shah Mehta & Bakshi as the auditor for North Balol block in FY 2003-04. The terms and conditions of appointment will remain the same as of FY 2002-03.

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8. ANY OTHER BUSSINESS WITH PERMISSION OF THE CHAIR

- **Inventory Transfer**

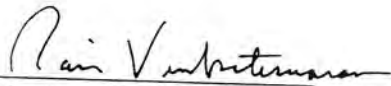
MC approved the transfer of 114 nos. of 2-3/8" tubings from Asjol project to North Balol project at the book value. The book value for the item would be deducted from the Asjol cost recovery statement.


- DGH pointed out that some of the activities as approved in last FY budget is not completed by Operator and way behind the schedule and advised operator to complete the yearly approved activities as per schedule. Operator cited the non-availability of workover rig and initial problem of data loading as main reasons for delay / completion of some of activities of last year work program. However, operator informed the house that in future they would try their best to complete the work program within stipulated time period.

With no other business, Vipul Bhatt thanked the participants.


Mr. Vipul Bhatt - HOEC


Mr. M.Y. Farooqui - GSPC


Mr. Ravi Venkateshwaran - HERAMEC

Certified the minutes of MCM

(P.K. ALLEY)
Dr. Avinash Chandra - DGH

NORTH BALOL BLOCK

MANAGEMENT COMMITTEE MEETING # 2

09th JULY, 2003 at DGH, NEW DELHI

LIST OF PARTICIPANTS

Sl. No.	Attendees	Company	Signature
1	SUMIL KUMAR VERMA	HOEC	<i>Sumil</i>
2	VIPUL BHATT	"	<i>Vipul</i>
3	Virendra Singh	HOEC	<i>Virendra Singh</i>
4	KITESH M. JOSHI	HOEC	<i>K. Joshi</i>
5	NIKKIL HARDIKAR	HOECL	<i>Nikkil Hardikar</i>
6	C. S. Kapur	HOEC	<i>C.S. Kapur</i>
7	Ravi Venkateswaran	HERAMEC	<i>Ravi Venkateswaran</i>
8	A. SAGAR	HERAMEC	<i>A. Sagar</i>
9	R. JAIN	HOEC	<i>R. Jain</i>
10	D.T. PANDIAN	GSPE	<i>D.T. Pandian</i>
11	M.Y. FAROQUI	GSPE	<i>M.Y. Farouqui</i>
12	Anjani K Singh	GSPE	<i>Anjani K Singh</i>
13	S.K. Koni	DGM	<i>S.K. Koni</i>
14	RATAN SINGH	DGH	<i>Ratan Singh</i>
15	P.K. SHARMA	DGM	<i>P.K. Sharma</i>
16	G S S N MURTHY	DGH	<i>G S S N Murthy</i>
17	Kiran Sharma	DGH	<i>Kiran Sharma</i>
18	PK Aley	DGH	<i>PK Aley</i>



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INDIA

**THE ENVIRONMENTAL IMPACT
ASSESSMENT NOTIFICATION, 1994**
(As amended on 4-5-94)

Government of India
Ministry of Environment & Forests
New Delhi

MINISTRY OF ENVIRONMENT & FORESTS

NOTIFICATION

ON

Environmental Impact Assessment of Development Projects

New Delhi, the 27th January, 1994.

(as amended on 04/05/1994)

1. S.O.60(E) Whereas a notification under clause (a) of sub- rule (3) of rule 5 of the Environment (Protection) Rules, 1986 inviting objections from the public within sixty days from the date of publication of the said notification, against the intention of the Central Government to impose restrictions and prohibitions on the expansion and modernization of any activity or new projects being undertaken in any part of India unless environmental clearance has been accorded by the Central Government or the State Government in accordance with the procedure specified in that notification was published as S.O. No. 80(E) dated 28th January, 1993;

And whereas all objections received have been duly considered;

Now, therefore, in exercise of the powers conferred by sub-section (1) and clause (v) of sub-section (2) of section 3 of the Environment (Protection) Act, 1986 (29 of 1986) read with clause (d) of sub-rule (3) of rule 5 of the Environment (Protection) Rules, 1986, the Central Government hereby directs that on

and from the date of publication of this notification in the Official Gazette expansion or modernization of any activity (if pollution load is to exceed the existing one) or a new project listed in Schedule I of this notification shall not be undertaken in any part of India unless it has been accorded environmental clearance by the Central Government in accordance with the procedure hereinafter specified in this notification.

2. Requirements and procedure for seeking environmental clearance of projects:

- I.(a) Any person who desires to undertake any new project or the expansion or modernisation of any existing industry or project listed in Schedule I shall submit an application to the Secretary, Ministry of Environment and Forests, New Delhi.

The application shall be made in the proforma specified in Schedule II of this notification and shall be accompanied by a project report which shall, inter alia, include an Environmental Impact Assessment Report/Environment Management Plan prepared in accordance with the guidelines issued by the Central Government in the Ministry of Environment and Forests from time to time.

- (b) Cases rejected due to submission of insufficient or inadequate data and plans may be reviewed as and when submitted with complete data and plans. Submission of incomplete data or plans for the second time would itself be a sufficient reason for the Impact Assessment Agency to reject the case summarily.

II. In case of the following site specific projects:

- (a) mining;
- (b) pit-head thermal power stations;
- (c) hydro-power, major irrigation projects and/or their combination.

including flood control;

- (d) ports and harbours (excluding minor ports);
- (e) prospecting and exploration of major minerals in areas above 500 ha.,

The project authorities will intimate the location of the project site to the Central Government in the Ministry of Environment and Forests while initiating any investigation and surveys. The Central Government in the Ministry of Environment and Forests will convey a decision regarding suitability or otherwise of the proposed site within a maximum period of thirty days. The said site clearance shall be granted for a sanctioned capacity and shall be valid for a period of five years for commencing the construction, operation or mining.

