

NAGALAND INFORMATION COMMISSION
Old Secretariat Complex,
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Nagaland, Kohima - 797001.
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No. NIC/Complaint-7/2014-15

Dated Kohima, the 18th February, 2015.

Complainant: Shri. T. David Ngullie,
EBC Campus,
Bank Colony,
Post Box 29,
Super market,
Dimapur, Nagaland,
Mobile No. 9436018960

Respondent: Shri. O. Koratemjen,
OSD & PIO,
Geology & Mining Department,
Government of Nagaland,
Nagaland Civil Secretariat,
Nagaland, Kohima.

Public Authority : Geology & Mining Department, Nagaland, Kohima.

Date of Hearing : 12.12.2014 (Friday) at 1:30 PM.
Date of Decision : 12.12.2014

Date of second Hearing : 12.02.2015 (Thursday) at 12:30 PM.
Date of Final Decision : 18.02.2015.

Present:

1. Shri. O. Koratemjen, OSD & PIO, Geology & Mining Department, Government of Nagaland, Nagaland Civil Secretariat, Kohima, Mobile No. 9436261720.
2. The applicant(now complainant), Shri. T. David Ngullie, EBC Campus, Bank Colony, Post Box 29, Super market, Dimapur, Nagaland, Mobile No. 9436018960.

FACT OF THE CASE:

The Commission had, **on 12.12.2014** (Friday) at 1:30 PM. heard the complaint dated 17.09.2014 received from an applicant, Shri. T. David Ngullie, EBC Campus, Bank Colony, Post Box 29, Super market, Dimapur, Nagaland, Mobile No. 9436018960, wherein the applicant stated that the PIO, Geology & Mining Department had denied the information sought on the ground that the staff dealing with RTI has been transferred. Further, more time was sought and had waited for the reply, however, the information had not been furnished till date.

The first hearing was held on **12.12.2014** (Friday) at 1:30 PM. with the following:-

1. Smti. Tokheli Pucho, Geologist & APIO, Geology & Mining, Nagaland, Dimapur had represented Shri. E. Kikon, Additional Director & PIO, Directorate of Geology & Mining, Nagaland, Dimapur.
2. The applicant(now complainant), Shri. T. David Ngullie, EBC Campus, Bank Colony, Post Box 29, Super market, Dimapur, Nagaland, Mobile No. 9436018960.

The Commission had, after hearing the parties on 12.12.2014, passed decision vide even No. dated **12.12.2014**.

And in compliance to Point No. 1 of the decision of the Commission dated 12.12.2014, Shri. O. Koratemjen Ao, OSD & PIO, Geology & Mining Department, Government of Nagaland, Nagaland Civil Secretariat, Kohima, Mobile No. 9436261720 had submitted an **explanation** dated 18.12.2014 to the Commission citing the reasons for failure to appear before the Commission during the hearing without any prior intimation or reasons, alongwith a copy of the Nagaland Petroleum & Natural Gas Regulation, 2012 and Nagaland Petroleum & Natural Gas Rules, 2012.

Also in compliance to Point No. 2 of the decision of the Commission dated 12.12.2014, the applicant(now complainant) had submitted the letter of complaint dated 12.01.2015.

Since during the first hearing held on 12.12.2014, Shri. O. Koratemjen Ao, OSD & PIO, Geology & Mining Department, Government of Nagaland, Nagaland Civil Secretariat, Kohima, did not appear for the hearing and that Smti. Tokheli Pucho, Geologist & APIO, Geology & Mining, Nagaland, Dimapur who represented Shri. E. Kikon, Additional Director & PIO, Directorate of Geology & Mining, Nagaland, Dimapur submitted that matters relating to the Natural Petroleum and Gas Exploration in Nagaland was solely dealt by the Government and that the Directorate of Geology & Mining has no hand or knowledge, the Commission decided to hear from the OSD & PIO, Geology & Mining Department, Nagaland, Kohima, giving opportunity to the parties, on **10th February, 2015 (Tuesday) at 12:30 PM** in the **Hearing Room of the Nagaland Information Commission, Old Secretariat Complex, Kohima**.

However, due to the sudden hospitalisation of the State Information Commissioner, the proposed hearing on 10.02.2015 was postponed to 12.02.2015, vide this Commission's letter of even No. dated 10.02.2015.

OBSERVATIONS AND FINDINGS:

During the first hearing held on 12.12.2014, the applicant submitted that he had received the information only on 19.09.2014 after he had submitted his complaint to the Commission on 17.09.2014. The applicant(now complainant) submitted that he was **satisfied** with the reply to the **query No. 3** of his RTI application dated 19.06.2014, since he had received a copy of the **Nagaland Petroleum & Natural Gas Regulation, 2012 and Nagaland Petroleum & Natural Gas Rules, 2012**. However, he was **not satisfied** with the replies to his **query Nos. 1 and 2** of his RTI application dated 19.06.2014.

Therefore, the Commission took up the complaint only against the replies to the **query Nos. 1 and 2** of the RTI application dated 19.06.2014 during the second hearing held on 12.02.2015.

Query No. 1: Please give specific reasons as to why only 16% to (Land Owners and Government of Nagaland) and 84% to M/S Metropolitan Oil and Gas Private Limited?

