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Annual Report

Fatima Fertilizers Ltd

for 2017

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587



PFL/MPCL/2019-295
February 26, 2019

General Manager (Sales)
Sui Northern Gas Pipelines Limited
Gas House, 21 Kashmir Road
Lahore.

SUBJECT: APPLICATION FOR ALLOCATION OF PIPELINE CAPACITY

- Reference:
- 1) ECC Decision dated 31.05.2018 Allocation of Additional Gas Production from MPCL's Existing Reservoirs to Pakarab Fertilizers Limited
 - 2) DG (Gas) letter No. NG(I)-7(158)/18-F(Vol-1) dated 17th December 2018
 - 3) SNGPL letter No. GMS: 938 (LNG) dated 17th December 2018
 - 4) PFL letter to DG (Gas) dated 18.12.2018 Concurrence to construct pipeline if TAPI materializes
 - 5) PFL letter to MD (SNGPL) dated January 05, 2019 for capacity allocation

Dear Sir,

We would like to thank you for meeting with us on February 20th, 2019 under the Chairmanship of Senior General Manager (Business Development) and appreciate continued support and guidance by SNGPL Team to PFL who is a loyal customer of SNGPL since 1974 and has been supplied with gas by SNGPL since then from existing system.

Reference to the subject, this application primarily provides the background and relevant information for the allocation of pipeline capacity to PFL.

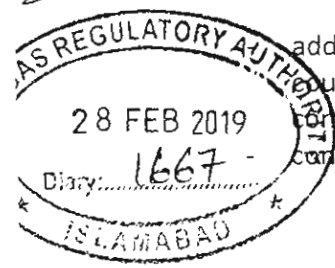
Background:

Due to non-operation of the local fertilizer industry, the country is heading towards potential shortage of Fertilizers leading to possible food crisis. Government of Pakistan, in order to mitigate foreseeable shortage of fertilizers in the country and to avoid additional burden on foreign exchange due to Fertilizers imports, decided to allocate the additional gas production from MPCL's existing reservoirs to Fertilizer sector. Consequently, gas volumes of 35 mmcf & 40 mmcf were allocated to PFL through ECC decision dated May 17, 2018, communicated through DG (Gas) letter dated May 31, 2018 from Mari shallow and Mari Deep respectively along with their supporting reservoirs.

It is worth mentioning that restoration of operations of PFL will:

- add around half a million MT of High efficiency fertilizers, ensuring food security of the country by timely availability of the much needed fertilizers for the farming community at affordable prices;
- consistent additional supply of fertilizer would stabilize prices in the market;

Handwritten notes:
 4-4-19
 2019
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 JED (R) (W)
 DR & 1/3
 AED (L)



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- contribute to National Exchequer by approximate annual saving of foreign exchange of US\$ 150 million, reduction of subsidy burden of around PKR 11 billion on imported fertilizer;
- contribute additional revenues to MPCL and SNGPL; and
- generate GDP growth and continuous employment opportunities to the highly skilled personnel.

As per ECC directions referred above, the allocated gas would be transported by SNGPL through its system for supply to PFL plant at Multan under a mutually agreed gas transportation agreement (i.e., the approved Network Code and access agreement). PFL had to make necessary arrangements for the transportation of the allocated gas to the SNGPL injunction point at its own cost including dehydration thereof. In this regard PFL has spent ~20 Million USD and completed the infrastructure required to process shallow gas i.e. installation of dehydration and compression facilities in line with the ECC directions. For pipeline laying from Mari to SNGPL injunction point, considering the expertise of SNGPL in pipeline construction, the contract was assigned to SNGPL as a third party contractor.

In the meanwhile, Pakistan Gas Network Code "Code" has been finalized and issued by OGRA providing comprehensive and uniform contractual framework for use of gas pipeline transportation system by third parties. Complying with the requirements of Article 2 of the Code, SNGPL has recently published the pipeline capacities on its website and as per published data we understand that pipeline entry capacity at Muhammad-pur (SNGPL QV-2 assembly) and exit capacity at Pakarab Fertilizers Limited Multan are available. In this regard we refer to the meeting held on November 27, 2018 with Managing Director (SNGPL) under the Chairmanship of Director General (Gas) wherein SNGPL management appraised that adequate pipeline capacity is available in SNGPL system at the suggested entry point at Muhammad-pur and the exit point of PFL factory flange at Multan to meet the gas transportation requirements of PFL.

Technical Information: (As required in the network code; further information can be furnished as per requirement of SNGPL)

a.	Shipper	Pakarab Fertilizers Limited (PFL)
b.	Entry Point	SNGPL Valve assembly QV-2 at Muhammad Pur District Ghotki (Muhammad pur is not appearing in the list of entry points posted by SNGPL, therefore, it is also requested to enlist it as a entry point, unless it is specified as another defined entry points.)



c. Exit Point	PFL's manufacturing plant at Khanewal Road, Multan
d. Capacity Start Date	March 01, 2019
e. Capacity End Date	March 14, 2029
f. Capacity Term	10 Years
g. Initial Capacity Required For Year-1	35 MMCFD (after treating 35 MMCFD of Mari Shallow Gas allocated by the ECC)
h. Ramp-up Period	12 months
i. Total Capacity Required From Year-2 to Year-10	55 MMCFD (after treating 35 MMCFD of Mari Shallow Gas and 40 MMCFD of Mari Deep Gas allocated by the ECC, referred below)
j. Capacity Type	Preferred Firm Capacity. Interruptible, if firm not available.
k. Use of Capacity	Gas Transportation for self-consumption to run the PFL Plant and allied equipment

We request SNGPL to allocate the requisite pipeline capacity to PFL as it would not only revive a National asset but also help ensuring food security of the country by timely availability of much needed fertilizers for the farming community at affordable prices. It will also save the huge investment that has gone into the PFL project and allied pipeline infrastructure, which is nearing completion.

Thanking you,

Yours faithfully

For PAKARAB FERTILIZERS LIMITED

IFTIKHAR MAHMOOD BAIG
(Director Business Development)

CC:

1. Director General (Gas), Ministry of Energy (Petroleum Division)
2. Director General (LGs), Ministry of Energy (Petroleum Division)
3. Director General (PC), Ministry of Energy (Petroleum Division)
- ✓ 4. Registrar, Oil & Gas Regulatory Authority (OGRA)
5. Joint Secretary, Large Enterprises Development (PSD), Ministry of Industries & Production

No. NG (I)-7(158)/10-P-PI
 Government of Pakistan
 Ministry of Energy -- Petroleum Division
 (Policy Wing)
 Directorate General of Gas
 First Floor, Petroleum House, Atarck Avenue G-5/2
 ...

