

**BEFORE THE NATIONAL GREEN TRIBUNAL
SOUTHERN ZONE, CHENNAI**

Original Application No.20 of 2026(SZ)

IN THE MATTER OF:

**Venkatapathi Raja Yenumala,
Andhra Pradesh.**

...Applicant(s)

With

**Union of India, Through its Secretary,
MoEF&CC, New Delhi and Others.**

...Respondent(s)

Date: 24.06.2026

**REPORT FILED BY A.P.P.C.B
6TH REPENDENT**



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BEFORE THE HONOURABLE NATIONAL GREEN TRIBUNAL

SOUTHERN ZONE, CHENNAI

in Original Application (O.A) No. 20 of 2026 (SZ)

IN THE MATTER OF

Sri Venkatapathi Raja Yenumala Applicant

Versus

Union of India & Others Respondent (s)

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Date:23.06.2026
Place: Kakinada.



Environmental Engineer,
A.P. Pollution Control Board,
Regional Office, Kakinada.

ENVIRONMENTAL ENGINEER
A.P.POLLUTION CONTROL BOARD
Regional Office KAKINADA

REPORT IN COMPLIANCE WITH THE ORDERS OF HON'BLE NATIONAL GREEN TRIBUNAL, SOUTHERN ZONE IN OA. NO. 20 OF 2026 (SZ) IN THE MATTER OF "SRI VENKATAPATHI RAJA YENUMALA VERSUS UNION OF INDIA AND OTHERS" IN COMPLIANCE TO THE HON'BLE NGT ORDER DATED 11.02.2026.

It is submitted that the Hon'ble National Green Tribunal (NGT), Southern Zone, Chennai, in its order dated 11.02.2026 in O.A. No.20 of 2026 (SZ), Sri Venkatapathi Raja Yenumala, Dr. B.R. Ambedkar Konaseema District, Andhra Pradesh relating to gas blowout and fire incident occurred at ONGC Well MORI-5 at Irusumanda Village, Malkipuram Mandal, Dr. B.R. Ambedkar Konaseema District on 05.01.2026, mentioned that *"There is no material to show that the grounds raised by the applicant are established to make out the substantial question of law. The learned counsel appearing for the applicant seeks some time to produce further evidence"*.

Copies of Hon'ble NGT Orders dated 11.02.2026 are herewith enclosed as **Annexure-I.**

The Member Secretary, A.P. Pollution Control Board, Vijayawada is the 6th respondent. In this connection, the following is submitted for kind perusal:

1. It is submitted that, the officials of APPCB, Regional Office, Kakinada inspected the incident site on 05.01.2026 to ascertain the factual position. The officials of ONGC informed that the well had remained shut since 2018 and was handed over to the PEC operator in April 2025. On 05.01.2026 at 12.23 Hrs, a blowout occurred at MORI-5, a drilling well of Petroleum & Natural Gas onshore facility at Irusumanda Village Malkipuram Mandal, Dr. B.R. Ambedkar Konaseema District. The height of engulf was about 60 M. The pressure of the well might be about 1200 PSI at the time of blowout.
2. MORI-5 was earlier maintained by ONGC and drilled down about 4700 M as a development well. Further, ONGC put it in operation for exploration of natural gas up to 4th zone and resultant NG had been pumped to MORI GCS (Gas Collection Station) located at 12 km away from the MORI-5 well. This indicated that the development well became a production well. Production well requires valid consent of APPCB. The MORI- 5 well had remained shut since 2018 by ONGC.

3. Due to non-feasibility of available gas in Zone-5 of the same well, ONGC has transferred to Production Enhancement Contract (PEC) operator – M/s Deep Industries Limited., during April 2025. It was informed that the reserve of Natural Gas is available in Zone-5.
4. The PEC operator has started its operations without obtaining Environmental Clearance from the competent authority and CTE & CTO of APPCB and also has not taken pre safety precautions before restart of well.
5. The MORI-5 well is surrounded by East – Agriculture fields, North – Agricultural fields, West – Cheruvu (water body) and South – Agriculture fields. Irumanda Village habitation is existing about 350 M towards south-east direction. Lakkavaram Gram Sachivalayam (Swarna Gramam) is located approximately 200 metres to the south-west of the incident site.
6. Prima facie, the incident appears to have resulted from a technical failure on the part of the operator to prevent the blowout. It was noted that the anti-blowout system, including the nitrogen tank, had not been deployed prior to the commencement of operations, contrary to the prescribed Standard Operating Procedures (SOPs).
7. On 05.01.2026, RO, Kakinada immediately installed one (1No) Ambient air quality monitoring station at Grama Sachivalayam, Lakkavaram Village and monitoring has been carried out for the parameters PM₁₀, SO₂, NO₂ and Ammonia for 48 hrs. Analysis report is enclosed as **Annexure – II**. The values of the parameters are submitted below:

S. No.	Parameter	Results in µg/m ³ (24 Hrs. Average)	
		On the terrace of Irumanda Grama Sachivalayam (05.01.2026 (10:00 PM) to 06.01.2026 (10:00 PM))	On the terrace of Irumanda Grama Sachivalayam (06.01.2026 (10:00 PM) to 07.01.2026 (10:00 PM))
1	PM ₁₀	161	94
2	SO ₂	12	9
3	NO ₂	16	11
4	NH ₃	89	53

8. On 07.01.2026, the officials from the APPCB Zonal Office, Visakhapatnam, carried out an inspection of the blowout site. During the inspection, water samples were collected by the Zonal Office, Visakhapatnam for detailed analysis. Analysis report is enclosed as **Annexure – III**. The values of the parameters are submitted below:

S. No.	Parameter	Unit	Result		
			Sample collected from pond adjacent (Western side) to the Blowout well	Sample collected from affected field adjacent to the Blowout well (Eastern side)	Sample collected from unaffected field near the Blowout well (Eastern side)
1.	pH @ 25°C	--	7.51	7.50	7.80
2.	Electrical Conductivity	µS/cm	1060	2480	378
3.	Total Suspended Solids (at 105°C)	mg/L	34	>1000	12
4.	Total Dissolved Solids (at 180°C)	mg/L	712	1648	264
5.	Chemical Oxygen Demand	mg/L	52	256	16
6.	Biochemical Oxygen Demand	mg/L	14	62	2.8

9. Volatile Organic Compound (VOC) concentrations were measured at two locations—one near the blowout point and the other near Lakkavaram Gram Sachivalayam (located approximately 200 metres in the downwind direction)—using an IR-based VOC analyzer. Analysis report is enclosed as **Annexure – IV**. The observed concentrations were submitted as below:

S. No.	Compounds	Concentration in (PPM)			
		Near Blowout Area		Near Sachivalayam	
		02:19PM	06:47 PM	03:23 PM	06:21PM
		To	TO	TO	To
		02:23PM	06:52 PM	03:33PM	06:27PM
1.	Water Vapor	2.24	2.23	1.68	1.86
2.	Carbon Dioxide	409.0	454.8	580.7	403.7
3.	Carbon Monoxide	BDL	1.065	BDL	BDL
4.	Nitrous Oxide	0.21	0.22	0.06	0.16
5.	Methane	3.75	3.50	2.64	3.58
6.	Hexane	0.73	1.35	0.84	BDL
7.	Benzene	0.08	0.33	0.82	0.51
8.	O-Xylene	0.04	BDL	BDL	BDL
9.	Toluene	3.50	3.97	1.28	1.63
10.	Acetaldehyde	0.03	BDL	BDL	0.08
11.	Acetone	BDL	BDL	0.19	0.19
12.	Ethanol	0.05	BDL	BDL	BDL
13.	Menthol	0.07	0.33	0.29	BDL
14.	Methyl tert-butyl	0.08	0.06	0.02	0.04
15.	Carbon disulfide	BDL	0.22	BDL	BDL
16.	Ethyl mercaptan	0.09	BDL	BDL	BDL
17.	Methyl Mercaptans	BDL	BDL	BDL	BDL
18.	Acetonitrile	BDL	BDL	BDL	BDL
19.	Dimethylamine	0.63	0.04	0.02	0.32
20.	Dichloromethane	0.02	0.39	0.02	BDL
21.	Vinyl Chloride	BDL	BDL	BDL	0.76
22.	Ammonia	8.91	9.14	2.68	2.35
23.	Hydrogen Chloride	0.20	0.64	0.33	0.14

24.	Sulphur Dioxide	BDL	0.98		0.23	BDL
25.	Thionly Chloride	BDL	0.15		0.14	0.03

10. The APPCB issued a Show Cause Notice dated 06.01.2026 to ONGC and its PEC operator, M/s Deep Industries Limited, for environmental violations, including operating without obtaining Consent to Establish / Consent to Operate and for causing air pollution and potential environmental damage. Copy of the show cause notice is enclosed as **Annexure-V**. The facility was asked to submit the following information:

- Detailed incident report indicating root cause analysis and chronological sequence of events leading to the blowout and fire.
- Details of safety systems, SOPs and well-control measures adopted during perforation/workover operations.
- Action Taken Report (ATR) on emergency response, fire-fighting measures, well control and present status of the well.
- Preventive Action Plan with risk assessment and mitigation measures to prevent recurrence of such incidents.
- Environmental monitoring data including ambient air quality, VOCs/hydrocarbons, soil quality, surface and groundwater quality during and after the incident.

