



Achievements in the Upstream E&P Sector

November 2022

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Moving Towards Vision 2050: An Energy Independent India

Indian Prime Minister Narendra Modi announced on the country's 75th Independence Day a new goal for India, transforming into an 'energy-independent' nation. The Government of India and the upstream oil and gas operators are relentlessly working towards achieving this goal.

By Joydev Lahiri



Dear Colleague,

What a year it has been, with Covid continuing, supply chains disrupted, the shocking invasion of Ukraine, and the return of inflation levels not seen in 40 years. Throughout, we have had the continued honour of working together across the upstream oil and gas sector, addressing the most crucial issues to achieving Vision 2050, as set by the Hon'ble Prime Minister.

As a *Convenor* of the Indian Upstream E&P Forum, I have been very actively persuading with various stakeholders to bring about reforms in various applicable regulations, especially the Environmental regulations, for the sector's ease in doing business. And it gives me immense pleasure to inform you that we have been able to bring about *37 positive reforms* after constant persuasion over the last decade.

Few more issues such as the consideration of oil and gas E&P activities as non-mining under purview of FCA, 1980 and exempting FCA, 1980 for ERD proposals, and few others are yet to be resolved.

Here's hoping we can all work together towards achieving Vision 2050, focusing on *Innovation, Impact* and *Economics*, and tackling the few pending hurdles along the way.

Achievements in the Last 5 Years



Moving Towards Vision 2050

Milestones Achieved in the Indian Upstream E&P Sector

- 1** Oil & Gas Seismic Survey in Forest land permitted without FC and with permission from Nodal Officer (FCA) of the State for 800 shot holes per 10 sq Km with planting of 2 Trees per shot holes in place of 25 Boreholes as stipulated earlier (OM dtd 30.09.2019 and other subsequent OMs dtd 14.01.2020 and 17.11.2020): First achievement of ours since persuading jointly from 2018 onwards.

- 2** Due to our vigorous persuasions, the issues got due attention at Central level and following actions were initiated by GoI subsequently since after 2018:
 - “Empowered Coordination Committee (ECC)” under Chairmanship of the Cabinet Secretary constituted through resolution of the Union Cabinet on 19th February, 2019 exclusively for discussion on pending Clearance and Approval issues for O&G Upstream Sector
 - Report released in January, 2019 under Chairmanship of Vice Chairman, NITI Aayog-“Enhancing Domestic Oil & Gas Exploration and Production” in the Indian Basins
 - “Hydrocarbon Clearance Cell (HCC)” created in DGH during 2019-2020 to facilitate early clearances
 - NECC Coordinators appointed by DGH wef October, 2021, within the State Govt mechanisms in NE States, viz: Assam, Arunachal Pradesh and Tripura
 - MoEF&CC has constituted an ‘Inter-Ministerial Coordination and Monitoring Committee’ for EC, FC and WL clearance proposals and the committee had its 1st meeting on 10th May, 2022 under Chairmanship of DG (Forests) & Special Secretary, MoEF&CC
 - National Single Window System (NSWS) Investment Clearance Cell (ICC) introduced by MoC & I wef January, 2021
 - For at a glance look on status of various Clearances, DGH/MoPNG launched URJA PRAGATI Portal on 19.07.2021
 - Honorable PM’s directives during the e-pragati meeting with the States on 24th November, 2021 related to Forest and Environment Clearances for all Projects
 - » All States must have Monthly review meeting for all pending cases
 - » To send Explanation for all the cases pending since last 1 and more then 1 years- Report to be sent to the Cabinet Secretary in this regard urgently
 - » States to develop online monitoring system for such Forest and Environment Clearances

