

NadraMonitor



Monitoring of permitting activities and changes in the regulation of extractive industries

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Auctions and special permits for subsoil use

The Ukrainian Geological Survey has published information on the granting of 7 special permits for the development and extraction of the following minerals:

No	A type of mineral	The name of the object	Subsoil user	Basis	Validity period, years
1.	<u>Amber</u>	Bile deposit (Zhytomyr region)	LLC "DEREVOOBROBNA YEVROLIS"	the applicant, at his own expense, carried out a geological study of the subsoil area, an assessment of explored mineral reserves, and an appraisal of forecast mineral resources	20
2.	<u>Sand</u>	Striletsko-Kutska-2 section (Chernivtsi region)	LLC "STONE GRAND"	the total area of the subsoil plot does not exceed 25 hectares, and the applicant is the owner of the land plot	10
3.	<u>Sand</u>	plot Burtynska-3 (Khmelnyskyi region)	Individual entrepreneur DANYLEVSKA OLENA OLEXANDRIVNA	the total area of the subsoil plot does not exceed 25 hectares, and the applicant is the owner of the land plot	20
4.	<u>Underground potable water</u>	Water intake of Strutynsk MPD (Lviv region)	LLC "STRUTYNSKY SPIRIT FACTORY"	for all needs, except for the production of drinking water, provided that the volume of groundwater extraction from water intakes exceeds 300 m ³ /day	20
5.	<u>Mineral underground waters</u>	Ungvarska-1 site (well No. 1-T) (Zakarpattia region)	LLC "THERMAL RESORT "UNGVARSKY"	exclusively for medical purposes by medical and preventive and sanatorium-resort institutions	20
6.	<u>Mineral underground waters</u>	plot in the village Koson (well No. 28-t) (Zakarpattia region)	LLC "TREATMENT AND HEALTH INSTITUTION "KOSINO"	exclusively for medical purposes by medical and preventive and sanatorium-resort institutions	20
7.	<u>Sand</u>	Kobche site (Pivnichna and Pivdenna parts) (Volyn region)	Individual entrepreneur KALENIUK ANATOLII OLEKSIIIOVYCH	the total area of the subsoil plot does not exceed 25 hectares, and the applicant is the owner of the land plot	20

On March 26, [repeated](#) auctions for the sale of special permits for the use of subsoil were held, where 2 out of 7 lots received a price offer. The total amount of price offers amounted to UAH 5,170,800, with a starting price of lots of UAH 4,027,206.

No	The name of the object	A type of mineral	Region	The initial price of the lot, UAH	Price offer, UAH
1.	Yuriiivska plot-6	amber	Rivne	2,409,030	2,504,000
2.	Bushanske deposit	phosphate-containing limestone, low-phosphate limestone, rotten stone, siliceous chalk	Vinnytsia	1,618,176	2,666,800

The Ukrainian Geological Survey announced repeated auctions for 7 special permits for the extraction and development of amber, granite, peat, kaolin, clay, rotten stone, and limestone. The auctions will take place on April 9 and 12, 2024.

No	The name of the object	A type of mineral	Region	The initial price of the lot, UAH
1.	Nemiyske deposit	rotten stone, siliceous chalk, phosphate-rich limestone, low-phosphate limestone.	Odesa	3,344,508
2.	Plot Koshyk 2	granite	Kyiv	1,682,274
3.	The Ret section of the Retiivske deposit	peat	Sumy	654,600
4.	Plot Sadova	primary kaolin	Vinnytsia	2,509,140
5.	Plot Zhalyanska-2	low melting clay	Rivne	218,680
6.	Plot Yuriiivska-7	amber	Rivne	1,605,097
7.	Plot Zarichna-13	amber	Rivne	1,829,386

Regulatory initiatives

The Ministry of Energy of Ukraine has [published](#) for discussion the draft resolution of the Cabinet of Ministers of Ukraine "On approval of the Procedure for decommissioning, conservation and deconservation of main pipelines of oil, gas and their processing products".

The draft document proposes:

- provide a section on conservation and deconservation of main pipelines of oil, gas and their processing products, which determines the sequence of preparation for conservation and deconservation of main pipelines, individual objects of main pipelines (including equipment) and objects of the engineering infrastructure of main pipelines, which are state property;
- correct technical errors and improve the procedure for preparing documents necessary for making a decision on the decommissioning of the oil, gas main pipeline and their processing products, and eliminate terminological inconsistencies;
- to update the list of documents attached by the business entity to the petition for decommissioning the main pipeline.