Islamabad, the 31st May, 2018

01. The Managing Director,
 M/s Mari Petroleum Company Ltd,
Islamabad

02. The Chief Executive Officer
 Pak Arab Fertilizers Ltd,
Lahore

03. The Managing Director,
 M/s Sui Northern Gas Pipelines Ltd,
Lahore

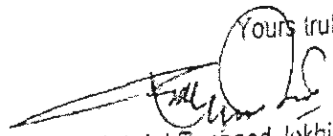
Subject: ALLOCATION OF ADDITIONAL GAS PRODUCTION FROM MPCL'S EXISTING RESERVOIRS TO PAKARAB FERTILIZERS LTD

Dear Sir (s).

I am directed to inform that ECC of the Cabinet in its meeting held on 17.05.2018 vide case No. ECC-43/10/2018 dated 17.05.2018 while considering a summary submitted by Petroleum Division on the subject approved the proposals contained in para-6 of the summary as under:

- (i) 35 MMCFD Mari shallow gas along with supporting reserves may be allocated to M/s Pakarab Fertilizers Ltd (PFL) which will require dehydration and transportation by PFL at its own cost for injection into M/s SNGPL's system and M/s SNGPL would be required to induct this gas into its system soon after completion of the required infrastructure.
- (ii) 40 MMCFD of Mari Deep gas along with supporting reserves may be allocated to M/s Pakarab Fertilizers Ltd which will be processed by PFL at its own cost for injection into SNGPL's system as a comingled stream along with shallow gas.
- (iii) MPCL will be required to have necessary regulatory approvals for production of these gases from its existing reservoirs.
- (iv) Subject to availability of adequate system gas volumes, M/s SNGPL would supply the minimum gas required along with Mari shallow gas to M/s PFL enabling the plant to operate. This arrangement would be for the interim period i.e. till full flow of comingled processed Mari gases.
- (v) The allocated gases are to be transported by M/s SNGPL through its system for supply to M/s PFL plant at Multan under a mutually agreed gas transportation arrangements and M/s PFL would be required to pay a tolling fee to M/s SNGPL against transportation of these gases.

2. You are requested to take further necessary action in the Implementation of above ECC decision under intimation to this office at the earliest.

Yours truly,

 (Abdul Rasheed Jokhio)
 Director (Tech.)

O/L

c.c:

- (i) PS to Secretary Petroleum Division
- (ii) PS to Additional Secretary (P) Petroleum Division
- (iii) PA to DG(Gas) Petroleum Division
- (iv) PA to DG (PC) Petroleum Division

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IMMEDIATE
BY FAX

No.NG(I)-7(158)/18-F (Vol-I)
Government of Pakistan
Ministry of Energy (Petroleum Division)
Directorate General Gas
Petroleum House, G-5/2

Islamabad, the 17th December, 2018

Chief Executive Officer,
Pakarab Fertilizers Limited,
Lahore.

Subject:- **ALLOCATION OF ADDITIONAL GAS PRODUCTION FROM MPCL's**
EXISTING RESERVOIR TO PAKARAB FERTILIZERS LIMITED

Dear Sir,

I am directed to enclose herewith M/s SNGPL's letter no. GMS:938 (LNG) dated 17.12.2018 on the above subject which is self explanatory.

2. It is requested to furnish your views/comments in the matter to this office at the earliest.

Yours faithfully,


(Sohail Anwar)
Deputy Director (Gas)
Tele: 9220894
Email: ddgaspr@gmail.com

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Ref: GMS: 938 (LNG)

December 17, 2018

Director General (Gas),
Ministry of Energy (Petroleum Division),
Government of Pakistan,
ISLAMABAD

Dial (BD)

Attn: Mr. Sohail Anwar
Deputy Director (Gas)

**ALLOCATION OF ADDITIONAL GAS PRODUCTION FROM MPCL'S EXISTING RESERVOIRS TO
PAKARAB FERTILIZERS LIMITED**

Dear Sir,

Further to our letter of even number dated 04.12.2018, it is to apprise that Network Code has been notified by OGRA and we shall be proceeding in the matter per Capacity Allocation Methodology under Network Code. However, we await your concurrence to the following before proceeding further.

1. Supply of RLNG to PAFL along with Mari Shallow gas in view of unavailability of Indigenous gas.
2. Construction / laying of pipeline from Qasba Maral to Multan by PAFL at its own cost, since capacity of the existing segment would not be available after materialization of TAPI project.

Regards,

Yours faithfully,
SUI NORTHERN GAS PIPELINES LIMITED

Shahid Maqsood
17/12.
SHAHID MAQSUD
General Manager (Sales)
for MANAGING DIRECTOR

Copy to:

- SPS to Secretary – Ministry of Energy (Petroleum Division), Islamabad
- Additional Secretary, Ministry of Energy (Petroleum Division), Islamabad
- Director General (LGs) – Ministry of Energy (Petroleum Division), Islamabad

Telephone Extn: +92-42-9920000
+92-42-9920005

Telephone: 042-99201056

Fax: 042-99201209

www.sngpl.com.pk



ONGC (SNG) 50-1001



PFL/MOE/DG (Gas)
December 18, 2018

Director General (Gas)
Ministry of Energy (Petroleum Division)
1st Floor, Petroleum House
Islamabad

Subject: ALLOCATION OF ADDITIONAL GAS PRODUCTION FROM MPCL'S EXISTING RESERVOIRS TO PAKARAB FERTILIZERS LIMITED (PFL)

Reference: Your Letter No. NG(I)-7(158)/18-F(Vol-1) dated 17th December 2018
SNGPL Letter No. GMS: 938 (LNG) dated 17th December 2018

Dear Sir,

We take this opportunity to thank you for inviting our views and comments vide your above-referred letter. We would refer to the meeting held under your Chairmanship on November 27, 2018 with representatives of PFL and SNGPL. PFL provided an update on the work completed including but not limited to the following:

- Managed all engineering and safety studies and reviews in time
- Managing extremely challenging ROW to expedite the construction
- Pipeline construction at PFL's own cost.. Construction contract signed with SNGPL and work initiated
- Arrangement of 26 km pipeline and associated fittings / valves etc within very short period
- Managing all necessary approvals on fast-track including EIA, Railways, NHA etc

PFL has subsequently procured and installed necessary infrastructure facilities including compressors and dehydration plant etc.

During the meeting, SNGPL management apprised that adequate pipeline capacity from MPCL to PFL in SNGPL's existing system is available to cater to PFL. SNGPL is also willing to execute GTA in accordance with the ECC decision to transport allocated gases. TAPI pipeline is expected to intersect at Qasba Maral, which is approximately 18-20 km short of PFL plant site. SNGPL Team suggested to PFL to undertake a dedicated pipeline for this segment at its own cost. PFL's Team concurred to SNGPL's suggestion provided no other option is available.

