

WESTERN GRAY WHALE ADVISORY PANEL
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Letter of November 26 from the Russian Ministry of Natural Resources to WWF-Russia
Submitted by: WWF Russia

Mr. Chestin I.E.
Director
World Wildlife Fund

19, bld. 3, Nikoloyamskaya street,
Moscow 109240

12-47
26.11.2009

Dear Mr. Chestin,

The Ministry of natural resources of the Russian Federation has reviewed the joint letter of the World Wildlife Fund and the Regional public organization Sakhalin Watch on realization of Exxon Neftegaz Limited project Sakhalin-I in respect of the reiterated obtaining of environmental seal of from the State Environmental Expertise Committee approval for the project "Field pipeline Drilling area Odoptu 2 – Onshore processing facility Chaivo. Piltun bay crossing. Specifications to the project Sakhalin –I; Stage I" approved by the Russian Technical Inspection (Rostekhnadzor) order dated 05.09.2008 No 692 in order to obtain permission to complete work on the mentioned pipeline laying during 2009 – 2010 season and hereby notifies about the following:

Article 33 of the Federal law "On environmental protection" dated 10.01.2002 No 7-FZ and Article 1 of the Federal law "On environment impact assessment" dated 27.11.1995 No 174-FZ constitute that environment impact assessment is conducted in respect of planned (proposed) activity.

Article 3 of the Federal law "On environment impact assessment" determines principle of obligatoriness to assess environment impact prior to a decision made in respect of realizing the object of environment impact assessment.

In the opinion of the Ministry of natural resources of the Russian Federation, approval of project documentation by a developer or a customer in accordance with para 15 of part 48 and issuance of a construction permit in accordance with Article 51 of the Urban Construction Code of the Russian Federation dated 29 December 2004 No 190-FZ are considered as the occurrence of a decision made in respect of capital construction project realization.

On the basis of the approvals of the State Environmental Expertise Committee and the State Expert Review the project documentation on construction of the field pipeline "Drilling area Odoptu 2 – Onshore processing facility Chaivo. Piltun bay crossing. Specifications to the project Sakhalin –I; Stage I" was approved by the order dated 10.11.2008 No 6 issued by Exxon Neftegaz Limited Vice-president, Mr. Roksburg L.N.

Construction Department of Sakhalin region issued construction permit dated 23.05.2008 No 20/08 and validity period from 01.06.2008 till 01.10.2011 for the mentioned project of capital construction.

Based on information provided by Exxon Neftegaz Limited, the pipeline was laid and approximately 80% of all construction works planned under the project had been completed. Due to abnormal warm conditions length of works during 2008 – 2009 winter period were reduced and pipeline burial for target depth was not completed on two pipe yards..

Information about pipe lying during 2008 – 2009 winter period is confirmed by the act of verification of compliance with environmental management and environmental protection legislation (dated 17.04.2009 No 11/01) conducted by the Department of Russian Nature Inspection (Rosprirodnadzor) for the Far East federal district.

Thus, a decision on the project realization was made before the environmental seal of approval has expired; and realization of the object of the state environmental impact assessment is at the stage of completion and therefore carrying out of an iterated state environmental impact assessment would contradict the provisions of the federal laws “On environmental protection” and “On environment impact assessment”.

Taking into consideration mentioned above we inform that issuance of pipe lying permits or approval of handling of the mentioned works is not within the competence of the Ministry of natural resources of the Russian Federation.

In accordance with para 5.3.13 of the Regulation on federal agency in environmental management approved by the resolution of the Government of the Russian Federation dated 30.07.2004 No 400; licenses (permits) for construction, operation and use of production islands, structures and installations, carrying out of drilling activity related to mineral resources exploration and production as well as underwater cable and pipe laying within the internal seas and territorial waters of the Russian Federation and on continental shelf of the Russian Federation are issued by Rosprirodnadzor within its authority.

Director
Department of the state policy and regulation
In environmental protection and ecological safety

R.R. Gizatulin