The draft resolution is being developed as part of preparations for the optimization of the gas transportation system of Ukraine. In particular, draft law No. [6133](#) dated 05.10.2021 "On Amendments to the Law of Ukraine "On Oil and Gas" regarding the definition of critical gas storage facilities and critical main gas transportation pipelines" is being prepared for the second reading in the Verkhovna Rada. The draft law, among other things, proposes to develop a special mode of operation of main gas pipelines, which provides for the implementation by the operator of the GTS of Ukraine of a series of organizational and technical measures to disconnect the technological pipelines and engineering networks of the main gas pipeline in order to optimize the costs of maintaining it in a safe condition while preserving the corresponding gas pipeline, which does not is involved in gas transportation. (see the detailed analysis of the draft law in the [issue](#) of NadraMonitor for January 29 - February 4, 2024).

The Ministry of Environmental Protection and Natural Resources of Ukraine published for discussion the draft order "On Amending the Order of the Ministry of Ecology and Natural Resources of Ukraine dated May 10, 2002 No. 177".

The draft act proposes changes to the Instruction on the procedure and criteria for Criteria for state registration of objects that have or may have a harmful effect on human health and the state of the atmospheric air, types and volumes of pollutants emitted into the atmospheric air. In particular, business entities are given the opportunity to submit petitions and receive services regarding inclusion in state registration (removal from registration and correction of information about the object) in electronic form.

The Committee of the Verkhovna Rada of Ukraine on Environmental Policy and Nature Management adopted a number of recommendations to the Cabinet of Ministers of Ukraine, the Ministry of Environmental Protection and Natural Resources, The Ukrainian Geological Survey and the State Forest Resources Agency of Ukraine regarding the improvement of the provisions of the legislation on subsoil use.

Among other things, the Committee recommended to the Cabinet of Ministers of Ukraine:

- to speed up the approval of the list of subsoil areas that are of strategic importance for the sustainable development of the economy and the state's defense capability, for their subsequent auctioning;
- to take measures regarding the proper implementation of the provisions of Article 181 of the Code of Ukraine on Subsoil, in particular in the part of approving the list of land plots of state and communal property for the use of subsoil, which are transferred to the winner of the auction;
- speed up, with the participation of the State Forestry Agency, conducting research of land plots disturbed by illegal amber mining that need reclamation, determining their coordinates for priority provision for amber mining;
- consider issues and, if necessary, make legislative proposals regarding:
 1. existing legislative mechanisms for the priority provision of amber-bearing subsoils for use in disturbed areas;
 2. the expediency of an additional geological and economic assessment of reserves in disturbed areas of amber-bearing subsoil of a small area;
 3. settlement of the issue of felling forest plantations on land plots used on the basis of a standard agreement on exploration and mining operations.

"Ukrnafta", the National Asset Recovery and Management Agency (ARMA) and PJSC "VK "Ukrnaftoburinnia" [called](#) on the National Security and Defense Council and Members of Parliament of Ukraine to legislatively allow the issuance of a special permit for work at the Sakhalin field without holding an auction - on the basis of a management contract. On June 13, 2023, PJSC Ukrnafta and ARMA concluded an agreement on the management of the corporate rights of PJSC VK Ukrnaftoburinnia, which was producing hydrocarbons at the Sakhalin deposit in the Kharkiv region, but the special permit for the use of subsoil was canceled by the decision of the Sixth Administrative Court of Appeal.

We will remind that at the beginning of December 2023, the Ukrainian Geological Survey [published](#) information about the cancellation of the special permit for the extraction of PrJSC "Ukrnaftoburinnia Extraction Company" for the purpose of extracting hydrocarbons from the Sakhalin oil and gas condensate field in the Kharkiv region. PJSC VC "Ukrnaftoburinnia", transferred to the management of "Ukrnafta", announced that it has stopped the production of natural gas and condensate at the Sakhalin oil and gas condensate field. The activity was stopped at the request of the decision of the Sixth Appeal Administrative Court of Ukraine, which canceled the special permit for the use of subsoil No. 6349 dated July 10, 2019. At the same time, the company considers the decision unfounded, because the court canceled the special permit by reversing the execution of the court decision in another administrative case related to the company's previous special permit. Ukrnaftoburinnia [stated](#) that the state loses almost 50 million cubic meters of gas per month due to the suspension of production at the Sakhalin field. And the losses of the local and state budgets (without personal income tax, single social contribution and military tax) amount to UAH 410.5 million per month.