PFL also informed the meeting that it had filed a Transmission License application with OGRA and one of the requirements is the execution of a GTA, however, OGRA would accept a letter from SNGPL stating that GTA is being negotiated in order to issue the Transmission License. SNGPL Team agreed to comply with such OGRA requirement and also negotiation Terms once Network Code is notified. ECC decision could be used as basis for this letter.

Point wise responses to the queries raised by SNGPL in their above-captioned letter are as follows:

1. To operate the plant at minimum level, PFL would accept RLNG along with 35 mmcf/d Mari Shallow gas until 40 mmcf/d Goru-B gas comes online (expected mid-2019). RLNG to be provided under the same modalities approved by GoP for other fertilizer plants on SNGPL network (Agritech & Fatimafert) to provide the level playing field.

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2. PFL hereby gives its concurrence to construct pipeline from Qasba Maral to Multan at its own cost provided TAPI Pipeline project is built.

Your kind directions to SNGPL on issuance of letter to OGRA stating that GTA is being negotiated are requested. We look forward to early finalization of capacity allocation enabling PFL to restart operations to provide much needed fertilizers to the farmers.

Thanking you,

Yours faithfully

For PAKARAB FERTILIZERS LIMITED


IFTIKHAR MAHMOOD BAIG
(Director Business Development)

PFL/SNGPL/2019-
January 05, 2019

The Managing Director
Sui Northern Gas Pipelines Limited
21-Kashmir Road
Lahore

Subject: ALLOCATION OF ADDITIONAL GAS PRODUCTION FROM
MPCL'S EXISTING RESERVOIRS TO PAKARAB FERTILIZERS
LIMITED (PFL)

Reference: 1) ECC Decision dated 31.05.2018 Allocation of Additional Gas Production
from MPCL's Existing Reservoirs to Pakarab Fertilizers Limited
2) Our Letter Composition of MPCL Gas Fields (SML/SUL & Tipu)
Allocated to Pakarab dated 10.07.2018
3) Our Letter Gas Specification of SML/SUL & Goru B Wells and Pipeline
Material NACE Compliance dated 28.09.2018
4) DG Gas Letter Allocation of Additional Gas Production from MPCL's
Existing Reservoir to Pakarab Fertilizers Ltd. dated 03.01.2019

Dear Sir,

We would refer to the meeting held under Chairmanship of Director General (Gas) on
November 27, 2018 with representatives of PFL and SNGPL. PFL provided an update on the
work completed including but not limited to the following:

- Managed all engineering and safety studies and reviews
- Managing extremely challenging ROW to expedite the construction
- Pipeline construction at PFL's own cost. Construction contract signed with SNGPL and
work initiated
- Arrangement of 26 km pipeline and associated fittings / valves etc within very short
period
- Managing all necessary approvals on fast-track including EIA, Railways, NHA etc

PFL has subsequently procured and installed necessary infrastructure facilities including
compressors and dehydration plant etc.

During the meeting, SNGPL management apprised that adequate pipeline capacity from MPCL
to PFL in SNGPL's existing system is available to cater to PFL. SNGPL is also willing to
execute GTA in accordance with the ECC decision to transport allocated gases. TAPI pipeline
is expected to intersect at Qasba Maral, which is approximately 18-20 km short of PFL plant
site. SNGPL Team suggested to PFL to undertake a dedicated pipeline for this segment at its
own cost. PFL hereby gives its concurrence to construct pipeline from Qasba Maral to Multan
at its own cost provided TAPI Pipeline project is built.

PFL also informed the meeting that it had filed a Transmission License application with OGRA
and one of the requirements is the execution of a GTA, however, OGRA would accept a letter
from SNGPL stating that GTA is being negotiated in order to issue the Transmission License.

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SNGPL Team agreed to comply with such OGRA requirement and also negotiate Terms once Network Code is notified. ECC decision could be used as basis for this letter.

ECC decision states that SNGPL would supply minimum gas required along with Mari Shallow gas enabling the plant to operate. This arrangement would be for the interim period i.e. till full flow of comingled processed Mari gases.

SNGPL has indicated gas supply constraints in which case PFL would accept RLNG along with 35 mmcf/d Mari Shallow gas until 40 mmcf/d Goru-B gas comes online (expected mid-2019). RLNG to be provided under the same modalities approved by GoP for other fertilizer plants on SNGPL network (Agritech & Fatimafert) to provide a level playing field.

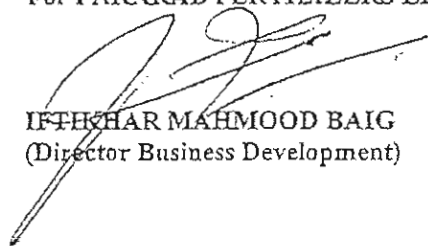
Pakistan Gas Network Code has been notified by OGRA as such you are requested to allocate pipeline capacity for transportation of above gases to PFL. The information required for capacity allocation under Article 2.4 of Network Code is as follows

Shipper	Pakarab Fertilizers Limited
Entry Point	SNGPL Valve assembly QV-2 at Muhammad Pur district Ghotki
Exit Point	PFL's manufacturing plant at Khanewal Road, Multan
Capacity Start Date	January 15, 2019
Capacity End Date	January 14, 2029
Capacity Duration	10 Years
Capacity Applied (MMSCFD)	35 MMSCFD
Capacity Requested (MMSCFD)	Firm Capacity
Use of Capacity	Gas Transportation for self-consumption to run the PFL Plant and allied equipment

Your kind directions on issuance of letter to OGRA stating that GTA is being negotiated are requested. We look forward to early finalization of capacity allocation enabling PFL to restart operations to provide much needed fertilizers to the farmers.

Thanking you,

Yours faithfully
For PAKARAB FERTILIZERS LIMITED



IFTIKHAR MAHMOOD BAIG
(Director Business Development)

15th February 2019

Mr. Saqib Aziz,
Deptt. Manager Business Development,
M/s Pakarab Fertilizers Limited,
HO: E-110 Khayaban-e- Jinnah, Lahore Cantt
+92-42-111-328-462

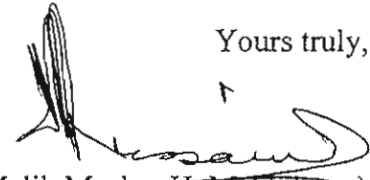
Subject: **LICENSE FOR CONSTRUCTION AND OPERATION OF PIPELINE
FOR TRANSMISSION OF NATURAL GAS TO PFL**

Dear Sir,

Please refer to the meeting held in OGRA on 14-02-2019 regarding above subject.

