



Warsaw, November 28, 2014

MINISTER OF ENVIRONMENT

DGK-IV-4771-25/48256/14/AC

DECISION

Acting under Article 104 et seq., Article 108 § 1, Article 155 of the *Code of Administrative Procedure* dated June 14, 1960 (Journal of Laws of 2013, item 267, as amended), in conjunction with Article 21 section 1 point 2, Article 22 section 1 point 2, Article 30, Article 34 section 1 of the *Geological and Mining Law* dated June 9, 2011. (Journal of Laws of 2014, item. 613 and 587), at the request of Baltic Gas Spółka z ograniczoną odpowiedzialnością i wspólnicy Spółka komandytowa with its registered office in Gdańsk, upon agreement with the appropriate cooperating authorities pursuant to Article 8 section 2 and Article 23 section 1 point 3 of - the above-mentioned Geological and Mining Law

I hereby decide

to change license No. 6/2007 dated 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 LOTOS Petrobaltic S.A.), for the extraction of gasoline natural gas from B4 deposit located in the area of the Polish Exclusive Economic Zone of the Baltic Sea, amended by the decision of the Minister of Environment of August 14, 2008, ref. No. DGiKGe-4770-51/5164/08/MO, transferred subsequently to Baltic Gas Spółka z ograniczoną odpowiedzialnością i wspólnicy Spółka komandytowa with its registered office in Gdańsk by the decision of the Minister of Environment dated March 13, 2013, ref. No. DGKw-4771- 27/10135/13/AS, corrected by the decision of the Minister of Environment dated April 8, 2013, ref No. DGKw- 4771-27/13596/12/AS in such a manner that

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

"1. To grant the license to Baltic Gas Spółka z ograniczoną odpowiedzialnością i wspólnicy Spółka komandytowa with its registered office in Gdańsk for the extraction of gasoline natural gas from B4 deposit located in the area of the Polish Exclusive Economic Zone of the Baltic Sea",

2. the table in paragraph 2 of the license shall now read as follows:

No. of the terminal point of the license	WGS 84 [° '"]		PL – 1992 [PL-UTM (strip 33, *strip 34)	
	Width B	Length L	X [m]	Y [m]	X [m]	Y [m]
1	55°37'08.89"	17°54'26.54"	862383.3	431208.7	6167526.6	683077.2
2	55°39'51.52"	17°54'08.31"	867414.0	430969.4	6172538.5	682548.1
3	55°42'22.25"	17°54'42.98"	872062.5	431648.1	6177221.4	682957.9
4	55°43'38.46"	17°56'11.90"	874393.6	433235.8	6179641.8	684409.5
5	55°44'56.12"	17°59'30.42"	876741.8	436732.9	6182189.5	687767.6
6	55°43'19.77"	18°02'09.13"	873724.9	439457.8	6179137.8*	313839.9*
7	55°42'26.16"	18°02'16.41"	872066.4	439561.8	6177475.8*	313896.1*
8	55°42'14.09"	18°00'36.36"	871718.0	437810.7	6177177.8*	312134.5*
9	55°41'33.51"	17°59'59.71"	870473.1	437153.1	6175951.2	688549.2
10	55°41'24.19"	17°58'20.80"	870210.3	435422.3	6175588.8	686835.2
11	55°37'52.95"	17°57'09.16"	863701.0	434073.2	6169008.2	685862.8
12	55°37'08.46"	17°55'52.53"	862346.6	432712.3	6167576.6	684581.4

3. **after paragraph 4 of the license, paragraph 4a is added, reading as follows:**

"4a. In „*Addendum No. 1 to B4 gasoline natural gas deposit development project*,” that constitutes appendix to the request for the change in question, the (economic) resources to be extracted have been determined. As of December 31, 2013, they amount to 1972.40 million m³ of gasoline natural gas in the category C. Non-economic resources amount to 714.20 million m³ of gasoline natural gas in category C. It is admitted to change the economic and non-economic resources according to the quantities specified in the addendum to the deposit development project",

4. **paragraph 7 of the license shall now read as follows:**

"7. The date of commencement of the activity under the license shall be not later than by December 31, 2017.",

5. **paragraph 9 of the license shall now read as follows:**

"9. Extraction of the mineral shall be carried out in accordance with the environmental constraints of the consent for the execution of the project as set forth in the decision of the Regional Director for Environmental Protection in Gdańsk dated May 16, 2014, ref. No. RDOŚ-Gd-WOO.4211.12.2014.ER.8.”.