In reply, ONGC vide dt.16.01.2026 submitted that the blowout occurred during operations carried out by its PEC contractor, M/s. Deep Exploratory Services Pvt. Ltd., and that immediate emergency response measures were taken. ONGC has reported that the well was successfully capped on 10.01.2026 and that environmental monitoring is being carried out through a NABL accredited agency. ONGC has also constituted internal and independent inquiry committees to investigate the root cause and to suggest preventive measures. The matter was being treated as serious from the regulatory and environmental compliance perspective, and further action will be initiated after examination of analytical results and detailed reports would be submitted by ONGC and its contractor.

The ONGC further informed that an inquiry committee has been set up by ONGC Rajahmundry Asset, and another independent committee has also been formed by the corporate office ONGC to investigate the root cause of the incident and to

suggest suitable remedial measures to avoid recurrence of similar incidents in future. Root cause of the incidents and recommendations of the inquiry committee would be shared post conclusion and submission of the report. Reply submitted to the showcause notice by ONGC is enclosed as **Annexure – VI**.

In reply, M/s. Deep Industries Limited, vide letter dated 09.02.2026, submitted the following:

- The Production Enhancement Contract (PEC) for Contract Area CA-16 was originally awarded by ONGC to DIL. Subsequently, in accordance with contractual arrangements and internal restructuring, execution of the said contract was assigned to M/s Deep Exploration Services Pvt. Ltd. (DESL), which has been carrying out the workover and production enhancement activities as an executing contractor / assignee, under the overall supervision and control of ONGC.
- The CA-16 block, including Mori-05 well, is a brownfield asset that had been operated by ONGC prior to commencement of PEC activities. The block operations were handed over in April 2025 on an "as-is-where-is" basis, with ownership of the wells, mining lease, surface rights, and statutory control continuing to vest with ONGC as the mine owner and occupier under applicable laws.
- On 05 January 2026, during the course of workover activities undertaken at Well No. Mori-05 as part of the production enhancement programme, an unintended and sudden release of gas occurred at the Mori-05 well site. The release of gas was followed by combustion at the site, resulting in burning of the released gas.
- Based on the preliminary assessment and information presently available from the operator and executing agency, the incident appears to have been triggered by a sudden and unanticipated release of gas arising from unforeseen subsurface/geological behaviour encountered during workover operations. Such subsurface behaviour could not have been reasonably predicted on the basis of the geological, reservoir, and well data available at the time of planning and execution. The sudden release of gas was followed by an uncontrolled combustion (fire). The event was not attributable to any deviation from the approved work programme or established well control and safety procedures.

- The incident occurred due to an unanticipated subsurface/geological behaviour, which manifested suddenly during the course of workover operations. Such unforeseen geological surprises are inherent risks associated with subsurface well interventions, particularly in mature and producing fields, and may occur despite adherence to established engineering practices, approved work programmes and statutory safety requirements.
- Immediately upon occurrence of the incident, emergency response protocols were activated under the direction and supervision of ONGC, being the mine owner and operator of the block. Well control and mitigation measures were undertaken by ONGC in coordination with district administration, fire services, and other statutory authorities, with DESL extending full assistance and cooperation as the executing contractor.
- The incident is presently under examination by ONGC and the Directorate General of Mines Safety (DGMS), and DESL/DIL is extending full cooperation in the said proceedings.

The reply submitted by M/s Deep Industries is enclosed herewith as **Annexure-VII**.

Subsequently, the issue was placed before the Monitoring (Task Force) Committee in its meeting held on 08.04.2026. After detailed review of the incident and the violations observed, the Committee recommended issuance of Stop Production Order to M/s. ONGC Well Mori-5 and initiation of prosecution proceedings against the occupier for commencing operations without obtaining Environmental Clearance (EC), Consent for Establishment (CTE) and Consent for Operation (CTO) from APPCB. The Committee further recommended computation of Environmental Compensation in accordance with CPCB guidelines for the environmental damage caused due to the incident.

Accordingly, the APPCB Board Office vide Memo No.126/APPCB/HO/ECS/KKD/2023 dated 23.04.2026 communicated the decisions of the Monitoring (TF) Committee and instructed the Environmental Engineer, Regional Office, Kakinada to initiate prosecution and compute Environmental Compensation. A copy of the Memo is enclosed as **Annexure-VIII**.

Further, the APPCB Board Office issued Stop Production Order No.126/APPCB/HO/ECS/KKD/2023 dated 23.04.2026 under Section 33(A) of the

Water (Prevention and Control of Pollution) Act, 1974 and Section 31(A) of the Air (Prevention and Control of Pollution) Act, 1981 directing M/s. ONGC Well Mori-5 to immediately stop all operations. **A copy of the Stop Production Order is enclosed as Annexure–IX.**

Further, Regional Office, Kakinada issued Prosecution Notice No.KNSM/APPCB/RO:KKD/2026 dated 18.05.2026 proposing prosecution against the occupier under the provisions of the Water Act, 1974 and Air Act, 1981 for operating the facility without obtaining mandatory statutory clearances and consents. A copy of the Prosecution Notice is enclosed as **Annexure–X.**

In response to the Prosecution Notice No. KNSM/APPCB/RO:KKD/2026 dated 18.05.2026, M/s. ONGC, vide letter dated 26.05.2026, submitted that the proposed prosecution may not be proceeded with against ONGC, as it has been in compliance with the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981. ONGC further stated that its existing as well as proposed wells were covered under the provisions of the EIA Notification, 2006 through the Environmental Clearance obtained in 2008. Accordingly, ONGC requested that, before taking any final decision on the proposed prosecution, an opportunity of personal hearing may be granted. **The reply submitted by M/s. ONGC is enclosed herewith as Annexure–XI.**

Further, in continuation of the actions initiated by the Andhra Pradesh Pollution Control Board, the Board Office, Vijayawada vide Order No.126/APPCB/HO/ECS/KKD/2023 dated 21.06.2026 constituted a Committee comprising (i) Dr. Ambati Sheshagiri Rao, Indian Institute of Petroleum & Energy (IIPe), Visakhapatnam, Member of Monitoring (TF) Committee, APPCB, (ii) Sri S. Shankar Nayak, Joint Chief Environmental Engineer, APPCB, Zonal Office, Visakhapatnam, and (iii) Smt. I. Surya Kala, Environmental Engineer, APPCB, Regional Office, Kakinada, to inspect M/s. ONGC Well Mori-5, Irusumanda Village, Malkipuram Mandal, Dr. B.R. Ambedkar Konaseema District and evaluate the environmental damage caused due to the blowout and fire accident that occurred on 05.01.2026. The Committee has been entrusted with the responsibility of identifying remediation and restoration measures, assessing environmental damage using primary and secondary data from stakeholder departments, and estimating appropriate Environmental Compensation in accordance with the scientific methodology prescribed by the Central Pollution

Control Board (CPCB). The Committee has also been authorized to obtain assistance from domain experts, wherever required, and to submit a detailed report with specific findings and assessment of Environmental Compensation. A copy of the APPCB Board Office Order dated 21.06.2026 constituting the Committee is enclosed as **Annexure–XII**.

In view of the above facts and circumstances, it is submitted that the Andhra Pradesh Pollution Control Board has taken prompt regulatory action in the matter by conducting inspections, carrying out environmental monitoring, issuing Show Cause Notice, Stop Production Order and Prosecution Notice against the occupier for the violations observed. Further, action for computation and levy of Environmental Compensation is being processed in accordance with the CPCB guidelines and applicable statutory provisions. The matter is being closely monitored by the Board and further action, if any, will be taken based on the outcome of the ongoing proceedings and directions of the Hon'ble National Green Tribunal.

