

# Issues and Challenges in CBM Development

**Note: To be included in PETROFED Seminar  
on 23-12-2015**

Decorative geometric shapes in orange and red are located in the bottom right corner of the slide. There is a large orange trapezoid, a red trapezoid with a white diagonal line, and a smaller orange square.

## ***Issues and Challenges***

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### ***❖ CBM contract Issues***

- **State Level Approvals**
- **Relinquishment**
- **Production of CBM in Phase I and II**
- **Title of Assets**
- **Adopt a variable Royalty System for CBM Gas**
- **Accounting Procedure**

### ***❖ PSC & CBM contract Issues***

- **Simultaneous exploitation of conventional and unconventional resources**
  - **Income Tax holiday**
  - **Single Window Clearance - Only blocks with maximum possible clearances to go on offer**
  - **Issuance of PEL & ML**
  - **Introduction of Deemed Approval for certain MC/SC approvals**
  - **Marketing Freedom**
  - **Gas Price approval**
  - **Forest Clearance**
  - **Indirect Taxes**
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❖ ***Technical Issues***

- High cost of operations
- Attract low cost service providers & develop indigenous services like HF, logging & other equipment.
- Make Technology service provider's hub – India with indigenous companies

❖ ***Other Issues***

- Overlapping area
  - OMR Act to be specified for CBM compared to Oil & Gas.
  - Technology / Data Sharing
  - Infrastructure - To expedite pipeline network in developing CBM fields
  - Simultaneous Exploitation
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## Description of Approval Received/ Yet to Receive by EOL

Serial No.	Description of Approval	Approving Authority/ person & Location	Remarks if any
<b>CBM Contract approvals</b>			
1	Petroleum Exploration License	GoWB	
2	Mining Lease	GoWB	For Phase III and PhaseIV (Development and production phase)
3	Gas Price approval for Test gas	MoPNG	
4	CBM measurement methodology	MoPNG	
5	Approval for Delivery point		
6	Field Development Plan	Steering Committee	For Development phase
7	Gas Price approval for Commercial gas	MoPNG	For Development phase
8	Approval for Work Program & Budget	DGH	For Development phase
<b>Environment (Protection) Act, 1986.</b>			
9	Environmental Clearance	MOEF	For all phases
The Water (Prevention & Control Of Pollution ) Rules, 1978 and The Air (Prevention & Control of Pollution) Act, 1982.			
10	Consent To Establish.	WBPCB	For all phases
11	Consent To Operate.	WBPCB	For all phases
<b>Forest Conservation act, 1980</b>			
12	Forest Diversion Proposal for work program	MoEF	
13	Approval for Use of Forest inspection path	Divisional Forest officer	
Land Acquisition			
14	14Y clearance - To hold land excess of ceiling limit	L&LR department, GoWB	West bengal allows only 24.22 acres of land for any company to hold
15	NOC for purchase of ST land	District Backward class officer	
16	Non-Agricultural certification for facility creation	L&LR department, GoWB	
17	NOC from Panchayat	Village panchayats	

**Contd.**

Well Site(Drilling & Production)			
18	Approval for ground water use	State Water Investigation Department	Initial water requirement
19	Approvals for equipments used during operations	DGMS	
20	Approval of HSD storage during drilling	PESO	
21	Approval for use of explosives during operations in the well site	DGMS	
22	Electricity duty for Captive power generation	State electricity board	
23	Approval for carrying out 12 hour shift operations	DGMS	
24	Approval of Dewatering for CBM Operation	State Water Investigation Department	
25	Lifetime Membership with Hazadous Waste Treatment Storage Disposal Facility	West Bengal Waste Management Limited	
26	Authorization of Hazadous waste storage and Handling	WBPCB	
27	Disposal of treated produced water	CTO from West Bengal Pollution Control Board (WBPCB)	
28	Disposal of treated produced water at surfac water body	Irrigation department	

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Approvals for Facilities (GGs , MCS& CNG station)			
29	CTE for GGS facilities	DGMS	
30	License under the Gas Cylinder Rules, 2004 for filling CNG cylinders	PESO (GOI)	
31	No objection certificate for CNG station with a stationery CNG Cascade	PESO(GOI)	
32	Approval for CNG station with stationery CNG cascade	West Bengal Fire and Emergency Services,	
33	NOC for CNG station with stationery CNG cascade	District Magistrate	
34	NOC from ATC/Airbase	Ministry of Defence	
35	NOC for SCADA implementation in the CBM field	Ministry of communications	
Pipeline for Gas and Water Transportation			
36	Right of Way for Laying Pipelines	DGMS	
37	Approval for laying pipeline	PESO	
38	NOC (CTE) for pipeline laying	West Bengal Pollution Control Board (CTE) Consent To Establish	
39	CTO for pipeline Operation	West Bengal Pollution Control Board (CTO) Consent To Operate	
40	Approval for laying pipeline from Fire and emergency services	West Bengal Fire and Emergency Services	
41	Approval for laying pipeline in corporation area/ADDA/ Housing Board	DMC/ADDA	
42	Approval for laying pipeline along National Highway	NHAI	
43	Railway crossing approval for pipeline laying	Railway	
44	NOC for pipeline laying	PNGRB	For Customer pipelines

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General License and approvals			
45	Registration under the West Bengal Shops and Establishment Act, 1963 for our office	Inspector, Shops and Establishment, Government of West Bengal	
46	Registration under Section 7(1) of the Central Sales Tax Act, 1956	Assistant Commissioner, Commercial Taxes, Government of West Bengal	
47	Code for depositing tax under Section 40 of the West Bengal Value Added Tax Act, 2003	Commissioner, Sales Tax, Government of West Bengal	
48	Registration under Section 24(1)(a) of the West Bengal Value Added Tax Rules, 2005	Assistant Commissioner, Sales Tax, Government of West Bengal	
49	Registration under Sections 19(2) and 21 of the West Bengal Value Added Tax Act, 2003	Assistant Commissioner, Sales Tax, Government of West Bengal	
50	Registration under Rule 9 of the Central Excise Rules, 2002 for manufacturing of excisable goods, namely, compressed natural gas (CNG)	Assistant Commissioner, Central Excise, Gol	
51	Service Tax Code and Location Code	Assistant Commissioner of Service Tax, Service Tax Division III, Kolkata	
52	Certificate of Registration, Labour License & Various approval under Labour & Employment	Ministry of Labour & Employment (Central), Govt. of India, Raniganj, at Durgapur	



**ESSAR** 

*let's begin*

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