2. The issue was deliberated at length and it was concluded that MPCL and PFL may settle the issue of gathering lines, upstream of the processing plant, vis-à-vis applicable legal provisions including OGRA Ordinance 2002, NGRA (Licensing) Rules 2002 and Natural Gas Transmission Technical Standards Regulations, 2004 and apprise accordingly enabling OGRA to proceed further in the matter.

Yours truly,



(Malik Mazhar H. Makhdoom)
Joint Executive Director (Gas)

Copy to:

Managing Director,
Mari Petroleum Company Ltd,
21 Mauve Area, 3rd Road, G-10/4,
Islamabad



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آئل اینڈ گیس
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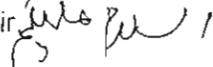


Oil & Gas
Regulatory Authority

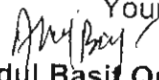
OGRA-9(454)-(PFL)/2018
5th March 2019

Mr. Saqib Aziz,
M/s Pakarab Fertilizers Limited,
HO: E- 110 Khayaban-e-Jinnag, Lahore cantt
92-42-111-328-462

Subject: **LICINSE FOR CONSTRUCTION AND OPERATION OF PIPELINE FOR
TRANSMISSION OF NATURAL GAS TO PFL**

Dear Sir 

Please refer to the meeting held in OGRA on the subject issue and subsequent OGRA's letter of even No. Dated 15.02.2019 on the above subject. Your reply in the matter is still awaited which may be furnished at the earliest for proceeding further in the matter.

Your truly,

(Dr. Abdul Basit Qureshi)
Registrar

Cc:
Managing Director,
Mari Petroleum Company Ltd,
21 Mauve Area, 3rd Road, G-10/4,
Islamabad



o/c

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Oil & Gas
Regulatory Authority

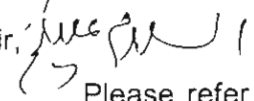
Reminder-I

June 28, 2019

OGRA-9(454)-(PFL)/2018

Mr. Saqib Aziz,
M/s Pakarab Fertilizers Limited,
HO: E- 110 Khayaban-e-Jinnag,
Lahore cantt
92-42-111-328-462
Lahore


Subject: PAKARAB FERTILIZERS LIMITED - APPLICATION FOR CONSTRUCTION & OPERATION OF PIPELINE FOR TRANSMISSION OF NATURAL GAS

Dear Sir, 

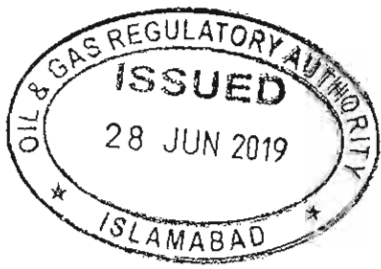
Please refer to OGRA's earlier letter of even No. dated February 15, 2019, followed by a reminder dated 05-03-2019 on the subject noted above (copies attached).

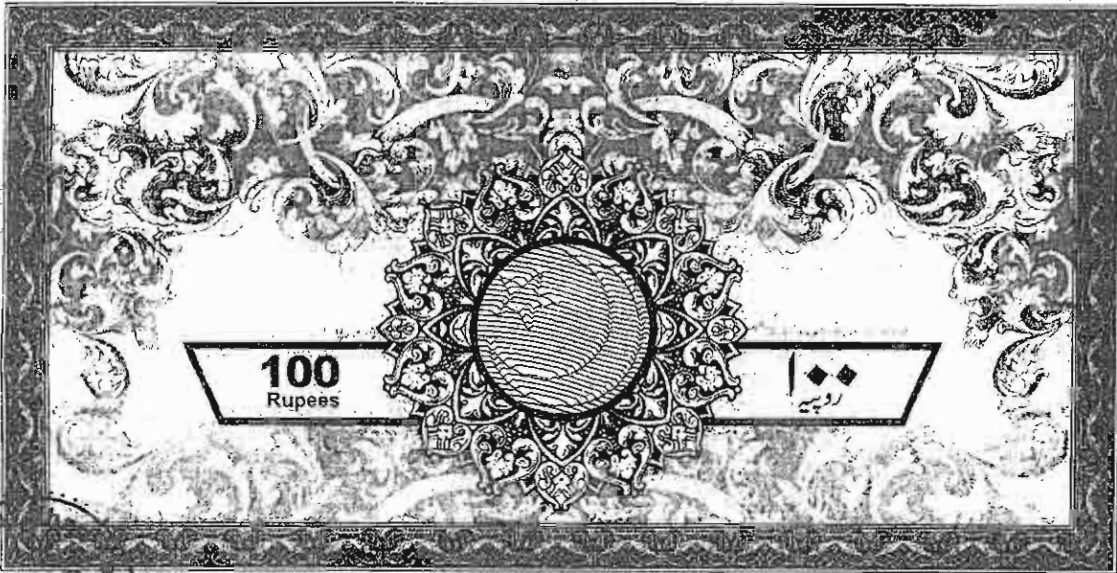
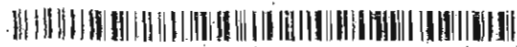
2. Reply of the above noted letters are still awaited which may kindly be communicated at the earliest, in order to proceed further, please.

Best Regards,


(Dr. Abdul Basit Qureshi)
Registrar
(For & on behalf of the Authority)

o/e





THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made on the day of 25th January, 2019

BY AND BETWEEN:

- ✓ Sui Northern Gas Pipelines Limited (hereinafter referred to as "SNGPL"), a Public Limited Company incorporated under the laws of Pakistan and having its registered office at Gas House, 21 Kashmir Road, Lahore which expression shall, where the context so admits, include its successors and assigns. **Party of the First Part**

AND

- ✓ Pakarab Fertilizers Limited (hereinafter referred to as "PFL"), a public Limited Company incorporated under the law of Pakistan and having its registered office at E-110 Khayaban-e-Jinnah, Lahore Cantt, Lahore which expression shall, where the context so admits, include its successors in interest and permitted assigns. **Party of the Second Part**

SNGPL and PFL are referred to herein collectively as the "Parties" or individually as a "Party".

WHEREAS:

- (A) Whereas SNGPL is authorized and licensed for the transmission and distribution of natural gas in the north of Pakistan.
- (B) Whereas PFL is a Company engaged in the business of manufacturing and sale of chemical fertilizers.
- (C) Whereas PFL is desirous to obtain the services of SNGPL for transportation of its gas from the designated entry points to designated exit points;
- (D) Whereas SNGPL may provide the requisite services in accordance with the Third Party Access (TPA) Rules, 2018 read with Pakistan Gas Network Code, subject to PFL being allocated capacity in accordance with the said TPA Rules and Pakistan Gas Network Code and subject to the Parties entering into a binding and formal Gas Transportation Agreement.