Accordingly, all activities are being regulated under the applicable policy and consent mechanism, and the Answering Respondent No. 6 will comply with any orders or directions of the Hon'ble Tribunal.

Submitted for favour of kind information.

Date: 23.06.2026
Place: Kakinada.


**Environmental Engineer,
A.P. Pollution Control Board,
Regional Office, Kakinada.**
ENVIRONMENTAL ENGINEER
A.P. POLLUTION CONTROL BOARD
Regional Office-KAKINADA

Item No.01:-

**BEFORE THE NATIONAL GREEN TRIBUNAL
SOUTHERN ZONE, CHENNAI**

[Through Physical Hearing (Hybrid Option)]

Original Application No.20 of 2026(SZ)

IN THE MATTER OF:

Venkatapathi Raja Yenumala,
Andhra Pradesh.

...Applicant(s)

Union of India,
Through its Secretary,
MoEF&CC,
New Delhi and Ors.



...Respondent(s)

Date of hearing: 11.02.2026.

CORAM:

HON'BLE Smt. JUSTICE PUSHPA SATHYANARAYANA, JUDICIAL MEMBER

HON'BLE DR. PRASHANT GARGAVA, EXPERT MEMBER

For Applicant(s): Mr. Sravan Kumar.

For Respondent(s): Mr. K. Ravindranath for State of Andhra Pradesh.

ORDER

1. There is no material to show that the grounds raised by the applicant are established to make out the substantial question of law. The learned counsel appearing for the applicant seeks some time to produce further evidence.

2. Post the matter on **01.04.2026** under the caption "**For Admission**".

Sd/-

Smt. Justice Pushpa Sathyanarayana, JM



Sd/-

Dr. Prashant Gargava, EM

O.A. No.20/2026(SZ),
11th February, 2026. AD.



ANDHRA PRADESH POLLUTION CONTROL BOARD
ZONAL LABORATORY :: VISAKHAPATNAM
39-33-20/4/1, Madhavadhara VUDA Colony,
Visakhapatnam - 530018. Ph : 0891 – 2719380/481



Form No: APPCB/ZL/VSP/CI.7.8/FM39

AMBIENT AIR QUALITY MONITORING ANALYSIS REPORT

Report No : VSPA202601-040 & 041

Customer Name : Regional Office, Kakinada

Sample source / Address : Blowout area of ONGC well,
Irusumanda (V), Maliki Puram(M), Dr.B.R. Ambedkar Kona Seema district.

Sample Code No. : **Sample description/Location**

VSPA202601-040 : On the terrace of Irusumanda Grama Sachivalayam, Irusumanda(V), Malikipuram(M),
Dr.B.R.Ambedkar Konaseema district. (05.01.2026 (10:00PM) to 06.01.2026 (10:00PM)

VSPA202601-041 : On the terrace of Irusumanda Grama Sachivalayam, Irusumanda(V), Malikipuram(M),
Dr.B.R.Ambedkar Konaseema district. (06.01.2026 (10:00PM) to 07.01.2026 (10:00PM)

Sample Group : Atmospheric Pollution/Ambient Air

Monitoring conducted on : 05.01.2026 to 07.01.2026 - 2 days

Monitoring conducted by : Analyst (OS), Regional office, Kakinada

Sample received on : 09.01.2026

Sample quantity : Filter Paper -6 No's Sample Conditions : Intact and fit for analysis
Absorbing solutions- 36 No's

Report issued on : 13.01.2026 Page No : 1 of 1

This is to certify that the aforementioned sample was analyzed from 09.01.2026 to 13.01.2026 and declare the analysis results as follows:

S.No.	Parameter	Sample Code		Test Method
		VSPA202601-040	VSPA202601-041	
		Results in $\mu\text{g}/\text{m}^3$ (24 Hrs. Average)		
1	PM ₁₀	161	94	IS:5182(part23)
2	SO ₂	12	9	IS:5182 (Part 2/Section 1)
3	NO ₂	16	11	IS:5182 (Part 6)
4	NH ₃	89	53	IS:5182 (Part 25)

- Note: 1. Result is related to sample as received and tested.
2. This report shall not be reproduced except in full without the prior approval of Laboratory.

Authorized Signatory

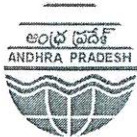
(R. VEERENDRA KUMAR)

STATE BOARD ANALYST

Senior Environmental Scientist,

Zonal Laboratory, Visakhapatnam

END OF THE REPORT



ANDHRA PRADESH POLLUTION CONTROL BOARD
ZONAL LABORATORY :: VISAKHAPATNAM
39-33-20/4/1, Madhavadhara VUDA Colony,
Visakhapatnam - 530018. Ph : 0891 – 2719380/481



Form No: APPCB/ZL/VSP/CI.7.8/FM38

ANALYSIS REPORT

Report No : VSP202601-103 to 105

Customer Name : Environmental Engineer, APPCB, Regional Office, Kakinada

Sample source / Address : Waste water samples collected near Blowout area of ONGC Well, Lakkavaram Village, Dr.B.R.Ambedkar Konaseema District.

Sample Code No. **Sample description**

VSP202601-103 : Sample collecte from pond adjacent (Western side) to the Blowout well (16.4276, 81.8515)

VSP202601-104 : Sample collecte from the effected field adjacent to the Blowout well (Eastern side) (16.4277, 81.8524)

VSP202601-105 : Sample collecte from the unaffected field near the Blowout well (Eastern side) (16.4271, 81.8526)

Sample group/Discipline : Environment & Pollution / waste water

Sample collected on : 07.01.2026 **Sample received on** : 08.01.2026

Sample collected by : SEE & SES,ZO, **Purpose of sampling** : Expert Committee Visit
Visakhapatnam

Sample quantity & number : 1 Litre in Plastic Can (2 No.s) **Sample Conditions** : Fit for analysis

Report issued on : 13.01.2026 **Page No** : 1 of 1

It is to certify that the aforementioned samples were analyzed from 09.01.2026 to 13.01.2026 and declare the analysis results as follows:

S. No.	Parameter	Unit	SAMPLE CODE			Test Method [APHA (24 th Edition)]
			103	104	105	
			Result			
1.	pH @ 25°C	--	7.51	7.50	7.80	4500-H+B
2.	Electrical Conductivity	µS/cm	1060	2480	378	2510- B
3.	Total Suspended Solids (at 105°C)	mg/L	34	>1000	12	2540-D
4.	Total Dissolved Solids (at 180°C)	mg/L	712	1648	264	2540- C
5.	Chemical Oxygen Demand	mg/L	52	256	16	5220-B
6.	Biochemical Oxygen Demand	mg/L	14	62	2.8	IS:3025 (Part 44)

Note:

1. Result is related to sample as received and tested.
2. This report shall not be reproduced except in full without the prior approval of Laboratory.

Authorized Signatory

(R. VEERENDRA KUMAR)
STATE BOARD ANALYSTSenior Environmental Scientist
Zonal Laboratory, Visakhapatnam

*** END OF THE REPORT***



ANDHRA PRADESH POLLUTION CONTROL BOARD
ZONAL LABORATORY :: VISAKHAPATNAM
 39-33-20/4/1, Madhavadhara VUDA Colony,
 Visakhapatnam - 530018. Ph : 0891 - 2719380/481



AMBIENT AIR QUALITY MONITORING REPORT FOR VOLATILE ORGANIC COMPOUNDS (VOCs)

Analysis Report No : VSPA202601-037

Name & Address : Blowout area of ONGC well,
Lakkavaram, Irusumanda (V),
Maliki Puram(M), Dr.B.R. Ambedkar Kona Seema district.

