

OIL AND NATURAL GAS CORPORATION LTD

Mehsana Asset,

KDM Bhawan, Palavasana Mehsana-384003, Gujarat, India Fax No.0091 2762-225705

File Ref: NO. MHN/HSE/EC-Drlg/2009-10

Date: 19-11-2009

To:

The Chief Conservator of Forests (Western Zone), Ministry of Environment & Forests, Regional Office, E-5, Arera Colony, Link Road -3, Bhopal-462 016, M.P.

Sub: Six monthly compliance to Environmental clearance (EC) for Development drilling of 157 Nos. of development wells in Mehsana Assets.

Ref : EC No. F. No. J-11011/106212007-IA II (I), dated 01/04/2009 (Copy enclosed)

Sir

Reference is invited to the above Environment Clearance (EC) for Development drilling of 157 Nos. of wells to be drilled / already drilled from 2007- 2011 at ML area.

Environment clearance has been given by Ministry of Environment and Forest to the above project under provisions of EIA notification, 2006.

Accordingly item wise compliance report has been listed below for the period ending 30th September 2009.

A. SPECIFIC CONDITIONS:

| SI No. | EC Conditions | Action & compliance statement |
|-----------|--|--|
| 1 | The company shall pay compensation for acquisition of private land as per the Central Government/State Government norms. The compensation to be paid to the land loser shall not be less than the norms/package as per the Policy on National Resettlement and Rehabilitation Rules, 2007. | ONGC is acquiring lands under the Land Acquisition Act 1894, and the payment is being made |
| ii | The company shall comply with the guidelines for disposal of solid waste, drill cutting and drilling fluids for onshore drilling operation notified vide GSR.546 (E) dated 30 th August, 2005. | Waste pit with impervious liner is being done. |
| iii | The surface facilities shall be installed as per applicable codes and standards, international practices arid applicable local regulations. | Surface facilities prepared as per applicable Code/ Standard. |
| iv | The top soil removed shall be stacked separately for reuse during restoration process. | As such against EC, development wells are being drilled up to 3 to 4 wells at one |



| SI No. | EC Conditions | Action & compliance statement |
|-----------|---|--|
| | | site and through this saving additional land. Necessary action shall be taken at the time of surrendering of land. |
| V | Monitoring of HC concentration in the ambient air and non-methanated HC shall be undertaken and data submitted to the Ministry and State Pollution Control Board. | in the ambient air and non- |
| vi | Drilling waste water including drill cuttings wash water shall be collected in disposal pit lined with HDPE lining evaporated or treated and shall comply with the notified standards for onshore disposal. The membership of common TSDF shall be obtained for the disposal of drill cuttings and hazardous waste. Otherwise secured land fill shall be created at the site with the Authorization of the State Pollution Control Board. The design of the secured shall be approved by the State Pollution Control Board. | Drilling waste water including drill |
| vii | The recyclable waste (oily sludge) and spent oil shall be disposed to the authorized recyclers. | Spent oil is being sent to authorized recyclers through MSTC. |
| Viii | Only water based drilling mud shall be used. The drilling mud shall be recycled; In case of use of synthetic oil based mud due to any problem due to geological formation for drilling, low toxicity, Oil Based Mud (DBM) having aromatic content < 1 % shall be used. If it is intended to use such OBM/SBM to mitigate specific hole problem, it should be intimated to Ministry of Environment and Forests/ State Pollution Control Board. | Only water based mud system is being used for drilling development wells in the Asset. |
| ix | Quantities of storage and chemicals and additives required for drilling mud preparation shall be below the specified threshold for specified storage permitted under the MSIHC Rules. | Chemicals at drill site are received on day to day basis of operational needs for which adequate storage capacity as per rule is at site. |
| х | Pre hire rig inspection, safety meetings, tool box meeting, job safety analysis and audits shall be carried out to identify hidden /potential hazardous. | Own Rigs are being deployed & pre spud meeting is being carried out before starting the drilling operation to review safety related aspects. Risk assessment has been carried out to identify hidden/ potential hazards. |
| xi | The Company shall take necessary measures to prevent fire hazards, containing oil spill and soil remediation as needed. At place of ground flaring, the overhead flaring stack with knockout drums shall be installed to minimize gaseous emissions during flaring. | ONGC has Disaster Management Plan (DMP), Site Specific Emergency Response Plan (ERP) and contingency plans in place. In case of any contingency, action will be taken as per DMP/ERP. |