ATTESTED



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NOW THEREFORE THIS MEMORANDUM OF UNDERSTANDING (MOU) SETS FORTH THE UNDERSTANDING BETWEEN THE PARTIES AS FOLLOWS:

1. SCOPE

The scope of this MOU is restricted to the purpose of recording the understanding between the Parties regarding initiation of negotiation of transportation of gas in accordance with the relevant provisions of the TPA Rules, 2018 together with the applicable rules of Pakistan Gas Network Code.

2. NON-BINDING NATURE OF MOU

This MOU shall be non-binding on the Parties and shall have no legal effect. Nothing contained in this MOU shall confer any legal right or entitlement whatsoever in favour of PFL.

3. CAPACITY ALLOCATION

SNGPL shall follow the provisions in respect of capacity allocation contained in the TPA Rules and Pakistan Gas Network Code including advertisement of available capacity. PFL acknowledges that SNGPL is required to allocate capacity on a "first come first serve basis". In case PFL is allocated capacity by SNGPL, the Parties shall enter into a binding Gas Transportation Agreement on mutually agreed terms and conditions subject to completion of all codal and legal formalities.

4- This MOU shall be executed in two (2) counterparts; one to be retained by each Party and the each instrument shall be considered as original and duly executed by the Parties.

IN WITNESS whereof the Parties have signed this MOU on the day and year first above written.

SUI NORTHERN GAS PIPELINES LIMITED

By: *Amir*

Name: Amir Tufail

Title: Managing Director

Date: January 28 in 2019

PAKARAB FERTILIZERS LIMITED

By: *Asad Murad*

Name: Asad Murad

Title: Chief Financial Officer

Date: January 25 in 2019



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PFL/OGRA/2019
June 26, 2019

The Registrar
Oil & Gas Regulatory Authority
Islamabad

Subject: APPLICATION FOR TRANSMISSION LICENSE REQUIRED FROM OGRA UNDER NATURAL GAS REGULATORY AUTHORITY (NGRA) (LICENSING) RULES 2002 FOR CONSTRUCTION u& OPERATION OF PIPELINE ALONG WITH ANCILLARY/CONNECTED FACILITIES FOR TRANSMISSION OF NATURAL GAS

Reference: Our letter no. PFL/OGRA/2018- dated August 20, 2018

Dear Sir,

This refers to our letter no. PFL/OGRA/2018- dated August 20, 2018 regarding subject application. We have applied for license for 03 feeder lines and one main transmission line in subject application. We would like to notify OGRA that due to certain technical constraints, the construction of 12" Deep feeder line (@700 PSIG) from MPCL custody transfer point till PFL processing facility has been suspended and PFL would like to withdraw subject line from its licensing application. The remaining 02 feeder lines will be constructed, but since their operating pressure does not exceed 300 PSIG, these feeder-lines do not fall under "transmission" or "distribution" definition as per NGRA Licensing Rules, 2000. In this regard MPCL letter dated June 26, 2019 confirming that these lines lie in Mari D&P Lease Area and MPCL will oversee O&M of these lines is attached.

In light of the above, PFL hereby requests OGRA to review the application for grant of transmission license for 16" x 24km long main gas pipeline from processing facility to SNGPL's Muhammadpur Valve assembly.

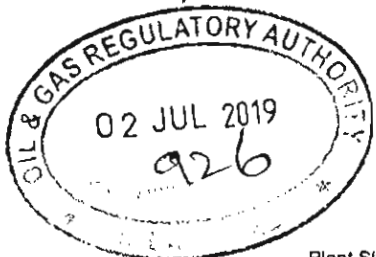
Thanking you,

Yours faithfully
For PAKARAB FERTILIZERS LIMITED

IFTIKHAR MAHMOOD BAIG
(Director Business Development)

Received at ED (Gas) Office
Dt: 07-19
Time: 11:55 AM

Handwritten signatures and notes:
Sed (gas)
Amir P... 2/7/19
AL pull up
JED/S
2/7
2/7/19
AED-F



610



Mari Petroleum Company Limited

21 Mauve Area, 3rd Road, G-10/4, Islamabad-44000, Pakistan
UAN: +92-51-111-410-410 Fax: +92-51-2352859 P O Box No 1614

www.mpcl.com.pk

NTN: 1414673-8
GST No. 07-01-2710-039-73

Ref: MPCL/BDC//Mari/63
Date: June 26, 2019

Mr. Abdul Basit Qureshi,
Registrar,
Oil & Gas Regulatory Authority (OGRA),
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

SUBJECT: APPLICATION FOR CONSTRUCTION AND OPERATIONS OF PIPELINE FOR TRANSMISSION OF NATURAL GAS TO PFL

Sir,

This refers to your letter No. OGRA-6(1)-NG(PFL)/2018 dated December 18, 2018 addressed to Pakarab Fertilizer Limited (PFL).

As desired by OGRA in Para # 2 (ii) of the referred letter, we hereby submit the requisite Confirmation Letter expressing MPCL's consent to oversee Operation and Maintenance (O&M) of the pipeline being laid across the Mari D&P Lease for PFL and its O&M by PFL for which PFL has sought a license.

Best regards,

Muhammad Aqib Anwer
General Manager (Business Development & Commercial)

DR Process plan
28/6/19

R13 put up with relevant record for discussion by today.
Cal 28/6

Encl: As stated above

AED-1



Daharki Field Office

Daharki, District Gholki, Pakistan
UAN: +92-723-111-410-410
Fax: +92-723-660402

Karachi Liaison Office

D-87, Block-4, Kenkashan Clifton, Karachi-75600
Pakistan UAN: +92-21-111-410-410
Fax: +92-21-35870273
P O Box No 3887

Quetta Liaison Office

26, Survey-31 Defence Officers Housing Scheme, Airport Road, Quetta
Tel: +92-81-2821052, 2838790
Fax: +92-81-2834465

611



Mari Petroleum Company Limited

21 Mauve Area, 3rd Road, G-10/4, Islamabad-44000, Pakistan
UAN: +92-51-111-410-410 Fax: +92-51-2352859 P O Box No 1614

www.mpcl.com.pk

NTN: 1414673-8
GST No. 07-01-2710-039-73

Date: June 26, 2019

TO WHOM IT MAY CONCERN

Reference to the project being undertaken between M/s MPCL (Producer) and M/s PFL(Buyer) & your letter reference OGRA-6(I)-NG (PFL)/2018 dated December 18, 2018 addressed to M/s Pak Arab Fertilizers Limited regarding their application for transmission license of natural gas pipelines.