Monitoring Locations & Time:

1. Monitoring conducted Near Blowout Area
(50 mtrs away from blowout area)
2. Monitoring conducted Near Sachivalayam, Lakkavaram Village,
(210 mtrs away from blowout area towards downwind direction)

Monitoring Conducted on : 07.01.2023

Monitoring Conducted by : During the visit of the expert committee along with SEE & SES, ZO,
Visakhapatnam

Report Issued : 09.01.2023

It is to certify that the aforementioned samples were analyzed on the same day by using the GASMAT GT5000 Terra Analyzer and declare the analysis results as follows:

S.No	Compounds	Concentration in (PPM)			
		Near Blowout Area		Near Sachivalayam	
		02:19PM To 02:23PM	06:47PM TO 06:52PM	03:23PM TO 03:33PM	06:21PM TO 06:27PM
1.	Water Vapor	2.24	2.23	1.68	1.86
2.	Carbon Dioxide	409.0	454.8	580.7	403.7
3.	Carbon Monoxide	BDL	1.065	BDL	BDL
4.	Nitrous Oxide	0.21	0.22	0.06	0.16
5.	Methane	3.75	3.50	2.64	3.58
6.	Hexane	0.73	1.35	0.84	BDL
7.	Benzene	0.08	0.33	0.82	0.51
8.	O-Xylene	0.04	BDL	BDL	BDL
9.	Toluene	3.50	3.97	1.28	1.63
10.	Acetaldehyde	0.03	BDL	BDL	0.08
11.	Acetone	BDL	BDL	0.19	0.19
12.	Ethanol	0.05	BDL	BDL	BDL
13.	Menthol	0.07	0.33	0.29	BDL
14.	Methyl tert-butyl	0.08	0.06	0.02	0.04
15.	Carbon disulfide	BDL	0.22	BDL	BDL
16.	Ethyl mercaptan	0.09	BDL	BDL	BDL
17.	Methyl Mercaptans	BDL	BDL	BDL	BDL
18.	Acetonitrile	BDL	BDL	BDL	BDL
19.	Dimethylamine	0.63	0.04	0.02	0.32
20.	Dichloromethane	0.02	0.39	0.02	BDL
21.	Vinyl Chloride	BDL	BDL	BDL	0.76
22.	Ammonia	8.91	9.14	2.68	2.35
23.	Hydrogen Chloride	0.20	0.64	0.33	0.14
24.	Sulphur Dioxide	BDL	0.98	0.23	BDL
25.	Thionyl Chloride	BDL	0.15	0.14	0.03

Note: 1) All values are expressed in Parts Per Millions (PPM), 2) BDL – Below Detectable Limit.
 3) The monitoring was carried out by using IR based VOC Analyzer (Make: GASMAT GT 500Terra)

Authorized Signatory



STATE BOARD ANALYST

Senior Environmental Scientist

Zonal Laboratory, Visakhapatnam

Annexure - V



ANDHRA PRADESH POLLUTION CONTROL BOARD
REGIONAL OFFICE: KAKINADA
Plot No.2, IDA, Ramanayyapeta, Kakinada – 533005
Tele:0884-2374066, E-mail:rokkd-ee1@appcb.gov.in



S.C. No.KNSM/APPCB/RO:KKD/2026-

Dt:06.01.2026

SHOW CAUSE NOTICE

Sub: APPCB – RO, Kakinada – Environmental violations in connection with **blowout and fire incident due to gas leak at ONGC Well Mori-5**, Irusumanda (V), Malkipuram Mandal, Dr. B.R. Ambedkar Konaseema District on **05.01.2026** – Causing severe air pollution, environmental damage and public panic – **Operating without Consent to Establish (CTE) and Consent to Operate (CTO) – Show Cause Notice issued** – Reg.

Ref: 1. Media reports dated 05.01.2026 regarding fire incident due to gas leak at ONGC Well Mori-5.
2. Inspection conducted by officials of APPCB, Regional Office, Kakinada on 05.01.2026.

WHEREAS M/s Oil and Natural Gas Corporation Limited (ONGC) is operating a production well namely **Mori-5** at Irusumanda Village, Malkipuram Mandal, Dr. B.R. Ambedkar Konaseema District, through its Production Enhancement Contract (PEC) operator **M/s Deep Industries Limited**.

WHEREAS blowout incident followed by ignition and fire was reported on 05.01.2026 at about 12:23 PM, during perforation/workover operations at the said Well, resulting in uncontrolled release of gas and subsequent fire due to pressure build-up.

WHEREAS during inspection by the officials of APPCB on 05.01.2026, it was informed by Sri Bapuji Naik, GM (Production) – Asset HSE, ONGC, that the well had remained shut since 2018 and was handed over to the PEC operator in April 2025 for production enhancement activities.

WHEREAS the said blowout and fire incident has resulted in the following environmental and public health impacts:

- Emission of hydrocarbons, volatile organic compounds (VOCs) and other air pollutants into the atmosphere.
- Potential contamination of soil and surface/groundwater due to fallout and condensates.
- Possible adverse impacts on agricultural lands, ecology, livestock and public health;
- Creation of emergency-like conditions in nearby habitations;
- Panic, fear and disturbance among the local population.

WHEREAS, based on preliminary assessment, the incident constitutes prima facie violations of the following statutory provisions:

- Section 7 of the Environment (Protection) Act, 1986**, read with Rules framed thereunder, for causing discharge/emission of environmental pollutants in excess of prescribed standards.
- Section 21 of the Air (Prevention and Control of Pollution) Act, 1981**, for operating an industrial activity involving air emissions without obtaining Consent of the State Pollution Control Board.

- c) **Section 25 of the Water (Prevention and Control of Pollution) Act, 1974**, for establishment/operation of an industrial activity without prior consent of the State Pollution Control Board.

WHEREAS, as per records available with this office, no Consent to Establish (CTE) or Consent to Operate (CTO) has been obtained from APPCB for the said Well operations, despite the activity involving handling of hydrocarbons, pressurized gas, emissions and associated environmental risks.

WHEREAS, during inspection on 05.01.2026, the representatives of ONGC were directed to submit the following:

1. Detailed incident report indicating root cause analysis and chronological sequence of events leading to the blowout and fire.
2. Details of safety systems, SOPs and well-control measures adopted during perforation/workover operations.
3. Action Taken Report (ATR) on emergency response, fire-fighting measures, well control and present status of the well.
4. Preventive Action Plan with risk assessment and mitigation measures to prevent recurrence of such incidents.
5. Environmental monitoring data including ambient air quality, VOCs/hydrocarbons, soil quality, surface and groundwater quality during and after the incident.

In view of the above, you are hereby directed to **Show-cause** as to why action shall not be initiated against your facility including levy of environmental compensation and to issue direction of closure orders under section 31 (A) of Air (Prevention and Control of Pollution) Act, 1981 and amendments thereof and under section 33 (A) of Water (Prevention and Control of Pollution) Act, 1974 and amendments thereof for causing environmental pollution in the interest of the Public Health and Environment. Your reply should reach within 15 days to this office failing which Board will initiate the action against your facility under relevant provisions of Air and Water Acts.

ILAPANDA
SURYAKALA
ENVIRONMENTAL ENGINEER

Digitally signed by
ILAPANDA SURYAKALA
Date: 2026.01.06 16:54:12
+05'30'

To

1. **The Asset Manager,
Oil and Natural Gas Corporation Ltd. (ONGC),
Gas Collecting Station (GCS), Mori,
Dr. B.R. Ambedkar Konaseema District**
2. **The Authorized Signatory,
M/s Deep Industries Limited,
(PEC Operator – Mori Field),
Dr. B.R. Ambedkar Konaseema District**

Encl : 1) Photographs of blowout and 2) Media Reports

- Copy submitted to the PA to Chairman, AP Pollution Control Board, Vijayawada for kind information.
- Copy submitted to the PA to Member Secretary, AP Pollution Control Board, Vijayawada for kind information.
- Copy submitted to the Chief Environmental Engineer, APPCB, Board Office, Vijayawada for favour of kind information and for taking necessary action
- Copy submitted to the Joint Chief Environmental Engineer, APPCB, Zonal Office, Visakhapatnam for favour of kind information and for taking necessary action.

Do .No ONGC/APPCB/Mori-5/2025-26/11

Date: January 16, 2026

Sub: Reply to the SC No KNSM/APPCB/RO:KKD/2026 -295 dated 06.01.2026

Ref: 1. Production Enhancement Contract of ONGC with M/s Deep Industries Ltd
2. Office Order on constitution of Inquiry Committees

Dear Madam,

To improve recoveries and enhance production from its small and marginal fields, ONGC, through an International bidding process, awarded a Production Enhancement Contract (PEC) to M/S Deep Industries Limited (**Annexure-I**). The contractor was to infuse capital and bring in required technologies and expertise for enhancement of production from such fields. The contract agreement, which is for a period of 15 years, was signed between the parties on 17.01.2025.

M/S Deep Industries Ltd. (DIL) had subsequently assigned this contract to its 100% subsidiary M/s Deep Exploratory Services Pvt. Ltd. (DESPL). M/s DESPL deployed the workover rig, DR#11 at MORI#5 well site for production enhancement through zone transfer as part of their work programme.