Milestones Achieved in the Indian Upstream E&P Sector | 2022

- 3** Forest (Conservation) Rules, 2022 notified Vide Gazette Notification G.S.R. 480(E) dtd 28th June, 2022 suppressing the previous Forest (Conservation) Rules, 2003 and the same has been made effective to all State and UTs vide MoEF&CC's OM dtd dtd 18th July, 2022 addressing to all the Principal Secretary/ Addl. Chief Secretary of the all State and UT Administrations
- No approval from Central Govt required for assigning any PEL/PML to any agencies (Private/ PSUs) under provision of Forest (Conservation) Rules, 2022
 - Forest (Conservation) Rules, 2022 authorises IROs to approve Stage-I FC (IPA) for forestlands up to 5 ha, including Mining Projects
 - MoEF&CC vide OM dtd 23rd June, 2021 extended 3 years validity period to 5 years for converting IPA/ Stage-I FC to Final FC Approval under provision of section 2(ii) of FCA, 1980- Sub rule 6 (d) (i) of Rule 9 of Forest (Conservation) Rules, 2022 contradicts the OM dtd 23.06.2021, as here time line of 2 yrs only given for converting Stage-I FC to Final FC failing which IPA deemed to be treated as null and void
- MoEF&CC also initiated Cabinet Note for amendment of Forest (Conservation) Act, 1980 after its last amendment in 1988 and invited comments/suggestions vide letter dtd 02.10.2021 from the Stakeholder Ministries- Further Action in this respect is not known.
- 4** Amendment of EIA Notification, 2006 under public consultation through gazette notification dtd 23.03.2020 (Final Notification awaited) -EIA Notification, 2006 published on 14th September, 2006 is presently under Compliance
- 5** Oil & Gas Exploration Activities are notified as 'B2' category projects vide gazette dtd 16.01.2020 for which EIA Study and PH not required. Exploratory & Development combined proposal can be applied at Central level under 'A' category project requiring EIA Study and Public Hearing
- 6** B2 Category Oil & Gas Exploration Activities are exempted from CRZ Notification (CRZ Notification Amendment Vide Gazette Notification dtd 01.11.2021- Final Notification awaited)
- 7** 'CER' in connection with EC introduced vide MoEF&CC's OM dtd 01.05.2018, has been abolished- Only the issues addressed during PH to be taken care by the PPs- Latest Guidelines in this context are OMs dtd 30.09.2020, 20.10.2020 and 25.02.2021

Capital Investment / Additional Capital Investment (in INR)	Green Field Project (% of Capital Investment)	Brown Field Project (% of Capital Investment)
≤100 Crores	2%	1%
>100 Crores to ≤500 Crores	1.5%	0.75%
>500 Crores to ≤1000 Crores	1%	0.5%
>1000 Crores to ≤10000 Crores	0.5%	0.25%
>10000 Crores	0.25%	0.125%

- 8** Any District Level Officer nominated by DC/DM now can Chair the Public Hearing Proceedings, which previously not allowed below the Official in the rank of ADC/ADM - Gazette notification dtd 9th May, 2022

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- 9** Prior Environment Clearance not required for Pipeline Capacity augmentation, Modernization/ Upgradation of Pumping arrangements and associated facilities including Transmix separator plant etc provided previous EC was granted for the same Pipeline and it does not passes through National Parks/ Sanctuaries/ Coral Reefs/ Ecologically (not ESZ areas) - MoEF&CC OM dtd. 4th September, 2018
- 10** Projects having Prior Environmental Clearance are now exempted from Environment Clearance (EC) provided there is no increase in pollution load as notified by MoEF&CC vide gazette notification dtd 02.03.2021 - It stipulates that the project proponent is required to furnish pollution load certificate from the environmental auditor or reputed institutions empaneled by the State Pollution Control Board or Union Territory Pollution Control Committee or Central Pollution Control Board or MoEF&CC. Verification of the Pollution load issue is vested to the State Pollution Control Boards/ Union Territory Pollution Control Committee/ Central Pollution Control Board etc.
- 11** DG Forest & SS, MoEF&CC's DO letter dtd 22.03.2022 advised all concerned that, FC proposals to be processed on the basis of On-line application submitted by the User Agencies without insisting for the hard copies from the PPs for processing the Proposal
- 12** EDS queries can be raised once only against any FC proposals- MoEF&CC's letter dtd 22.12.2021 to Addl Chief Secretary, Pr. Secretary (Forests) of all State and UTs and All IROs of MoEF&CC advising the same.
- 13** Alternate public authority/agency can be engaged under purview of EIA notification, 2006 for conducting Public Hearing, in case State PCBs fails to comply within the prescribed timeline for conducting Public Hearing
- 14** Approval from Standing Committee of National Board for Wildlife (SC-NBWL) would not require for Projects which doesn't attract Environment Clearance (EC) under purview of EIA Notification, 2006 (viz: laying of Oil & Gas Pipelines)- MoEF&CC's relevant OMs dtd 06.09.2018 and 16.07.2020
- 15** EC validity would start after lapse of maximum permissible time limit of 2 years for getting the Final Forest Clearance, against the cases where EC granted for the project on production of Stage-I FC/ IPA - IA Division's OM dtd 11.04.2022
- 16** Oil Mines Regulation (OMR) 1984 amended in favourable for benefit of the Industry vide Gazette notification dtd 18th August, 2017, where all approval mechanisms are abolished and OISD Standards are incorporated in the OMR, 2017 (Author was member of the Drafting Committee)
- 17** In persuasion with MoL&E, 3 week ON/ 3 week OFF with 12 hours shift duty in Mines introduced since 1st July, 2014 against earlier limit of 2 week ON/ 2 week OFF
- 18** Night Shift Duty for women Employees in Mines was banned- The said Ban has been removed in persuasion with MoL&E and women can also work in night shift in Mines as notified through Gazette notification dtd 29.01.2019
- 19** Provision of arranging CA land in connection with Forest Clearance from other State/UTs having poor forest cover over the States with forest density more than 75% of its total geographical area (O.M. dtd. 22.05.2019)