As desired by OGRA in Para # 2 (ii) of the referred letter, we hereby confirm that two 12" diameter transition lines between MPCL custody transfer point and Pak Arab Fertilizer Processing Facility, lie in Mari D&P lease area and will be constructed by SNGPL as contractor for PFL and we will oversee O&M of gathering lines.

This is for your information and perusal as desired please.

Javed Iqbal Jadoon
General Manager (Operations)



Daharki Field Office

Daharki, District Ghotki,
Pakistan
UAN: +92-723-111-410-410
Fax: +92-723-660402

Karachi Liaison Office

D-87, Block-4, Kenkashan
Clifton, Karachi-75600,
Pakistan UAN +92-21-111-410-410
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21 Mauve Area, 3rd Road, G-10/4, Islamabad-44000, Pakistan
UAN: +92-51-111-410-410 Fax: +92-51-2352859 PO Box No 1614

www.mpcl.com.pk

NTN: 1414673-8
GST No. 07-01-2710-039-73

Ref: MPCL/BDC//Mari/62
Date: June 21, 2019

Mr. Abdul Basit Qureshi,
Registrar,
Oil & Gas Regulatory Authority (OGRA),
54-B, Fazal-e-Haq Road, Blue Area,
Islamabad

SUBJECT: APPLICATION FOR CONSTRUCTION AND OPERATIONS OF PIPELINE FOR TRANSMISSION OF NATURAL GAS TO PFL

Sir,

This refers to your letter No. OGRA-6(1)-NG(PFL)/2018 dated December 18, 2018 addressed to Pakarab Fertilizer Limited (PFL).

As desired by OGRA in Para # 2 (ii) b of the referred letter, we hereby submit the requisite Confirmation Letter in this regard.

Best Regards,

for 
Muhammad Aqib Anwer
General Manager (Business Development & Commercial)

SEDC (Law) 2/26
DR Media
Amir Bhatti 21/6/19

Encl: As stated above



4:50 PM



Daharki Field Office Daharki, District Gholki Pakistan UAN: +92-723-111-410-410 Fax: +92-723-660402	Karachi Liaison Office D-87, Block-4, Kehkashan Clifton, Karachi-75600, Pakistan UAN +92-21-111-410-410 Fax +92-21-35870273 P.O Box No 3887	Quetta Liaison Office 26, Survey-31 Defence Officers Housing Scheme Airport Road, Quetta Tel. +92-81-2821052, 2839790 Fax: +92-81-2834465
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613



Mari Petroleum Company Limited

21 Mauve Area, 3rd Road, G-10/4, Islamabad-44000, Pakistan
UAN: +92-51-111-410-410 Fax: +92-51-2352859 PO Box No 1614

www.mpcl.com.pk

NTN: 1414673-8
GST No. 07-01-2710-039-73

Date: June 20, 2019

TO WHOM IT MAY CONCERN

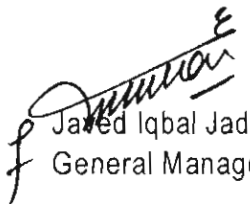
Reference to the project being undertaken between M/s MPCL (Producer) and M/s PFL (Buyer) & your letter reference OGRA-6(1)-NG (PFL)/2018 dated December 18, 2018 addressed to M/s Pak Arab Fertilizers Limited regarding their application for transmission license of natural gas pipelines.

As desired by OGRA in Para # 2 (ii) b of referred letter, we hereby confirm that three 12" diameter transition lines between MPCL custody transfer point and Pak Arab Processing Facility, lie in Mari D&P lease area and M/s PFL will be responsible for Laying, Operating and maintaining of these pipelines.

MPCL hereby confirms that it shall oversee O & M of gathering lines from MPCL's custody transfer point to Pak Arab processing facilities.

This is for your information and perusal as desired please.

Very truly yours


Javed Iqbal Jadoon
General Manager (Operations)



Daharki Field Office

Daharki, District Ghotki,
Pakistan
UAN: +92-723-111-410-410
Fax: +92-723-680402

Karachi Liaison Office

D-87, Block-4, Kenkashan
Clifton, Karachi-75600,
Pakistan UAN: +92-21-111-410-410
Fax: +92-21-35870273
PO Box No 3887

Quetta Liaison Office

26, Survey-31,
Defence Officers Housing Scheme,
Airport Road, Quetta
Tel: +92-81-2821052, 2839790
Fax: +92-81-2834465



PFL/OGRA/2019
July 03, 2019

The Registrar
Oil & Gas Regulatory Authority
Islamabad

Subject: ADVICE TO SNGPL FOR ALLOCATION OF PIPELINE CAPACITY TO PAKARAB FERTILIZERS LIMITED

**Reference: SNGPL Letter No. GMS: 938 (LNG-Allocation) dated July 02, 2019
Our Letter No. PFL/OGRA/2019 dated June 26, 2019
Your Letter No. OGRA-6(1)-NG(PFL)/2018 dated December 18, 2018**

Dear Sir,

Pakarab Fertilizers Limited (PFL) has been severely affected by gas shortages and remained intermittently operational since 2011 and has not operated at all since September 2017. ECC of the Cabinet in its decision dated May 17, 2018 allocated low BTU gas from Mari fields to PFL. The allocated gas would be transported by SNGPL through its system for supply to PFL plant at Multan through an Access Arrangement.

In order to secure pipeline capacity for transportation of gas to PFL plant at Multan, PFL submitted an application for allocation of pipeline capacity to SNGPL in compliance with Third Party Access Rules (TPA) 2018 and Pakistan Gas Network Code. It may be highlighted that the requirement of a valid license for construction & operation of pipeline for transmission of natural gas is pending. In its above referred letter, SNGPL has requested to submit a copy of valid license latest by July 17, 2019.

We understand that all the information/ documentation required by OGRA vide its above referred letter have been furnished. PFL would request OGRA to confirm to SNGPL that all documents are complete and license will be issued as per procedure, therefore SNGPL can process capacity allocation application and inform OGRA accordingly.

Thanking you,

Yours faithfully
For PAKARAB FERTILIZERS LIMITED

IFTIKHAR MAHMOOD BAIG
(Director Business Development)

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nelayan aktif
AmBaini 7
3/7/19*



*DR
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Abdus*



SUI NORTHERN GAS PIPELINES LIMITED

GAS HOUSE, 21 KASHMIR ROAD, P.O. BOX 56, LAHORE (PAKISTAN)

615

Ref: GMS: 938 (LNG-Allocation)

July 02, 2019

Mr. Iftikhar Mahmood Baig,
Director Development,
Pakarab Fertilizers Limited,
E-110, Khayaban-e-Jinnah,
Lahore Cantt

Application for Allocation of Pipeline Capacity


Dear Sir,

This is further to our letter No: 938 (LNG-Allocation) dated June 13, 2019 whereby it was informed that your application for allocation of capacity is under scrutiny.