| SI No. | EC Conditions | Action & compliance statement |
|-----------|--|---|
| xii | The Company shall take necessary measures to reduce noise levels at the drill site by providing mitigation measures such as proper acoustic enclosures to the DG set and meet the norms notified by the MoEF. Height of all the stacks/vents shall be provided as per the CPCB guidelines. | Noise levels are within permissible limits. |
| xiii | To prevent fire and explosion at Oil and Gas facility, potential ignition sources should be kept to a minimum and adequate separation distance between potential ignition sources and flammable material should be in place. | |
| xiv | The company shall develop a contingency plan for H2S release including all necessary aspects from evacuation to resumption of normal operations. The workers should be provided with personal H2S detectors in locations of high risk of exposure along with self containing breathing apparatus. | Emergency Response Plan for H2S release is available. |
| xv | To prevent well blowouts during drilling operations, Blow Out Preventor (BOP) system shall be installed. Blow Out Prevention measures during drilling shall focus on maintainil1g well bore hydrostatic pressure by proper pre-well planning and drilling fluid logging etc. | Being Complied. |
| xvi | The company shall take measures after completion of drilling process by well plugging and secured enclosures, decommissioning of rig upon abandonment of the well and drilling site shall be restored to near original condition. In the event that no economic quantity of hydrocarbon is found a full abandonment plan shall be implemented for the drilling site in accordance with the applicable Indian Petroleum Regulations. | It is being followed |
| xvii | Provision shall be made for the housing for the construction labour within the site with all necessary infrastructure and facilities such as fuel for cooking, mobile toilets, mobile sewage treatment plant, safe drinking water, medical health care, crèche etc. The housing may be in the form of temporary structure to be removed after the completion of the project. All the construction wastes shall be managed so that there is no impact on the surrounding environment. | Drill site construction job is minor in nature and local labour is engaged for above job and the job is done during day hours only. |
| xviii | Opposite and the state of the s | In practice |

B: GENERAL CONDITIONS:

| SI | EC Conditions | Action & compliance |
|-----|---------------|---------------------|
| No. | | statement By |

| SI | EC Conditions | Action & compliance |
|-------|--|---|
| No. | | statement By |
| i | The project authorities must strictly adhere to the stipulations made by the Gujarat Pollution Control Board and the State Government. | Done |
| ii | No further expansion or modification in the project shall be carried out without prior approval of the Ministry of Environment & Forests. In case of deviations or alterations in the project proposal from those submitted to this Ministry for clearance, a fresh reference shall be made to the Ministry to assess the adequacy of conditions imposed and to add additional environmental protection measures required, if any. | |
| 111 | The emissions of (RSPM, SPM, S02, NOx, HC & VOC) from DG Set and from flare stack shall conform to the standards prescribed by the SPCs. Regular monitoring of Ambient Air for HC and VOC shall be carried out as per CPCB guidelines. Stack height attached to DG sets shall be in-conformance with the environment protection acts and rules. | Being done and within permissible limits. |
| iv | The project authorities must strictly comply with the rules and regulations under Manufacture, Storage and Import of Hazardous chemicals Rules, 1989 as amended subsequently. Prior approvals from Chief Inspectorate of Factories, Chief Controller of Explosives, Fire Safety Inspectorate etc. must be obtained, wherever applicable. | Not applicable |
| V. | The project authorities must strictly comply with the rules and regulation with regard to handling and disposal of Hazardous Wastes (Management, Handling and Trans Boundary Movement) Rules, 1989/ 2003 / 2008 wherever applicable. Authorization form the State Pollution Control Board must be obtained for collections/treatment/storage/disposal of hazardous wastes. | In practice. |
| vi. | The overall noise levels in and around the plant area shall be kept well within the standards by providing noise control measures including acoustic hoods, silencers, enclosures etc. on all sources of noise generation. The ambient noise levels shall conform to the standards prescribed under EPA Rules, 1989 viz. 75 dBA (daytime) and 70 dBA (nighttime). | Being followed. |
| vii. | A separate Environmental Management Cell equipped with full fledged laboratory facilities must be set up to carry out the environmental management and monitoring functions. | Lab Services are hired at present. |
| viii. | The second of th | IN PRACTICE |

| SI No. | EC Conditions | Action & compliance statement By |
|-----------|---|---|
| | conditions stipulated herein. The funds so provided shall not be diverted for any other purposes. | |
| ix. | The project proponent shall also submit six monthly reports on the status of compliance of the stipulated E C conditions including results of monitored data (both in hard copies as well as by e-mail) to the respective Regional Office of MoEF, the respective Zonal Office of CPCB and the State Pollution Control Board. The Regional Office of this Ministry at Bhopal/Central Pollution Control Board/State Pollution. Control Board shall monitor the stipulated conditions. | |
| xi. | The Project Proponent shall inform the public that the project has been accorded environmental clearance by the Ministry and copies of the clearance letter are available with the State Pollution Contro1 Board/ Committee and may also be seen at Website of the Ministry and Forests at http://www.envfor.nic.in. This shall be advertised within seven days of the issue of this letter in at least two local newspapers that are widely circulated in the region of which one shall be in the vernacular language of the locality concerned. | General public was informed by an advertisement on "Indian express" and "Jansatta" dated 22/05/09 (copy of press clipping enclosed) |
| xii v | The Project Authorities shall inform the Regional Office as well as the Ministry, the date of financial closure and final approval of the project by the concerned authorities and the date of commencing the land development work. | Noted, shall be followed. |

Thanking you

Yours faithfully

(Rafiq Ahmed.K) DGM – HSE

C C: Chief HSE , New Delhi

Copy for kind information to: 1. ED - AM

2. GM - SSM 3. GM - HDS