On 05.01.2026, an incident of uncontrolled gas leakage, followed by fire, was reported at 12:00 hrs and 12:50 hrs respectively at well MORI#5 well after perforation operation which was being carried out by the logging unit outsourced by M/s DESPL. Immediately after the perforation a kick was observed in the well and, as informed by the operator, the Blow Out Preventor (BOP) was closed. However, after the closure of BOP, sudden leakage of gas was observed from the flange area of the BOP and well head. The gas leakage ultimately became uncontrollable due to which complete evacuation of crew was carried out for safety.

ONGC was informed of the situation at 12:23 hrs. ONGC, as a responsible corporate entity, immediately responded to the situation and mobilized all its resources and equipment along with the Regional Crisis Management Team (RCMT). The Disaster Management Plan of Rajahmundry Asset, which clearly delineates the responsibilities and actions by different agencies, was promptly operationalized, area was cordoned off and local habitants in the vicinity of the well site were evacuated to safer locations. The following immediate actions were taken by ONGC to mitigate to crisis:

1. Asset Manager, Rajahmundry Asset ONGC immediately shared the information with DC Konaseema district.
2. Information was also shared by the Asset Manager to the Director(P) and Director (T&FS) of ONGC.
3. Regional Crisis Management Team (RCMT) at the Asset, was mobilized on the same day and it took complete charge of the operations. All RCMT equipment for blow out control were also mobilized immediately.
4. ONGC Fire Services team was deputed at the site of incident immediately. Fire tenders from both ONGC Fire Stations and State Fire Services, totalling around eight numbers,

were deployed along with additional three trailer mounted pumps on the same evening and cooling operations were started.

5. ONGC Security team was deployed immediately for cordoning off the area and to ensure safety of the local people living in the immediate vicinity of the site.
6. Senior officers and Asset Manager rushed to the spot to coordinate the operations.
7. The Corporate Crisis Management Team from Vadodara was also summoned and it reached the location the next day i.e, 06.01.2026.
8. Emergency Control Rooms were set up at the field location (Kesanapalli GGS), at ONGC Base Office Rajahmundry and also at ONGC Corporate Office at Delhi for effective coordination and response. Regular communication channel was available between different agencies including the District Administration, MoPNG, DGH and ONGCs Corporate Office at Delhi.
9. ONGC Director (Technical & Field Services) rushed to the incident site from Delhi on 06.01.2026 and personally supervised all operations till the well was capped successfully.
10. For monitoring the environmental impact of the incident, ONGC promptly engaged an NABL accredited agency for monitoring the air, water and noise quality parameters in the area. The equipment and resources were deployed from the very next day of the incident. Reports of these findings shall be shared with APPCB on receipt.
11. Some of the equipment and resources were also airlifted from the northeastern part of the country on priority. Foreign experts on well control, from M/s Wild Well Control, USA, were also mobilized to ensure that the best expertise is deployed to control the situation in shortest possible time.
12. The Crisis Management Team of ONGC with meticulous planning and execution **could successfully cap the well on 10.01.2026** in a record time of 5 days. Well was subsequently killed with 1.65 sp gr gel polymer mud.

As brought out in the pre-pages, this unfortunate incident was an outcome of operations being carried out by the PEC contractor, M/s M/s Deep Exploratory Services Pvt. Ltd. (DESPL), who had been handed over the entire MORI field for production enhancement. They had complete authority and freedom to carry out any petroleum operation including but not limited to drilling, workover, logging and other well services operations. The contract conditions had adequate safeguards to ensure that the contractor had complete accountability and responsibility for ensuring the safety of operations and environmental safeguards. Some of the relevant clauses from the contract in support of the above claim are hereby reproduced:

Quote:

1. **Clause 'G':** *The Contractor has represented that it is a company that has specific knowledge and expertise to operate petroleum fields safely and efficiently. The Contractor has represented that it has requisite experience in enhancing petroleum*

recovery from mature oil and gas fields and accordingly, it has been selected by the Owner for the conclusion of this Contract”.

2. **Clause 4.2.1** Except as otherwise expressly provided in this Contract, the Contractor shall conduct all Petroleum Operations at its **sole risk, cost and expense** and provide all funds necessary for the conduct of Petroleum Operations in such manner to ensure the Baseline Production and Incremental Production from the Contract Area as committed under the Bid Document.
3. **Clause 4.2.2** The Contractor shall infuse appropriate technology for Petroleum Operations. Such technology may include drilling, logging, side-track wells, artificial lift, hydraulic fracking, infill drilling, work overs, well interventions, EOR/IOR technology, reservoir management and any other production enhancement technology as may be required.
4. **Clause 4.2.3** The Contractor shall conduct all Petroleum Operations in the Contract Area with all diligence, expeditiously, efficiently and in a **safe and workmanlike manner** at all times **complying with Laws and Good International Petroleum Industry Practices (GIPIP)**.
5. **Clause 4.2.7** The Contractor, for the preparation and implementation of the Work Programme and in the conduct of Petroleum Operations, shall follow Good International Petroleum Industry Practices with such degree of diligence and prudence as reasonably and ordinarily exercised by experienced parties engaged in a similar activity.
6. **Clause 4.2.12** The Contractor shall appoint a Manager, who shall be **responsible for safety and environment protection** during the Contract Period, as may be **required under the Law** with intimation to the Owner. Further, the Contractor shall strictly **adhere to the safety and environmental norms** as required by the Authority and Law for the Contract Area, during the Contract Period.
7. **Clause 4.2.16** The Contractor shall be **solely responsible for acquiring all approvals, statutory compliances** such as essentiality certificates against equipment or materials, permits, consents, authorizations, visas, work permits, licenses, Right of Way (RoW), Right of Use (RoU), easement, surface rights, Environmental Clearances (EC), Forest Clearance and security protection, required under this Contract, at its cost and expense. The Owner may provide necessary reasonable assistance to the Contractor for the purposes of this Article. It is understood between the Parties that the assistance by the Owner shall not in any manner constitute an obligation on the Owner. In case the Owner has already obtained the EC or the same is readily available with the Owner, the Owner may at its sole discretion provide the EC in favour of the Contractor.
8. **Clause 16.1** Owner and the Contractor recognize that Petroleum Operations may cause some impact on the environment in the Contract Area. Accordingly, in performance of this Contract, the Contractor shall conduct its Petroleum

Operations in accordance with applicable Laws having due regard to concerns with respect to protection of the environment and conservation of natural resources and shall in particular;

a) Employ GIPIP and standards including advanced techniques, practices and methods of operation for the prevention of Environmental Damage in conducting its Petroleum Operations;

b) Take necessary and adequate steps to:

i. Prevent Environmental Damage and, where some adverse impact on the environment is unavoidable, to minimize such damage and the consequential effect thereof on property and people.

ii. Ensure adequate compensation for injury to persons or damage to property caused by the effect of Petroleum Operations.

iii. Comply with the requirements of applicable laws and the reasonable requirements of ONGC from time to time.

9. Clause 16.2 If the Contractor fails to comply with the provisions of Article 16.1(b)(i) or contravenes any Law, and such failure or contravention results in any Environmental Damage, the Contractor shall forthwith take all necessary and reasonable measures to remedy the failure and the effects thereof.

10. Clause 16.10

a) The Contractor shall, prior to conducting any drilling activities, prepare and inform ONGC about contingency plans for dealing with oil spills, fires, accidents and emergencies, designed to achieve rapid and collective emergency response. In the event of an emergency, accident, oil spill or fire arising from Petroleum Operations affecting the environment, the Contractor shall forthwith notify ONGC and shall promptly implement the relevant contingency plan and perform such Site Restoration as may be necessary in accordance with Good International Petroleum Industry Practices.

b) In the event of any other emergency or accident arising from the Petroleum Operations affecting the environment, the Contractor shall take such action as may be prudent and necessary in accordance with Good International Petroleum Industry Practice and Law in such circumstances.

11. Clause 16.15 The obligations and liability of the Contractor for the environment hereunder shall be limited to damage to the environment which:

a) Occurs after the commencement of operations by Contractor till contract termination / expiry.

b) Results from an act or omission of the Contractor and or its sub-contractor.



12. **Clause 16.20** *The Contractor shall follow and strictly adhere to **safety and environmental norms as laid down by different Authority(ies) (OISD / DGMS, Pollution Control Boards etc.) for the mining lease area.***

Unquote:


As is evident from the events, the unfortunate blowout situation has arisen entirely during the operations by the PEC contractor, M/s DSPL, and Prima facie due to gross negligence on their part. It is our submission that APPCB should take cognizance of the fact that even though the said operations were the responsibility of the contractor, and were being done entirely under its supervision and control, ONGC due to its prompt response could control the blow out in a record time of five days in a safe and controlled manner.