In this regard, you are requested to advise latest status w.r.t issuance of shipper's license by OGRA on immediate basis while submitting a copy of valid license latest by July 17, 2019.

Regards,

Yours sincerely,
Sui Northern Gas Pipelines Limited


(SHAHID MAQSUD)
General Manager (Sales)
For MANAGING DIRECTOR

Telephones Exch: { +(92-42)99082000
+(92-42)99082006

Telephones: { +(92-42)99201376

Fax: + (92-42)99201834

www.sngpl.com.pk



625



PFL/OGRA/2019-328
July 30, 2019

Ms. Uzma Adil Khan
Chairperson
Oil & Gas Regulatory Authority (OGRA)
Islamabad

Subject: REQUEST TO EXPEDITE TRANSMISSION LICENSE APPLICATION

Reference: Our letter no. PFL/OGRA/2018- dated August 20, 2018

Dear Madam Chairperson,

The Economic Committee of Cabinet (ECC), in order to mitigate shortage of fertilizers in the country and to avoid additional burden on foreign exchange due to fertilizer imports, allocated gas production from MPCL's reservoirs to PFL and further directed that allocated gas will be transported through SNGPL's pipeline network for supply to PFL Plant at Multan.

Subsequent to ECC's approval, PFL submitted an application to OGRA on August 20, 2018 for grant of requisite license under Natural Gas Regulatory Authority (Licensing) Rules 2002. The license is a prerequisite to entering into Access Arrangement (GTA) between PFL and SNGPL. However, the applicable process for the grant of license is still pending.

We may bring to your attention that PFL is presently the only fertilizer plant in the country that is closed since September 2017. Early resumption of PFL's operations will be of highest national and strategic importance for the country and the contracting parties, i.e., MPCL, SNGPL and PFL. The early restart of PFL operations will result in multiple benefits to the economy of Pakistan, including the following:

- Timely availability of much needed "value-added fertilizers" to farmers at affordable cost;
- Food security and potential growth in agriculture outputs;
- Early monetization of MPCL gas, which will be invested in exploration/ drilling of new oil / gas fields in Pakistan;
- Saving of foreign exchange of US\$ 150 million a year;
- Subsidy of PKR 10 billion on account of import substitution from PFL fertilizer production will be avoided;
- SNGPL will earn substantial revenue from Tolling Charges;
- GDP growth in Large Scale Manufacturing sector; and
- Saving of of 2,000 jobs for highly skilled personnel of PFL.

We would, therefore, request OGRA to expedite the processing of our application for license dated August 20, 2018 and issue notice for public hearing under the Licensing Rules. We have furnished all the requisite information and additional documents required by OGRA.

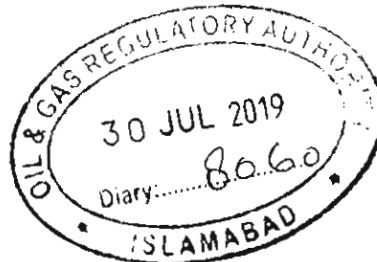
Thanking you,

Yours faithfully
For PAKARAB FERTILIZERS LIMITED

→ How the company was operating before 2017

IFTIKHAR MAHMOOD BAIG
(Director Business Development)

CC: ✓ - Member Finance, OGRA Islamabad
- Member Oil, OGRA Islamabad





PFL/OGRA/2019-335
August 06, 2019

Ms. Uzma Adil Khan
Chairperson
Oil & Gas Regulatory Authority (OGRA)
Islamabad

Subject: REQUEST TO EXPEDITE TRANSMISSION LICENSE APPLICATION

**Reference: Our Letter No. PFL/OGRA/2018- dated August 20, 2018
Our Letter No. PFL/OGRA/2019-328 dated July 30, 2019**

Dear Madam Chairperson,

We understand that all the requisite information and additional documents required by OGRA for the processing of our transmission license application dated August 20, 2018 have been furnished.

We would, therefore, request OGRA to expedite processing of license application and issue notice for public hearing under the Natural Gas Regulatory Authority Licensing Rules (2002) at the earliest.

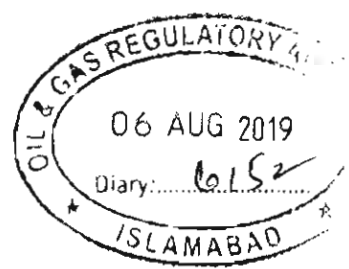
Thanking you,

Yours faithfully
For PAKARAB FERTILIZERS LIMITED

**IFTIKHAR MAHMOOD BAIG
(Director Business Development)**

CC: ✓ - Member Finance, OGRA Islamabad
- Member Oil, OGRA Islamabad

7-8-19 10:15 AM
7/8/18 10:40 AM



For necessary provision of Financial Analysis to the Authority, as discussed in the Auth's meeting pt.
Kauran plan to the Authority, as discussed in the Auth's meeting pt.
check full status.
ED (F-1)
CC: JED-S
7/8

(Annex-A)

Project Cost Breakup

S.No.	Costing Head	Cost (MM US\$)
1.0	Phase-1: (35 MMSCFD Mari Shallow Gas; Compression + Dehydration)	
1.1	Engineering (Pipeline + Facility)	0.30
1.2	Front End Compressors	5.40
1.3	Pipeline	14.40
1.4	Construction, Facility Development, Utilities, DHU	4.50
1.5	Land	0.23
1.6	Contingency (5%)	0.45
1.7	Sub Total	25.28
2.0	Phase-2: CO₂ Removal facility for 35MMSCFD Shallow + 40 MMSCFD Deep Gas	
2.1	Engineering	1.00
2.2	Acid Gas Removal System	27.50
2.3	Mari Deep Pipeline (Feeder Line)	1.50
2.4	Utilities & Off-sites	4.50
2.5	Facility Development + Control System	5.20
2.6	Plant Construction	4.50
2.7	Scope Contingency (5%)	2.21
2.8	Sub Total	46.41
3.0	Total (Phase-1 + Phase-2)	71.69



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Annual Report

Fatima Fertilizers Ltd

for 2018

Link — www.fatima-group.com

آئل اینڈ گیس
ریگولیشن اتھارٹی
حکومت پاکستان



Oil & Gas
Regulatory Authority
Government of Pakistan

NOTICE OF PUBLIC HEARING

APPLICATION BY PAKARAB FERTILIZERS LIMITED FOR GRANT OF LICENCE FOR CONSTRUCTION AND OPERATION OF PIPELINE FOR TRANSMISSION OF NATURAL GAS