Justification

On May 11, 2007 the Minister of Environment granted license No. 6/2007 to Przedsiębiorstwo Poszukiwań i Eksploatacji Złóż Ropy i Gazu PETROBALTIC S.A with its registered office in Gdansk (currently LOTOS Petrobaltic S.A.) for the extraction of gasoline natural gas from B4 deposit located in the area of the Polish Exclusive Economic Zone of the Baltic Sea, amended subsequently by the decision of the Minister of Environment of August 14, 2008, ref. No.: DGiKGe-4770-51/5164/08/MO.

By virtue of the decision of the Minister of Environment of March 13, 2013, ref. No. DGKw-4771-27/10135/13/AS, the said license was transferred to Baltic Gas Spółka z ograniczoną odpowiedzialnością i wspólnicy Spółka komandytowa with its registered office in Gdańsk, corrected by the decision of the Minister of Environment of April 8, 2013, ref. No. DGKw-4771-27/13596/12/AS.

In the application of May 20, 2014, supplemented on June 23, 2014, July 23, 2014, August 28, 2014 and on September 16, 2014, Baltic Gas Spółka z ograniczoną odpowiedzialnością i wspólnicy Spółka komandytowa with its registered office in Gdansk, requested the Minister of Environment to amend the license in question to extend deadline for the commencement of activity covered by the license to December 31, 2017.

In the case in question the tender procedure under Article 49 section 2 of the *Geological and Mining Law* of June 9, 2011 (Journal of Laws of 2014, item 613, as amended.), is not applicable owing to the fact that the application in question did not apply to the expansion of the area covered by the license.

The planned activity to the extent defined in the application for amendment of the license, pursuant to the Act of October 3, 2008 *on providing information about environment and its protection, participation of the general public in the environmental protection and about environmental impact assessments* (Journal of Laws No. 199, item 1227) and secondary legislation i.e. Ordinance of the Council of Ministers of November 9, 2010 *on project that might have significant environmental impact* (Journal of Laws No. 213, item 1397, as amended), is a project which may always have a significant impact on the environment. In relation to the above on May 16, 2014 the company was granted a decision on environmental constraints (ref. No. RDOŚ-Gd-WOO.4211.12.2014.ER.8) issued by the Regional Director for Environmental Protection in Gdansk, which covers the entire scope of works defined in the license in question. This decision became final on June 13, 2014. The company is obliged to perform its operations in accordance with the above-mentioned decision.

During the procedure the licensing authority, acting pursuant to Article 8, section 2 and Article 23, section 1, point 3 of the *Geological and Mining Law*, agreed the contemplated amendment of the license with the minister competent for maritime economy (decision of the Minister of Infrastructure and Development dated November 4, 2014, ref. No.: DTM7mb/027/284254/14, NK297381/14, received by the office on November

6, 2014), and also with the minister competent for economy (decision of the Minister of Economy of October 23, 2014, ref. No. DRO-III-4123-/19/1/14, DRO/1890/14, received by the office on October 24, 2014).

Pursuant to Article 30 and Article 32 of the *Geological and Mining Law* the decision sets forth the new commencement date for the operations defined in the license in adherence to the company's application, and also updated information about the reserves to be extracted as of December 31, 2013.

Pursuant to the Ordinance of the Council of Ministers of October 15, 2012 on the national spatial reference system (Journal of Laws of 2012, item 1247), effective from November 28, 2012, the graphical appendices constituting part of the license application shall be prepared using plane rectangular coordinates systems, i.e. "PL-2000", "PL-1992" and „PL-UTM” systems. In relation to the above section 1 of the license in question (change of the license geographical coordinates) was harmonized with the effective legal standards.

The licensing authority assured for the party active participation in the procedure, and prior to the issuance of this decision gave it an opportunity to present its opinion on collected evidence and materials in the case. The Party did not have any reservations about pending procedure.

During the procedure the Minister of Environment determined, as required by Article 155 of the *Code of Administrative Procedure* of June 14, 1960 (Journal of Laws of 2013, item 267, as amended), that the amendment of the decision, to the extent requested by the application for the amendment of the license in question, is in the interest of the party, and such amendment is not against specific regulations, nor it is in breach of the public interest.

Therefore, the decision was made as in the sentence.

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

On behalf of MINISTER
UNDERSECRETARY OF STATE
CHIEF NATIONAL GEOLOGIST

Sławomir Marek Brodziński

Recipient (against confirmation of receipt):

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Copy to (against confirmation of delivery):

1. Ministry of Infrastructure and Development in Warsaw
2. Ministry of Economy in Warsaw
3. District Mining Authority in Poznań
4. National Fund for Environmental Protection and Water Management (NFOŚiGW) in Warsaw
5. Regional Director for Environmental Protection (RDOŚ) in Gdańsk
6. Province Inspectorate for Environmental Protection (WIOŚ) in Gdańsk