



EXPERT CONCLUSION

OJSC Samotlorneftegaz

**“Samotlor Gas Gathering project”,
Russia**

JISC Reference: 0160
Project Number: JI.VAL0185
Date: 23-01-2009

Date of Issue:	Project Number:
23-01-2009	Jl.VAL0185
Project Title:	Organisational Unit:
Samotlor Gas Gathering project	SGS Climate Change Programme
Revision Number:	Client:
0	OJSC Samotlorneftegaz

Summary:

SGS United Kingdom Ltd is currently accredited as Accredited Independent Entity (AIE) for Joint Implementation (JI) mechanism of UNFCCC for Sectoral Scopes 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15. SGS was accredited on 14th March 2008 by the Russian Designated Focal Point – the Ministry of Economic Development - as an Independent Expert Organization in Russia for determination of projects under the Article 6 of Kyoto Protocol.

At the request of OJSC Samotlorneftegaz, SGS United Kingdom Ltd has carried out determination of the project "Gas Gathering on Samotlor field" proposed as a JI project between Russia and one of the European Union countries still to be considered.

The purpose of proposed JI project is to compress and deliver low-pressure (LP) associated petroleum gas (APG) that is currently being flared from the last stages of separation at oil treatment sites within the Samotlor field to processing facilities, thereby reducing flaring of APG in the field and emissions of GHG to the atmosphere.

The proposed JI project activity consists of installation and operation of five Vacuum Compressor Stations (VCSs) at oil treatment sites within Samotlor field for compression of LP APG from the last stages of oil separation. The SNG gas gathering project will result in recovery of 90 mmcm per year of APG that will be transported in existing LP gas pipelines and production of about 7,000 tons per year of stable hydrocarbon condensate (i.e. drop-out precipitate) that will be delivered to the oil gathering system at the oil treatment sites.

The project implementation will bring about substantial mitigation of the negative impact upon environment, including reduction of greenhouse gas emissions.

The project developer establishes a baseline according to the JISC document: 'Guidance on Criteria for Baseline Setting and Monitoring' version 01, paragraph 20 (b) that is in accordance with appendix B of the JI guidelines. In doing so, the proposed JI project has applied an approved CDM baseline and monitoring methodology AM0009 "Recovery and utilization of gas from oil wells that would otherwise be flared", v.3.2.

Determination of the above project by SGS United Kingdom Ltd included a site visit at the project site of the Samotlor field, operated by OJSC Samotlorneftegaz in Nizhnevartovsk district, Khanty-Manskiysky Autonomous Okrug, West Siberia, Russia and comprised of the following:

1. The expert check evaluated the project design, in particular, (i) - the project's baseline setting, (ii) - expected emission reductions calculation; (iii) - the monitoring plan (MP), and (iv) - the project's compliance with relevant requirements and criteria of UNFCCC, Kyoto Protocol and the Government of the Russian Federation. It confirmed that the project design as documented in the PDD is sound and reasonable and meets all relevant requirements and criteria so as to ensure the quality of the project and the intended amount of emission reduction units under the project.
2. The expert conclusion is based on determination process of JI project by SGS United Kingdom against the Article 6 of the Kyoto Protocol criteria, Guidelines for the implementation of Article 6 of the Kyoto Protocol and decisions adopted by the Conference of the Parties serving as a meeting of the parties to the Kyoto protocol.
3. The present conclusion takes into account the findings obtained during document reviews, the stakeholder consultation process and responses from the project participants to the findings raised during auditing process.
4. The audit raised a total of 47 findings including:
 - 24 Corrective Action Requests (CARs);

- 23 New Information Requests (NIRs);
- 1 Further Action Request (FAR)


During the audit process all the above listed corrective and explanatory notes were received.

5. Comments by Parties, Stakeholders and NGOs

The PDD for the project was made available on the UNFCCC web site as mentioned below http://ji.unfccc.int/JI_Projects/DB/MAGCSNY6Y3L1R7UIZDE8SEBCB86D5O/PublicPDD/5LZJ3IDBS4QH_KG7IOT103779N4GF62/view.html and was open for comments from 8th October 2008 to 6th November 2008. Comments were invited through same web link on email id of Mrs. Lyn Willis ukclimatechange@sgs.com; a contact person of AIE for JI projects. No comments were received.

6. The present SGS United Kingdom conclusion confirms that the contents of the project design documentation of "Gas Gathering on Samotlor field" project complies with requirements set by the Kyoto protocol to the United Nations Framework Convention on Climate Change, decisions of the Conference of the Parties serving as a Meeting of the Parties to the Kyoto Protocol to the United Nations Framework Convention on Climate Change and relevant requirements of the Russian Federation. The project implemented according to the project design documentation is likely to achieve the estimated amount of emission reductions of 846,246 tCO₂e as total for the crediting period from 1st April 2008 to 31st December 2012 (with annual average over the crediting period of estimated reductions 225,688 tCO₂e) in a sectoral scope: "Fugitive emissions from fuels (solid, oil and gas)".

Taking the aforesaid into account, SGS United Kingdom Ltd recommends the project for approval by the Government of the Russian Federation for the purpose of joint implementation in accordance with Article 6 of the Kyoto protocol to the United Nations Framework Convention on Climate Change.

Subject:		Indexing Terms
JI Determination		
Team Members:		
Dr. Jochen Gross – Lead Assessor Ralf Westermann – Trainee Lead Assessor Axel Faupel - Assessor (Trainee) Vladimir Lukin – Local Assessor Steve Ross – Technology Expert David Diaz – Financial Expert		
Technical Review:		<input checked="" type="checkbox"/> No Distribution (without permission from the Client or responsible organisational unit)
Name: Aurea Nardelli		
Authorized Signatory:		<input type="checkbox"/> Limited Distribution
		
Signature:		<input type="checkbox"/> Unrestricted Distribution
Name: Siddharth Yadav		
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