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Date: 14th January, 2016

CIN.: U11102MH2007PLC170562

Ref No – MPL/CB03/ FICO /275

To

Regional Office, Western Region,
Kendriya Paryavaran Bhavan,
Link Road No 3,
E-5, Ravi Shankar Road,
Bhopal – 462016 (MP)
Telefax – 0755- 2465054

Sub – Status of Compliance of the stipulated environmental conditions

Ref – Environmental Clearance (“EC”) bearing reference no J-11011/28/2011-IA II (I) granted for Block CB ONN 2005/3 (“Block”) Exploratory Drilling (Onshore) for Oil and Gas (8 Wells) in Districts Ahmedabad and Mehsana

Dear Sir/Madam,

We, Mercator Petroleum Limited (MPL) refer to the aforementioned EC and pursuant thereto; enclose a report on the status of the compliance of the stipulated environmental conditions.

We request you to acknowledge receipt of the same in good order.

Thanking You,

Yours Sincerely,

Dr. Rabi Bastia
MC Member

Cc – Central Pollution Control Board, Parivesh Bhavan, Opp. VMC ward office no 1, Subhanpura Vadodara – 390023
Gram Nirman Bhavan, Khadi Gramodhyog Board Building, 2nd Flr, Juna Vadaj, Ahmedabad – 380013
H/3 –A, Phase -1, GIDC Estate, Near GIDC Office, Modhera Rd, Mehsana - 389002

Subject: EC compliance Report (February to December, 2015), EC NO: F. No. J 11011/28/2011-IA II (I) for on-shore exploratory drilling 8 wells in Oil and Gas Block CB-ONN-2005/3 in District Ahmadabad and Mehsana, Gujarat,

| S.No. | Conditions of Environmental Clearance | Compliance |
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| 6.0 (A) Specific Conditions | | |
| i | This EC is only for exploratory drilling. In case development drilling to be done in future, prior clearance must be obtained from concerned authorities. | Noted. |
| ii | Ambient air quality monitored near closest human settlements as per the National Air Quality Emission standards issued by the Ministry vide G.S.R. No. 826 (E) dated 16 th November 2009, for PM10, PM2.5, SO2,NOx,CO, methane and Non – Methane HC | No drilling activity during the aforementioned reporting period (February to December, 2015). |
| iii | Mercury shall also be analyzed in air, water and drill cuttings twice during drilling period | |
| iv | Approach road shall be made pucca to minimize generation of suspended dust. | Complied |
| v | The company shall make the arrangements for control of noise from drilling activity. Acoustic enclosure shall be provided DG sets and proper stack height shall be provided as per CPCB guidelines | No drilling activity during the aforementioned reporting period (February to December, 2015). |
| vi | Total water requirement shall not exceed 20 m3 /day and prior permission shall be obtained from the concerned agency. | |
| vii | The company shall construct the garland drain all around the drill site to prevent runoff of any oil containing waste into the nearby water bodies. Separate drainage system shall be created for oil contaminated and non oil contaminated. Effluent shall be properly treated and treated wastewater shall conform to CPCB standards | |
| viii | Drilling wastewater 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 on-shore 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 as per the design approved by the CPCB and obtain authorization from the SPCB. Copy of authorization or membership of TSDF shall be submitted to Ministry's Regional Office at Bhopal | |
| ix | Good sanitation facility should be provided at the drilling site. Domestic sewage shall be disposed off through septic tank / soak pit. | |



| S.No. | Conditions of Environmental Clearance | |
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| x | Oil spillage prevention scheme shall be prepared. In case of oil spillage / contamination, action plan shall be prepared to clean the site by adopting proven technology. The recyclable waste (oily sludge) and spent oil shall be disposed to the authorized recyclers. | No drilling activity during the aforementioned reporting period (February to December, 2015). |
| xi | 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 30th August, 2005. | |
| xii | The Company shall take necessary measures to prevent fire hazards, containing oil spill and soil remediation as needed. Possibility of using ground flare shall be explored. At the place of ground flaring, the overhead flaring stack with knockout drums shall be installed to minimize gaseous emissions during operation. | |
| xiii | The company shall develop a contingency plan for H ₂ S release including all necessary aspects from evacuation to resumption of normal operations. The workers shall be provided with personal H ₂ S detectors in locations of high risk of exposure along with self containing breathing apparatus. | |
| xiv | On completion of drilling, the company has to plug the drilled wells safely and obtain certificate from environment safety angle from the concerned authority. | |
| xv | Blow Out Preventor (BOP) system shall be installed to prevent well blow outs during drilling operations. BOP measures during drilling shall focus on maintaining well bore hydrostatic pressure by proper pre-well planning and drilling fluid logging etc. | |
| xvi | Emergency Response Plan (ERP) shall be based on the guidelines by OISD, DGMS and Govt. of India. | Emergency plan was in place. |
| xvii | 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 the 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. | No drilling activity during the aforementioned reporting period (February to December, 2015). |
| xviii | Abandoned well inventory and remediation plan shall be submitted within six months from the date of issue of letter. | |
| xix | Occupational health surveillance of the workers shall be carried out as per prevailing Acts and rules. | |