1. Pakarab Fertilizer Limited (PFL) (the applicant) has applied under Section 23 of Oil and Gas Regulatory Authority Ordinance, 2002 read with Rule 4 of the Natural Gas (Licensing) Rules, 2002 for the grant of licence to carry out the regulated activity of Construction and Operation of 16' x 24 km long gas pipeline from processing facility to SNGPL's Muhammadpur valve assembly, for transmission of natural gas.
2. PFL has informed that being cognizant of the hardships faced by the farming community, ECC of the Cabinet Division approved allocation of 75 mcmd gas from Mari Gas Fields to PFL. Restart of operation at PFL will add approximately half a million MT of Urea equivalent fertilizers. As per ECC decision, SNGPL will transport the gas from Muhammadpur valve Assembly to PFL plant at Multan under mutually agreed gas transportation agreement. The Authority has considered the matter and admits the subject application Under Rule 5 of the OGRA's Natural Gas (Licensing) Rules, 2002.
3. OGRA invites all interveners and interested / affected persons and parties to furnish their comments / interventions / views, if any, on the petition filed by PFL, within 14 days from date of publication of this notice. The intervention request be addressed to the Registrar, OGRA, containing the name and address of the intervener and be accompanied by an affidavit verifying the contents of the intervention and intervention fee of Rs. 500/- (demand draft in favor of Oil & Gas Regulatory Authority, payable at Islamabad). In case of a person representing any organization/agency/body, he must file an authority letter of the same.
4. All parties to the proceedings, stakeholders, general public and interested / affected persons are hereby informed of the above proceedings.
5. For the subject propose, OGRA has also decided to hold this Public Hearing at Islamabad according to the date, time and venue mentioned below.

Date: 02 October 2019 (Wednesday)

Time: 10:30 am

Venue: Marriott Hotel, Ambassador Hall, Islamabad

6. For any information required from the applicant, please contact

Mr. Saqib Aziz,
Department Manager Business Development,
Pakarab Fertilizers Limited (PFL),
E-110, Khayaban-e-Jinnah,
Lahore, Cantt. UAN: 111-328-462
Fax: 042-36621389
Saqib.aziz@fatima-group.com

REGISTRAR

Oil and Gas Regulatory Authority
54-B, Fazal-e-Haq Road, Blue Area, Islamabad
Phone: 051-9244296, 051-9244090-98 (Ext-157)
Fax: 051-9244379
Website: www.ogra.org.pk

PI001307/19

آئل اینڈ گیس
ریگولیشن اتھارٹی
حکومت پاکستان



Oil & Gas
Regulatory Authority
Government of Pakistan

نوٹس برائے عوامی سماعت

پاک عرب فریٹلائزرز لمیٹڈ کی طرف سے درخواست برائے لائسنس قدرتی گیس پائپ لائن (تعمیر و ترسیل)

- 1- پاک عرب فریٹلائزرز لمیٹڈ (PFL) (درخواست دہندہ) نے سیکشن 23 اوگرا آرڈیننس 2002 اور رول 4 اوگرا لائسنس رولز 2002 کے تحت آئل اینڈ گیس ریگولیشن اتھارٹی کو لائسنس کیلئے درخواست دی ہے جس میں 24"x16" کاویٹریٹی گیس پائپ لائن محمد پور والو اسبلی تک بچھانی شامل ہے۔
- 2- پاک عرب فریٹلائزرز لمیٹڈ نے بتایا کہ کاشکار برادری کو درپیش مشکلات کا ادراک کرتے ہوئے، کاہنہ ڈویشن کی ای سی سی نے ماری گیس فیڈز سے PFL میں 75 mmcfcd گیس مختص کرنے کی منظوری دی ہے۔ PFL آپریشن شروع ہونے سے تقریباً نصف ملین میگاٹن یوریا مادی کھاد کا اضافہ ہوگا۔ ای سی سی کے فیصلے کے مطابق، سوئی نادرن گیس پائپ لائن لمیٹڈ باہمی طے شدہ گیس کی نقل و حمل کے معاہدے کے تحت گیس محمد پور والو اسبلی سے PFL پلانٹ ملتان پہنچائے گی۔ اتھارٹی نے اوگرا کے قدرتی گیس لائسنسنگ رولز 2002 کے ضابطہ 5 کے تحت اس درخواست کو قبول کیا اور عوامی سماعت منعقد کر رہی ہے۔
- 3- اس ضمن میں اوگرانے تمام دلچسپی رکھنے والے افراد اور متاثرہ فریقین کو دعوت دی ہے کہ وہ اپنے تاثرات، آراء اور کوئی بھی تو اس نوٹس کی اشاعت کی تاریخ سے 14 دن کے اندر اندر پیش کریں۔ درخواست گزار اپنی گزارشات، نام اور پتہ بیان حلفی کے طور پر درج کرے گا اور -500/ روپے کا ڈیمانڈ ڈرافٹ بحق آئل اینڈ گیس ریگولیشن اتھارٹی، اسلام آباد بھی ادا کرے گا۔ کسی ادارے / تنظیم / ایجنسی کی نمائندگی کرنے کی صورت میں درخواست گزار اتھارٹی لینڈ بھی پیش کرے گا۔
- 4- اس نوٹس کے ذریعے تمام فریقین، سٹیک ہولڈرز، عوام، دلچسپی رکھنے والے اور متاثرہ افراد کو آگاہ کیا جاتا ہے۔
- 5- اوگرانے اس موضوع پر اسلام آباد میں عوامی سماعت کا بھی فیصلہ کیا ہے جو کہ درج ذیل تاریخ، وقت اور مقام کے مطابق ہوگی۔

تاریخ: 02 اکتوبر 2019 (بدھ) وقت: 10:30 am

مقام: میریٹ ہوٹل، ایبیسڈ رہال، اسلام آباد

6- درخواست گزار کسی بھی معلومات کیلئے رابطہ کر سکتے ہیں۔

شاقب عزیز

ڈیپارٹمنٹ مینیجر برنس ڈوٹ پیمنٹ

پاک عرب فریٹلائزرز لمیٹڈ (PFL)

ای۔ 110، خیابان جناح، لاہور، کینٹ

UAN: 111-328-462 فیکس: 042-36621389

ای میل: saqib.aziz@fatima-group.com

رجسٹرار

آئل اینڈ گیس ریگولیشن اتھارٹی

54-B فضل حق روڈ بلدیہ امیر یا اسلام آباد

فون (Ext: 157): 051-9244090-98، 051-9244296، فیکس نمبر 051-9244379

Website: www.ogra.org.pk

PID(01387/19

"DONATE FOR DIAMER BASHA AND MOHMAND DAMS"