An inquiry committee has been set up by ONGC Rajahmundry Asset, and another independent committee has also been formed by the corporate office ONGC to investigate the root cause of the incident and suggest suitable remedial measures to avoid recurrence of similar incidents in future (**refer Annexure-II**). Teams from OISD and DGMS have also visited the site to conduct independent inquiries. Root cause of the incident and recommendations of the inquiry committees shall be shared with APPCB post conclusion and submission of the reports by these committees.

To avoid recurrence of similar incidents, especially in such contracted fields, ONGC in consultation with the concerned corporate groups who awarded the contract, would look to review the execution part of the contract within the available framework of conditions, to ensure that a mechanism is in place for a more stringent contractual control and supervisory safety system.

As a responsible Corporate, we remain committed to work towards bringing energy security to the country and also carry out the operations in a safe and environmental friendly way while complying to all statutory and regulatory requirements.

With Regards,

Yours *Sincerely*

16-1-26.
(Santanu Das)

To,
Smt. Ilapanda Suryakala
Environmental Engineer
Andhra Pradesh Pollution control board
Regional Office: Kakinada
Andhra Pradesh- 533005.

Contract Area No. ONGC /PEC/2023/CA-16/PONAMANDA



CONTRACT AGREEMENT

between

Oil and Natural Gas Corporation Limited

and

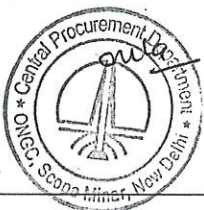
Deep Industries Limited, Ahmedabad

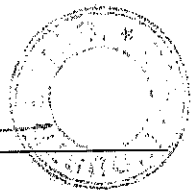
**Production Enhancement Operations in
Mature Fields.**

Contract Area No.

ONGC /PEC/2023/CA-16/PONAMANDA

Central Procurement Department,
8th Floor, ONGC Ltd, Scope Minar,
Laxmi Nagar, New Delhi-110092.



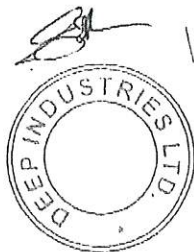
<p>Signed for and on behalf of: Oil and Natural Gas Corporation Limited by a duly authorized representative:</p> <p><i>only read</i> 17.01.2023 मनोज कुमार अग्रवाल / Manoj Kumar Agrawal मुख्य महाप्रबंधक (खरप्राप्त) / Chief General Manager (Proc.) Central Procurement Department ऑयल एण्ड नेचुरल गैस कॉर्पोरेशन लिमिटेड Oil and Natural Gas Corporation Ltd. एकोर गीनर, दिल्ली-110092 / Scope A/Inar, Delhi-110092</p> <hr/> <p>Manoj Kumar Agrawal CGM(P)-Head CMPG</p>	<p>Signed for and on behalf of: Deep Industries Limited by a duly authorized representative:</p> <p><i>Anish</i></p>  <hr/> <p>Anish Shah Deputy General Manager (Marketing)</p>
<p>Signature of the Witness:</p> <p><i>Sanjay</i> (S.P. Pandey)</p> <hr/>	<p>Signature of the Witness:</p> <p><i>Sanjay</i> (Sanjay Saxena)</p> <hr/>

Whereas:

1. **Owner** has awarded the contract area no ONGC/PEC/2023/CA-16/PONAMANDA in e-tender no. ZNSBC23008 to **Contractor** vide NOA no. DLI/ONS/CORP-MM/2023/PECIII/1239633/CA-16/PONAMANDA, dated 06th Sept 2024. for the following fields of Rajahmundry Asset, which is annexed herewith as Annexure-(A);

Contract Area Sl No.	Contract Area	No of Fields	Field(s)	Asset / Workcentre of ONGC
CA-16	ONGC/PEC/2023/CA-16/PONAMANDA	8	Adivipalem, Elamanchili, Razole, Kammapalem, Geddanapalli + TVAA, Mori, Ponamanda + Penumadam, Endamuru	Rajahmundry

2. the **Parties** are desirous to execute the Contract Area specific 'agreement on the methodology of Measurement of Petroleum' in accordance with Article 8 of Production Enhancement Contract-III (PEC-III), which shall be appended as part of the Contract (to be signed between parties in accordance with NOA dated 06.09.2024). However, in case any disagreement arises out of this agreement, then the terms and conditions of the main contract (PEC-III) shall prevail."
3. Petroleum used for internal consumption, Petroleum Operations, flared, saved and sold from the Contract Area shall be measured for the volume, weight, energy value and quality by such methods and appliances which are generally accepted and customarily used in Good International Petroleum Industry Practices.
4. the **Parties** may, at all reasonable times, inspect and test the appliances operated by the other Party, used for measuring the volume, weight, energy value and determining the quality of Petroleum, provided that any such inspection or testing shall be carried out in such a manner so as not to unduly interfere with Petroleum Operations and may at any time be at variance with accuracy levels mutually agreed between the Parties.
5. the **Parties** shall mutually agree on the following aspects related to the measurement and in accordance with the Good International Petroleum Industry Practices and which are being followed by **Owner**:
 - a) The point or points at which the Petroleum shall be delivered
 - b) The point or points at which Petroleum shall be measured
 - c) The frequency of inspections, accuracy level and testing of measurement appliances and relevant procedures relating thereto;
 - d) The consequences of a determination of an error in measurement;



JAYANT KUMAR
GGM (P), Surface Manager
Rajahmundry Asset

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4



Office of Executive Director-Asset Manager-Rajahmundry
कार्यकारी निदेशक कार्यालय- परिसंपत्ति प्रबंधक – राजमहेन्द्री

No: RJY/AM/Mori#5/2025-26/27_1

Date: 10.01.2026

Office Order

Subject: Constitution of Committee for Investigation of Uncontrolled Gas leak at Mori well no #5

A committee of following officers is hereby constituted to inquire into Incident occurred at **Mori well no #5** on 05.01.2026.

Sl. No	CPF	NAME	DESIGNATION
1	71983	VINOD KANOBAJI ZILE	GGM(Drilling)
2	71472	NAVEED IQBAL	CGM(Production)
3	73262	ND Rukmangadan	CGM(D)
4	82269	SUJIT MITRA	CGM(Reservoir)

The following are the Terms of Reference of the Committee:

1. Identify the root cause of the incident
2. Identify lapses, if any. Responsibility for the lapses should be clearly recorded in the report. In case no one is held accountable, the same should be recorded with due justification in the report.
3. Suggest remedial measures and preventive measures to be adopted to prevent similar incidents in future.

Inquiry to be conducted as per guidelines in the Office Order No CHSE/Accident/ Incident Reporting Matrix/ 2022-23 by CHSE dated 31.03.2023

Committee shall submit the report to the undersigned within 7 days of this Order.

SANTANU DAS Digitally signed by SANTANU DAS
Date: 2026.01.10 21:27:31 +05'30'

(Santanu Das)
ED-Asset Manager
Rajahmundry Asset

Distribution To:

1. Committee Members
2. EO- Director (P)
3. EO- Director (T & FS)
4. ED-AM-EOA & HPHT Asset
5. ED-CHSE
6. Office Copy



ऑयल एण्ड नेचुरल गैस कॉर्पोरेशन लिमिटेड
Oil and Natural Gas Corporation Limited

निगमित स्वास्थ्य, संरक्षा एवं पर्यावरण
तीसरी मंजिल, टॉवर- ए, दीनदयाल ऊर्जा भवन
5- नेल्सन मंडेला मार्ग, वसंत कुंज, नई दिल्ली - 110070
Corporate Health, Safety and Environment
03rd Floor, Tower- A, Deehdayal Urja Bhawan
5- Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
+91-11-26753148 | chse@ongc.co.in

Ref No. CHSE/Office Order/ INQUIRY/Blowout Rajahmundry/2025-26

Date: 6th January 2026

Office Order

An incident of uncontrolled gas leakage occurred after perforation during workover operation and subsequently caught fire at well Mori#5, Rajahmundry on 5th January, 2026.

