



Minister of Environment

DGK-IV.4771.3.2017.BG

DECISION

Acting under Article 46 section 1 point 1 of the Act of July 2, 2004 *on freedom of economic activity* (Journal of Laws of 2016 item 1829, as amended) and Article 21 section 1 point 2, Article 22 section 1 point 2, in conjunction with Article 30, Article 32, Article 34 section 1, Article 49 section 2 of the Act of June 9, 2011 - *Geological and Mining Law* in the version in force on December 31, 2014 (Journal of Laws of 2014 items 613, 587 and 850) in conjunction with Article 8 section 4 of the Act of July 11, 2014 *on the amendment of the Geological and Mining Law and certain other acts* (Journal of Laws item 1133, as amended), and Article 104 et seq. of the Act of June 14, 1960 - *Code of Administrative Procedure* (Journal of Laws of 2016 item 23, as amended), having considered the request of Baltic Gas Sp. z o.o. i Wspólnicy Sp.k. with its registered office in Gdańsk and having obtained the approvals of relevant cooperating authorities, required under the *Geological and Mining Law*,

I hereby decide

to amend license No. 6/2007 of May 11, 2007, granted by the Minister of Environment to Przedsiębiorstwo Poszukiwań i Eksploatacji Złóż Ropy i Gazu Petrobaltic S.A. with its registered office in Gdańsk (currently known as LOTOS Petrobaltic S.A. with its registered office in Gdańsk), for the production of gasoline natural gas from the "B4" deposit located within the area of the Polish Exclusive Economic Zone of the Baltic Sea, amended by the decision of August 14, 2008, (ref. No.: DGiKGe-4770-51/5164/08/MO), transferred to Baltic Gas Sp. z o.o. i Wspólnicy Sp.k. with its registered office in Gdańsk by the decision of March 13, 2013, (ref. No.: DGKw-4771-27/10135/13/AS), corrected by the decision of April 8, 2013 (ref. No.: DGKw-4771-27/13596/12/AS), amended by the decision of November 28, 2014 (ref. No.: DGK-IV-4771-25/48256/14/AC) so that:

1) paragraph 1 of the license shall now read as follows:

"1. To grant the license to Baltic Gas Sp. z o.o. i Wspólnicy Sp.k. with its registered office in Gdańsk (NIP [tax identification number]: 5833156214, KRS: 0000440043) for the production of gasoline natural gas from the "B4" deposit (documented to the depth of 1,136.5 m b.s.l.), located within the area of the Polish Exclusive Economic Zone of the Baltic Sea.";

2) after paragraph 4a of the license, paragraph 4b shall be added, reading as follows:

"4b. In „*Addendum No. 2 to the 'B4' Gasoline Natural Gas Deposit Development Plan*”, which constitutes an appendix to the request for the license amendment, the (economic) resources to be produced have been determined. As of December 31, 2015 they amount to 1,972.40 million m³ of gasoline natural gas in the "C" category. The non-economic resources amount to 714.20 million m³ of gasoline natural gas w in the "C" category";

3) paragraph 7 of the license shall now read as follows:

"7. The operations under the license shall commence not later than by July 31, 2020.";

4) paragraph 8 of the license shall now read as follows:

“8. The conditions to be fulfilled by the entrepreneur using the license are determined in the agreement dated May 11, 2007 establishing mining usufruct, signed between the State Treasury, represented by the Minister of Environment, and Przedsiębiorstwo Poszukiwań i Eksploatacji Złóż Ropy i Gazu Petrobaltic S.A. with its registered office in Gdańsk (currently known as LOTOS Petrobaltic S.A. with its registered office in Gdańsk), transferred to Baltic Gas Sp. z o.o. i Wspólnicy Sp.k. with its registered office in Gdańsk, amended by annex No. 1 of July 25, 2017.”

Justification:

By way of the decision of May 11, 2007, the Minister of Environment granted to Przedsiębiorstwo Poszukiwań i Eksploatacji Złóż Ropy i Gazu Petrobaltic S.A. with its registered office in Gdańsk (currently known as LOTOS Petrobaltic S.A. with its registered office in Gdańsk) license No. 6/2007 for the production of gasoline natural gas from the "B4" deposit located within the area of the Polish Exclusive Economic Zone of the Baltic Sea, subsequently amended by the decision of August 14, 2008, (ref. No.: DGiKGe-4770-51/5164/08/MO), transferred to Baltic Gas Sp. z o.o. i Wspólnicy Sp.k. with its registered office in Gdańsk by the decision of March 13, 2013, (ref. No.: DGKw-4771-27/10135/13/AS), corrected by the decision of April 8, 2013 (ref. No.: DGKw-4771-27/13596/12/AS), amended by the decision of November 28, 2014 (ref. No.: DGK-IV-4771-25/48256/14/AC).