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- 20** Validity of FC obtained under sec 2(ii) of FCA, 1980 during Exploration phase for future Developmental activities , provided the land area remains un-changed - MoEF&CC's OM dtd 30.09.2019 followed with subsequent Clarification to IRO, Guwahati vide letter dtd 13.07.2022 against their query in this context vide letter dtd 08.02.2022
- 21** OM on EC-CTE One step process issued on 05.02.2020- Implementation of the same is under Active Consideration
- 22** Project inside PAs earlier required approval from Hon'ble Supreme Court in addition to approval from SC-NBWL-It has now been discontinued since after Apex Court's Judgement dtd 5th October, 2015
- 23** No Additional conditions can be imposed by the State Forest Dept/others during processing FC proposals after grant of IPA/Stage-I FC
- 24** No additional conditions can be imposed by State PCBs during the Public Hearing process in connection with EIA/EMP Report for which TOR already granted by EAC
- 25** Public Hearing Exempted within Industrial Estates/ Industrial Parks-OM dtd 16.05.2014
- 26** EC proposal getting auto delisted due to lapse in submitting Stage-I FC or any other reasons - Can now be Relisted by the PP themselves without seeking any help/ approval of MoEF&CC
- 27** Form-2 omitted for B2 category ECs
- 28** Persuaded and organized a meeting at Guwahati on 16.06.2022 and 17.06.2022 under Chairmanship of and Chief Minister, Assam with Oil & Gas E&P Operators, to discuss various issues related to E&P operations in Assam and a minute with action plans was released accordingly
- 29** In persuasion through Revenue & Disaster Management (L.R) Department Enacted SOP for Temporary LAQ in Assam vide notification dtd 24th March, 2022
- 30** SOPs for granting B2 category EC in Assam within 45 days and Grant of CTE and CTOs by Assam PCB within a stipulated time frame of 21 days got released during Investor's Meet at Guwahati on 24.09.2021, for which persuaded with SEIAA and Assam PCB for formulation of SOP with requisite terms and conditions after series of meetings at Guwahati
- 31** TOR validity has been extended from 3 years to 4 years in connection with EC for E&P sector
- 32** Monthly Two meetings of Expert Appraisal Committee (EAC) scheduled for prior grant of EC since November, 2020 for faster approval of the Projects
- 33** Monthly 2 FRCMs are organized now a days by the 19 IROs of MoEF&CC to review the pending FC/ other clearance related issues for Oil & Gas as well as other sector of industries
- 34** TOR developed by MOEF&CC shall be deemed approved TORs for the projects/activities without going through EAC Hearing process - MoEF&CC's OM S.O. 996(E) dated 10th April, 2015

For most companies, a critical component of their response to the crisis is finding ways to make their businesses, operations, and supply chains more resilient. It's becoming increasingly prudent to prioritize resilience over low cost or efficiency.

- 35** All linear projects including pipeline in Border states (including Assam and Arunachal Pradesh) are exempted from the scoping requirement (TOR and Public hearing) vide S.O. 382(E) dated 3rd February, 2015
- 36** MoEF&CC vide OM dtd 07.10.2014 advised ST/UTs to authorise DFO concerned to permit temporary works in Forestlands which doesn't involve breaking up or clearing of forest lands or assigned by way of lease
- 37** Regularization of FC Violation Cases in Arunachal Pradesh (awaited since 2018): GoAP has constituted a committee vide notification dtd 24.03.2022 to carry out investigation for regularization of FCA, 1980 violation cases pending since 2018 in connection with drilling of 30 wells by GeoEnpro in Kharsang PML and 13 wells by OIL in Ningru PML in Arunachal Pradesh and IRO, Guwahti vide their letter dtd 10.12.2021 desired Action Taken report against the erring Officials of GoAP

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