A committee consisting of following officers is hereby constituted to inquire into the incident:

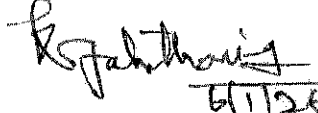
1. Rajnish Kr. Shenmar, CGM(Geophy-W), CPF No-78427, Mehsana Logg. Ser, # 9558529944
2. Apurba Das GM(P), CPF No - 81709, Well Completion & Testing, Ankleshwar, #9969227171
3. Ajay Kr. Goel, DGM(D), CPF No - 71821, HSE, DS Mumbai, # 9435744542

The terms of reference of inquiry are:

1. To inquire into the cause of the accident.
2. To suggest remedial measures to avoid such recurrences.
3. To fix the responsibility of the lapses, if any.

The applicable clauses of guidelines for accident investigation issued vide office order no. CHSE/Accident/Incident Reporting Matrix/2022-23 Dated 31st March 2023 needs to be followed. copy of relevant pages is attached as **Attachment-I** for ready reference.

The committee shall submit the report to this office within fifteen days.


6/1/26
Pawan Kumar Jalutharia
ED-Chief CHSE, New Delhi

All Committee Members

Copy for kind information to:

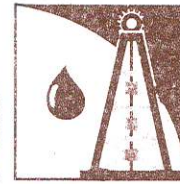
1. Chairman & CEO
2. Director (Production)
3. Director (T&FS)
4. Chief Corporate Drilling Services, Mumbai.
5. Asset Manager, Mehsana
6. Asset Manager, Ankleshwar

Annexure - VII

Date: 04.02.2026

To

The Environmental Engineer
Andhra Pradesh Pollution Control Board
Regional Office: Kakinada
Plot No. 2, IDA, Ramanayyapeta
Kakinada – 533005
Email: rokkd-eel@appcb.gov.in



**DEEP
Industries
Limited**
Oil & Gas Field Services

Subject: Reply to Show Cause Notice No. KNSM/APPCB/RO:KKD/2026-295 dated 06.01.2026 – Mori-05 Well Incident

Madam,

This is in reference to the Show Cause Notice cited above, issued jointly to Oil and Natural Gas Corporation Limited (ONGC) and M/s Deep Industries Limited (DIL) in connection with the incident at Mori-05 well.

At the outset, DIL respectfully submits that the Production Enhancement Contract (PEC) for Contract Area CA-16 was originally awarded by ONGC to DIL. Subsequently, in accordance with contractual arrangements and internal restructuring, execution of the said contract was assigned to M/s Deep Exploration Services Pvt. Ltd. (DESL), which has been carrying out the workover and production enhancement activities as an executing contractor / assignee, under the overall supervision and control of ONGC.

Notwithstanding the above assignment, DIL remains the noticee under the Show Cause Notice, and accordingly submits this reply. The factual submissions herein are based on records, inputs, and information obtained from ONGC and DESL, and are made without prejudice to the respective contractual rights and obligations of the parties.

The CA-16 block, including Mori-05 well, is a brownfield asset that had been operated by ONGC prior to commencement of PEC activities. The block operations were handed over in April 2025 on an "as-is-where-is" basis, with ownership of the wells, mining lease, surface rights, and statutory control continuing to vest with ONGC as the mine owner and occupier under applicable laws.

Handwritten initials and date:
10/2

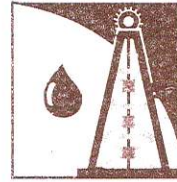
On 05 January 2026, during the course of workover activities undertaken at Well No. Mori-05 as part of the production enhancement programme, an unintended and sudden release of gas occurred at the Mori-05 well site. The release of gas was followed by combustion at the site, resulting in burning of the released gas.

Based on the preliminary assessment and information presently available from the operator and executing agency, the incident appears to have been triggered by a sudden and unanticipated release of gas arising from unforeseen subsurface/geological behaviour encountered during workover operations. Such subsurface behaviour could not have been reasonably predicted on the basis of the geological, reservoir, and well data available at the time of planning and execution. The sudden release of gas was followed by an uncontrolled combustion (fire). The event was not attributable to any deviation from the approved work programme or established well control and safety procedures.



DEEP INDUSTRIES LIMITED
Regd.Off.: 12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli,
Ahmedabad - 380058 • Tel: +91 2717 298510 • Fax: +91 2717 298520
Email: info@deepindustries.com Website: www.deepindustries.com
CIN: L14292GJ2006PLC049371





**DEEP
Industries
Limited**

Oil & Gas Field Services

It is further submitted that the incident occurred due to an unanticipated subsurface/geological behaviour, which manifested suddenly during the course of workover operations. Such unforeseen geological surprises are inherent risks associated with subsurface well interventions, particularly in mature and producing fields, and may occur despite adherence to established engineering practices, approved work programmes and statutory safety requirements.

In this context, it is respectfully clarified that the incident cannot be attributed to any negligence, gross or otherwise, on the part of the PEC contractor. The workover operations at Mori-05 were being carried out strictly in accordance with the approved work programme, applicable statutory requirements and recognised industry practices. No deviation from approved procedures or well control practices has been observed or established till date in relation to the said incident.

Immediately upon occurrence of the incident, emergency response protocols were activated under the direction and supervision of ONGC, being the mine owner and operator of the block. Well control and mitigation measures were undertaken by ONGC in coordination with district administration, fire services, and other statutory authorities, with DESL extending full assistance and cooperation as the executing contractor. The situation was brought under control expeditiously.

The incident is presently under examination by ONGC and the Directorate General of Mines Safety (DGMS), and DESL/DIL is extending full cooperation in the said proceedings.

As a precautionary measure, temporary evacuation of nearby habitations was undertaken by District administration. No loss of human life or injury was reported, and no livestock loss was reported. Normalcy was restored after the situation was stabilised.

Following the incident, environmental monitoring of air, water, and soil parameters was initiated through appropriate agencies. Based on monitoring conducted till date, no adverse environmental impact has been observed attributable to the incident, and monitoring activities are continuing.

The occurrence of combustion resulted in burning of a substantial portion of the released gas, which limited free dispersion into the surrounding environment. Mitigation measures, including water spraying and site stabilisation, were undertaken as part of the response.

With respect to the provisions of the Environment (Protection) Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981, and the Water (Prevention and Control of Pollution) Act, 1974, it is respectfully submitted that:

- a) Statutory consents, including Consent to Establish and Consent to Operate, are issued in relation to the mining lease / block in favour of the mine owner and occupier, namely ONGC, which had been operating the CA-16 block and Mori-05 well prior to commencement of PEC activities.



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Page 2 of 3

- b) DESL is a contractor executing specified workover and production enhancement activities in an existing brownfield asset, under ONGC's overall supervision, and does not independently own, operate, or control the mining lease or installation in the statutory sense.
- c) Contractual arrangements under the PEC, including operational handover for execution of services, do not and cannot substitute, assign, or dilute statutory obligations imposed by environmental laws, which are non-delegable in nature.
- d) The issuance of the Show Cause Notice to DIL appears to be precautionary, considering its role as executing contractor; however, statutory compliance responsibility in respect of environmental consents continues to vest with ONGC as the mine owner and occupier.

This reply is submitted without prejudice and without admission of any liability, and in the spirit of full cooperation with the Hon'ble Board. DIL remains committed to supporting ONGC and all statutory authorities in ongoing enquiries, monitoring, and compliance processes. In view of the above submissions, DIL respectfully requests that the same may kindly be taken on record while considering the matter.

Thanking you,
Yours faithfully,
For Deep Industries Ltd.,



Authorised Signatory



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Regd. Off.: 12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli,
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Annexure - VIII



ANDHRA PRADESH POLLUTION CONTROL BOARD
 APIIC Colony Road, Gurunanak Colony, Autonagar,
 Vijayawada- 520007 Phone. No.0866-2463200,
 Website: <https://pcb.ap.gov.in/>



Memo No. 126/APPCB/HO/ECS/KKD/2023-

Date:23-04-2026

Sub: APPCB – HO - ECS – M/s.ONGC Well Mori-5, Irusumanda (V), Malkipuram (M), Dr. B.R.Ambedkar Konaseema district – Blow out and fire incident occurred on 05.01.2026 - Monitoring (TF) Committee meeting held on 08.04.2026 – **Decision of the Committee - Communicated** - Reg.

Ref:

1. Blowout and fire accident occurred in the well Mori-5 on 05.01.2026.
2. RO, Kakinada report dt.24.01.2026.
3. Monitoring (TF) Committee Meeting held on 08.04.2026.

This has ref. to the report received from the EE, RO, Kakinada on the incident of blowout occurred due to gas leak in M/s.ONGC Well Mori-5 located at Irusumanda village, Malkipuram mandal on 05.01.2026 during perforation/workover operations by the Production Enhancement Contract (PEC) operator, it was observed that the PEC operator has commenced operations without obtaining Environmental Clearance from the competent authority & CTE, CTO of APPCB.