Shri. L. Adaha Neikha, Under Secretary & APIO, Geology & Mining Department, Nagaland, Kohima had, vide letter No. GM-19/GEN-30/2013 dated 05.09.2014 replied that the Revenue Sharing ratio of 84:16 is not on Profit but on Production. In this system, the State Government is not responsible whether the Company losses or gains, since the sharing is on production.

Further, on 18.12.2014, in his reply to the Explanation Call, Shri. O. Koratemjen Ao, OSD & PIO, Geology & Mining Department, Government of Nagaland, Nagaland Civil Secretariat, Kohima replied that 16% Revenue Sharing from the company to be shared with Government and Land Owners is a policy and decision in the highest level.

During the hearing held on 12.02.2015, the applicant(now complainant) informed that the Universal Concept and Practice of Production Sharing Agreement is a common type of agreement in oil production and mining of natural resources with a ratio of 80% for the Land Owners/ Local Government and 20% to the Oil Company. Whereas, in the present case, the Government of Nagaland has, on the contrary entered into an agreement with the M/S Metropolitan Oil and Gas Private Limited in the ratio of 84% for the Oil Company and only 16% to the Government of Nagaland and Land Owner combined. And out of this 16%, only 4% are given to the Land Owners. Therefore, the applicant(now complainant) submitted that he was not satisfied with the above reply of the Geology & Mining Department, Nagaland, Kohima since he wanted the **specific reasons** for the allocation of the percentages.

In response, Shri. O. Koratemjen Ao, OSD & PIO, Geology & Mining Department, Government of Nagaland, Nagaland Civil Secretariat, Kohima, submitted that the Government had compared with 160 countries and found that the sharing is 20% to the Oil Company in other countries, as rightly pointed out by the applicant. However, the PIO clarified that this sharing of 20 % in other countries is on **investment**, while in Nagaland, the sharing is on **production** and not on investment or profit made by the company. Further, the PIO clarified that this **production** is **excluding royalty** which comes only after production starts.

The PIO, Geology & Mining Department, Nagaland, Kohima also submitted that the Rules and the percentage allocations were made by the Cabinet Sub-Committee in the highest level and not by the Department, and hence the Department has no knowledge on the grounds or reasons of the percentage allocations. Further, the PIO submitted that the Department was not even consulted when the Nagaland Petroleum & Natural Gas Board framed the **Nagaland Petroleum & Natural Gas Regulation, 2012 and Nagaland Petroleum & Natural Gas Rules, 2012.**

Furthermore, the PIO submitted that Rules have been framed for Revenue Sharing only and there is no Rules framed for Royalty yet, since Royalty comes only after production.

Query No. 2: Please specify what is the experience of M/S Metropolitan Oil and Gas Private Limited in oil exploration.

Shri. O. Koratemjen Ao, OSD & PIO, Geology & Mining Department, Government of Nagaland, Nagaland Civil Secretariat, Kohima replied that the Expression of Interest (EOI) is dealt by the Nagaland Petroleum & Natural Gas Board. So far, the Department does not have the documents.

During the hearing the applicant(now complainant) questioned on the selection of the M/S Metropolitan Oil and Gas Private Limited since the company was incorporated only on 14th September, 2012 and have no experience in oil exploration.

In response, Shri. O. Koratemjen Ao, OSD & PIO, Geology & Mining Department, Government of Nagaland, Nagaland Civil Secretariat, Kohima, submitted that out of the 24 oil companies scrutinised, the Nagaland Petroleum & Natural Gas Board had selected the M/S Metropolitan Oil and Gas Private Limited, and that the Department came to know only after the

permit was issued to the M/S Metropolitan Oil and Gas Private Limited. Furthermore, the Department was not even invited during the inauguration at Champang, under Wokha district.

The PIO further submitted that since the Department had not received a copy of the Expression of Interest (EOI), the experience of M/S Metropolitan Oil and Gas Private Limited in oil exploration sought by the applicant could not be given.

DECISION

On the above observations and findings, the Commission decided on the following:-

1. **Regarding Query No. 1:** Since Shri. O. Koratemjen Ao, OSD & PIO, Geology & Mining Department, Government of Nagaland, Nagaland Civil Secretariat, Kohima had submitted that the Rules and the percentage allocations were made by the Cabinet Sub-Committee in the highest level and not by the Department and that the Department has no knowledge on the grounds of the percentage allocations, the applicant(now complainant) is free to approach other appropriate platforms for the specific reasons for the percentage allocations.
2. **Regarding Query No. 2:** The Commission agreed with the submission of the PIO that since the Department do not have a copy of the Expression of Interest (EOI), the experience of M/S Metropolitan Oil and Gas Private Limited in oil exploration sought by the applicant could not be given.

The Commission heard the complaint case in the presence of all parties present and declared the case **closed**.

Copy be given to the parties:

1. Shri. O. Koratemjen Ao, OSD & PIO, Geology & Mining Department, Government of Nagaland, Nagaland Civil Secretariat, Kohima, Mobile No. 9436261720.
2. Shri. E. Kikon, Additional Director & PIO, Directorate of Geology & Mining, Nagaland, Dimapur.
3. The applicant(now complainant), Shri. T. David Nguillie, EBC Campus, Bank Colony, Post Box 29, Super market, Dimapur, Nagaland, Mobile No. 9436018960.
4. The Computer Programmer, Nagaland Information Commission for uploading on the website and Notice Board.
5. Office Copy.

Sd/-

BUKCHEM PHOM

State Information Commissioner

Authenticated by:-

(WORHONTHUNG EZUNG)

Under Secretary