| S.No. | Conditions of Environmental Clearance | Compliance |
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| xx | In case the commercial viability of the project is established, the Company shall prepare a detailed plan for development of oil and gas fields and obtain fresh environmental clearance from the Ministry. | In case commercial viability established, the company will prepare a detailed development plan and apply for fresh clearance from ministry, |
| xxi | Restoration of the project site shall be carried out satisfactorily and report shall be sent to the Ministry's Regional Office at Bhopal. | Restoration of site will be done as per norm once work is fully completed. |
| xxii | Oil content in the drill cuttings shall be monitored by some Authorized agency and report shall be sent to the Ministry's Regional Office at Bhopal. | No drilling activity during the aforementioned reporting period (February to December, 2015). |
| xxiii | Under Enterprise Social Commitment (ESC), Sufficient budgetary provision shall be made for health improvement, education, water and electricity supply etc. in and around the project | Company provides adequate funds under CSR (ESC). |
| xxiv | An audit shall be done to ensure that the Environment Management Plan is implemented in totality and report shall be submitted to the Ministry's Regional Office. | Audit is being planned. |
| xxv | A social audit shall be carried out for the whole operation area with the help of reputed Institute like Madras Institute of Social Sciences etc. | Noted. |
| xxvi | All personnel including those of contractors shall be trained and made fully aware of the hazards, risks and controls in place. | Complied |
| xxviii | Company must have own Environment Management Cell having qualified persons with proper background | HSSE set up is functional in the company to carry out these functions. |
| xxix | Company shall prepare operating manual in respect of all activities. It shall cover all safety & environment related issues and system. Measures to be taken for protection. One set of environmental manual should be made available at the drilling site/ project site. Awareness should be created at each level of the management. All the schedules and results of environmental monitoring should be available at the project site office | Company has HSSE Management system and it is being followed. Beside, MOEF approved EIA report is available and environmental protection measures suggested in this report are being adhered to. |
| 6.(B) General Conditions | | |
| i | The project authorities must strictly adhere to the stipulations made by the Gujarat Pollution Control Board (GPCB), state Government and any other statutory authority. | Being adhered to as applicable |
| 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 | Noted. |



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| | assess the adequacy of conditions imposed and to add additional environmental protection measures required, if any. | |
| iii | The project authorities must strictly comply with the rules and regulations under Manufacture, Storage and Import of Hazardous Chemicals Rules, 2000 as amended subsequently. Prior approvals from Chief Inspectorate of Factories, Chief Controller of Explosives, Fire Safety Inspectorate etc, must be obtained, wherever applicable. | Complied. |
| iv | 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). | No drilling activity during the aforementioned reporting period (February to December, 2015). |
| v | A separate Environmental Management Cell equipped with full fledged laboratory facilities must be set up to carry out the environmental management and monitoring functions. | |
| vi | A copy of clearance letter shall be sent by the proponent to concerned Panchayat, Zila Perished / Municipal Corporation, Urban Local Body and the local NGO, if any, from whom suggestions / representations, if any, were received while processing the proposal. The clearance letter shall also be put on the web site of the company by the proponent. | Complied |
| vii | The project proponent shall upload the status of compliance of the stipulated environment clearance conditions, including results of monitored data on their website and shall update the same periodically. It shall simultaneously be sent to the Regional Office of the MOEF, the respective Zonal Office of CPCB and the GPCB. The criteria pollutant levels namely; PM10, SO2, NOx, HC (Methane & Non-methane), VOCs (ambient levels as well as stack emissions) or critical sectoral parameters, indicated for the projects shall be monitored and displayed at a convenient location near the main gate of the company in the public domain. | Being complied. |
| viii | The project proponent shall also submit six monthly reports on the status of the compliance of the stipulated environmental conditions including results of monitored data (both in hard copies as well as by e-mail) to the Regional Office of MOEF, the respective Zonal Office of CPCB and the GPCB. The Regional Office of this Ministry / CPCB / GPCB shall monitor the stipulated | Being complied |



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| | conditions. | |
| ix | The environmental statement for each financial year ending 31st March in Form-V as is mandated to be submitted by the project proponent to the concerned State Pollution Control Board as prescribed under the Environment (Protection) Rules, 1986, as amended subsequently, shall also be put on the website of the company along with the status of compliance of environmental conditions and shall also be sent to the respective Regional Offices of the MOEF by e-mail. | Being Complied |
| x | 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 GPCB and may also be seen at Website of the Ministry of Environment and Forests at http://envfor.nic.in . This shall be advertised within seven days from the date of issue of the clearance letter, at least in two local newspapers that are widely circulated in the region of which one shall be in the vernacular language of the locality concerned and a copy of the same shall be forwarded to the Regional office. | Complied |
| xi | 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. | Complied |