Through the request dated October 12, 2016 (received on October 14, 2016, supplemented on March 7, 2017 and April 6, 2017) Baltic Gas Sp. z o.o. i Wspólnicy Sp.k. with its registered office in Gdańsk applied for an amendment of the license in question with respect to a change of the date of the commencement of operations (from December 31, 2017 to July 31, 2020).

Pursuant to Article 8 section 4 of the Act of July 11, 2014 *on the amendment of the Geological and Mining Law and certain other acts* (Journal of Laws item 1133, as amended), with respect to the exercise of the licenses for the production of hydrocarbons from deposits, granted under regulations hitherto in force, the regulations hitherto in force shall be applied. In view of the foregoing, the request in question was considered based on the provisions of the Act of June 9, 2011 - *Geological and Mining Law* in the version in force on December 31, 2014 (Journal of Laws of 2014 items 613, 587 and 850).

Due to the fact that the area covered by the license was not extended in connection with the license amendment, pursuant to Article 49 section 2 of the *Geological and Mining Law*, the tender procedure shall not apply.

The planned operations, to the extent defined in the request, under the Act of October 3, 2008 *on the provision of information on the environment and its protection, public participation in environmental protection and environmental impact assessments* (Journal of Laws of 2016 item 353, as amended) and implementing provisions of the Ordinance of the Council of Ministers of November 9, 2010 *on projects likely to have a significant impact on the environment* (Dz.U. [Journal of Laws] of 2016, item 71), constitute a project which may always have a significant impact on the environment, for which the preparation of an Environmental Impact Assessment Report is obligatory. The entrepreneur was already in the possession of the decision of May 16, 2014 (ref. No.: RDOŚ-Gd- WOO.4211.12.2014.ER.8) on environmental constraints issued by the Regional Director for Environmental Protection in Gdańsk. Pursuant to section 9 of the license, the entrepreneur is obligated to perform works in accordance with the decision specified above.

As stated in Article 8 section 2, Article 23 section 1 point 3, Article 34 of the *Geological and Mining Law* and Article 106 of the *Code of Administrative Procedure*, the licensing authority agreed the draft decision in the case in question with the minister competent for marine economy matters and the minister competent for mineral deposit management, who agreed the draft decision in the case within the statutory time limit.

In accordance with Articles 30 and 32 of the *Geological and Mining Law*, the license specifies the area within which the planned operations are to take place (by the determination of the deposit documentation depth), the new date of commencement of operations and the economic resources assumed

to be produced (pursuant to *Addendum No. 2 to the "B4" Gasoline Natural Gas Deposit Development Plan*, constituting an appendix to the license amendment request).

Pursuant to Article 28 of the *Code of Administrative Procedure*, a party to the pending proceedings shall be deemed each person whose legal interest or obligation the proceedings refer to.

In the course of the proceedings, the licensing authority ensured the party to the proceedings active participation in every stage of the proceedings, and prior to the issuance of this decision the authority made it possible for the party to present its opinion on the collected evidence and materials as well as the requests submitted in the case. The party did not have any reservations with respect to the pending proceedings.

Therefore, it was decided as stated hereinabove.

A party dissatisfied with the decision may, within 14 days from its receipt (with the application of appropriate appeal regulations), apply to the Minister of Environment for reexamination of the case.

MINISTER OF ENVIRONMENT
p.p. SECRETARY OF
STATE

To be received by (against confirmation of receipt):

1. Baltic Gas Sp. z o.o. i Wspólnicy Sp.k.
2. to files

Copy to (against confirmation of receipt):

1. Maritime Office in Gdynia
2. Ministry of Maritime Economy and Inland Navigation
3. Ministry of Energy in Warsaw
4. Ministry of Finance in Warsaw
5. State Mining Authority in Katowice
6. District Mining Authority in Gdańsk
7. National Fund for Environmental Protection and Water Management in Warsaw
8. Province Inspectorate for Environmental Protection in Gdańsk
9. Regional Directorate for Environmental Protection in Gdańsk
10. Polish Geological Institute — National Research Institute, Register of Mining Areas