- III.(a) The reports submitted with the application shall be evaluated and assessed by the Impact Assessment Agency, and if deemed necessary it may consult a Committee of Experts, having a composition as specified in Schedule-III of this Notification. The Impact Assessment Agency (IAA) would be the Union Ministry of Environment and Forests. The Committee of Experts mentioned above shall be constituted by the IAA or such other body under the Central Government authorised by the IAA in this regard.
- (b) The said Committee of Experts shall have full right of entry and inspection of the site or, as the case may be, factory premises at any time prior to, during or after the commencement of the operations relating to the project.
- (c) The Impact Assessment Agency shall prepare a set of recommendations based on technical assessment of documents and data, furnished by the project authorities, supplemented by data collected during visits to sites or factories, if undertaken, and interaction with affected population and

environmental groups, if necessary. Summary of the reports, the recommendation and the conditions, subject to which environmental clearance is given, shall be made available subject to the public interest to the concerned parties or environmental groups on request. Comments of the public may be solicited, if so decided by Impact Assessment Agency, within thirty days of receipt of proposal, in public hearings arranged for the purpose after giving thirty days notice of such hearings in at least two newspapers. Public shall be provided access, subject to the public interest, to the summary of the reports/ Environmental Management Plans at the Headquarters of the Impact Assessment Agency.

The assessment shall be completed within a period of ninety days from receipt of the requisite documents and data from the project authorities and completion of public hearing, where required, and decision conveyed within thirty days thereafter.

The clearance granted shall be valid for a period of five years for commencement of the construction or operation.

No construction work, preliminary or otherwise, relating to the setting up of the project may be undertaken till the environmental and/or site clearance is obtained.

- IV. In order to enable the Impact Assessment Agency to monitor effectively the implementation of the recommendations and conditions subject to which the environmental clearance has been given, the project authorities concerned shall submit a half-yearly report to the Impact Assessment Agency. Subject to the public interest, the Impact Assessment Agency, shall make compliance reports publicly available.
- V. If no comments from the Impact Assessment Agency are received within the time limit, the project would be deemed to have been approved as proposed by project authorities.

3. Nothing contained in this Notification shall apply to:

- (a)** any item falling under entry nos. 3,18 and 20 of the Schedule-I to be located or proposed to be located in the areas covered by the Notifications S.O. No. 102(E) dated 1st February, 1989; S.O. 114(E) dated 20th February, 1991 S.O. No. 416(E) dated 20th June, 1991 and S.O. No. 319(E) dated 7th May, 1992.
- (b)** any item falling under entry Nos. 1,2,3,4,5,7,9,10,12,13,14,16,17,19,21,25 and 27 of Schedule-I if the investment is less than Rs. 50 crores.
- (c)** any item reserved for Small Scale Industrial sector with investments less than Rs. 1 crore.

4. Concealing factual data or submission of false, misleading data/reports, decisions or recommendations would lead to the project being rejected. Approval, if granted earlier on the basis of false data would also be to be revoked. Misleading and wrong information will cover the following:

- False information.
- False data.
- Engineered reports.
- Concealing of factual data.
- False recommendations or decisions.

(No. Z-12013/4/89-IA-I)

R. RAJAMANI, Secy.

SCHEDULE -I
(See paras 1 and 2)

**LIST OF PROJECTS REQUIRING ENVIRONMENTAL
CLEARANCE
FROM THE CENTRAL GOVERNMENT**

1. Nuclear Power and related projects such as Heavy Water Plants, nuclear fuel complex, rare earths.
2. River Valley projects including hydel power, major irrigation and their combination including flood control.
3. Ports, Harbours, Airports (except minor ports and harbours).
4. Petroleum Refineries including crude and product pipelines.
5. Chemical Fertilizers (Nitrogenous and Phosphatic other than single superphosphate).
6. Pesticides (Technical).
7. Petrochemical complexes (Both Olefinic and Aromatic) and Petro-chemical intermediates such as DMT, Caprolactam, LAB etc. and production of basic plastics such as LDPE, HDPE, PP, PVC.
8. Bulk drugs and pharmaceuticals.
9. Exploration for oil and gas and their production, transportation and storage.

10. Synthetic Rubber.
11. Asbestos and Asbestos products.
12. Hydrocyanic acid and its derivatives.
- 13.(a) Primary metallurgical industries (such as production of Iron and Steel, Aluminium, Copper, Zinc, Lead and Ferro Alloys).

(b) Electric arc furnaces (Mini Steel Plants).
14. Chlor-alkali industry.
15. Integrated paint complex including manufacture of resins and basic raw materials required in the manufacture of paints.
16. Viscose Staple fibre and filament yarn.
17. Storage batteries integrated with manufacture of oxides of lead and lead antimony alloy.
18. All tourism projects between 200m--500 meters of High Tide Line or at locations with an elevation of more than 1000 meters with investment of more than Rs. 5 crores.
19. Thermal Power plants.
20. Mining projects (major minerals) with leases more than 5 hectares.
21. Highway Projects.
22. Tarred Roads in Himalayas and/or Forest areas.
23. Distilleries.
24. Raw Skins and Hides.

25. Pulp, paper and newsprint.
26. Dyes.
27. Cement.
28. Foundries (individual).
29. Electroplating.