The issue was placed before the Monitoring (TF) Committee Meeting held on 08.04.2026. The representative of the industry and JCEE, ZO-Visakhapatnam attended the meeting through VC. The representative of the industry informed that a blowout and fire incident occurred at ONGC Well Mori-5 on 05.01.2026 during workover operations undertaken by M/s.Deep Exploratory Services Pvt Ltd. Immediate emergency response measures were initiated and subsequently, the well was capped on 10.01.2026. The responses were submitted by ONGC and its contractor attributing the incident to unforeseen subsurface conditions, while regulatory scrutiny, inquiry proceedings, and NGT litigation are ongoing for determination of liability and further action. ONGC representative informed that an inquiry committee has been setup by ONGC and another independent committee has also been formed by the corporate office of ONGC to investigate the root cause of the incident and to suggest the suitable remedial measures to avoid recurrence of similar incidents in future. The well was handed over to PEC contractor i.e., M/s.Deep Exploratory Services Pvt Ltd in April 2025 for carrying out work over and production enhancement activities.

The Committee noted that M/s.ONGC Well Mori-5 is operating without obtaining mandatory environmental clearances and consents, prompting immediate inspection, environmental monitoring, and issuance of show cause notices by APPCB for violations. Further noted that, a case was filed before the Hon'ble NGT (SZ), Chennai by Sri Venkatapati Raja Venumala on the incident of gas blow out at ONGC well Mori-5. The case is numbered as OA No. 20 of 2026 (SZ) and heard on 11.02.2026 for admission. The matter is further listed on 25.06.2026.

After detailed review, the Committee recommended to issue Stop Production Order to the facility. The EE, RO, Kakinada to issue notice for prosecution of the occupier, for commencing the operations of the facility without obtaining EC & CTE from the Board and also, to compute Environmental Compensation in accordance to CPCB guidelines for the environmental damage caused due to the incident.

In view of the above, the EE, RO, Kakinada is instructed to issue notice for prosecution of the occupier, for commencing the operations of the facility without obtaining EC from competent authority; CTE & CTO from APPCB. Further, the EE, RO, Kakinada to compute Environmental Compensation in accordance to CPCB guidelines for the environmental damage caused due to the incident and furnish the action taken report within a week, to take further necessary action.

**S SRISARAVANAN, I.F.S
MEMBER SECRETARY**

**To
The Environmental Engineer,
A.P. Pollution Control Board,
Regional Office, Kakinada.**

Copy to:

1. CEE, APPCB, Head Office for information.
2. JCEE, APPCB, ZO, Visakhapatnam for information and necessary action.

Annexure - IX



ANDHRA PRADESH POLLUTION CONTROL BOARD

APIIC Colony Road, Gurunanak Colony, Autonagar,
Vijayawada- 520007 Phone. No.0866-2463200,
Website: <https://pcb.ap.gov.in/>



Order No. 126/APPCB/HO/ECS/KKD/2023-

Date:23-04-2026.

STOP PRODUCTION ORDER

Sub:APPCB – HO - ECS – M/s. ONGC Well Mori-5, Irusumanda (V), Malkipuram (M), Dr. B.R. Ambedkar Konaseema district – Fire incident occurred in M/s. ONGC Well Mori-5 - Monitoring (TF) Committee meeting held on 08.04.2026 – **Stop Production Order** - Issued - Reg.

Ref:

1. Blowout and fire accident occurred in the well Mori-5 on 05.01.2026.
2. RO, Kakinada Show Cause notice to M/s. ONGC & M/s Deep Industries Limited on 06.01.2026.
3. M/s. ONGC reply letter dated 16.01.2026.
4. RO, Kakinada report dt.24.01.2026.
5. Monitoring (TF) Committee Meeting held on 08.04.2026.

WHEREAS a blowout followed by fire incident occurred due to gas leak in M/s. ONGC Well Mori-5, located at Irusumanda Village, Malkipuram Mandal on 05.01.2026 at about 12:23 PM during perforation/workover operations being carried out by the Production Enhancement Contract (PEC) operator, M/s. Deep Industries Limited.

WHEREAS the officials of Regional Office, Kakinada inspected the incident site on 05.01.2026 to ascertain the factual position. M/s. ONGC informed that the well had remained shut since 2018 and was handed over to the PEC operator in April 2025.

WHEREAS on 05.01.2026 at 12.23 hrs, a blowout occurred at MORI-5, (a drilling well of Petroleum & Natural Gas onshore facility at Irusumanda Village Malkipuram Mandal, Dr. B.R. Ambedkar Konaseema District).

WHEREAS MORI-5 was earlier maintained by M/s. ONGC and drilled down about 4700m as a development well. Further, ONGC put it in operation for exploration of natural gas upto 4th zone and resultant NG had been pumped to MORI GCS (Gas Collection Station) located at 12 Km away from the MORI-5 well. This indicated that the development well became a production well. Production well requires valid consent of APPCB. The MORI- 5 well had remained shut since 2018 by ONGC. Due to non-feasibility of available gas in Zone-5 of the same well, ONGC has transferred to Production Enhancement Contract (PEC) operator M/s. Deep Exploratory Services Pvt. Ltd during April 2025. It was informed that the reserve of Natural Gas is available in Zone-5.

WHEREAS the PEC operator has started its operations without obtaining Environmental Clearance from the competent authority & CTE, CTO of APPCB. Also has not taken pre safety precautions before restart of well. The MORI-5 well is surrounded by East – Agriculture fields, North – Agricultural fields, West – Cheruvu (water body) and South – Agriculture fields. Irusumanda village habitation is existing about 350m towards south-

east direction. Lakkavaram Gram Sachivalayam (Swarna Gramam) is located approximately 200m to the south-west of the incident site.

WHEREAS the incident appears to have resulted from a technical failure on part of the operator to prevent the blowout. It was noted that the anti-blowout system, including the nitrogen tank, had not been deployed prior to the commencement of operations, contrary to the prescribed Standard Operating Procedures (SOPs). RO, Kakinada immediately installed one (1 No.) Ambient air quality monitoring station at Grama Sachivalayam, Lakkavaram village on 05.01.2026 and monitoring has been carried out for the parameters PM₁₀, SO₂, NO₂ and Ammonia for 48 hrs.

WHEREAS the officials of the Zonal Office, Visakhapatnam, carried out inspection of the blowout site on 07.01.2026. During the inspection, water samples were collected by the Zonal Office, Visakhapatnam for detailed analysis. Volatile Organic Compound (VOC) concentrations were measured at two locations—one near the blowout point and the other near Lakkavaram Gram Sachivalayam (located approximately 200m in the downwind direction)—using an IR-based VOC analyzer.

WHEREAS vide ref.2nd cited, the Board issued Show Cause Notice to M/s. ONGC and its PEC operator, M/s. Deep Industries Limited, for environmental violations, including operating without obtaining Consent to Establish / Consent to Operate and for causing air pollution and potential environmental damage and the facility to submit the following information:

- Detailed incident report indicating root cause analysis and chronological sequence of events leading to the blowout and fire.
- Details of safety systems, SOPs and well-control measures adopted during perforation/workover operations.
- Action Taken Report (ATR) on emergency response, fire-fighting measures, well control and present status of the well.
- Preventive Action Plan with risk assessment and mitigation measures to prevent recurrence of such incidents.
- Environmental monitoring data including ambient air quality, VOCs/hydrocarbons, soil quality, surface and groundwater quality during and after the incident.

WHEREAS a letter dt.08.01.2026 was addressed by RO, Kakinada to ONGC seeking comprehensive asset-wise and district-wise details of wells, Environmental Clearances, Consents and abandoned wells in Kakinada, Rajahmundry, and Dr. B.R. Ambedkar Konaseema districts.

WHEREAS M/s. ONGC, vide ref.3rd cited, submitted reply that the blowout occurred during operations carried out by its PEC contractor, M/s. Deep Exploratory Services Pvt. Ltd. and that immediate emergency response measures were taken. M/s. ONGC has reported that the well was successfully capped on 10.01.2026 and that environmental monitoring is being carried out through a NABL accredited agency. M/s. ONGC has also constituted internal and independent inquiry committees to investigate the root cause and to suggest preventive measures.

WHEREAS M/s. ONGC further informed that an inquiry committee has been set up by ONGC Rajahmundry Asset, and another independent committee has also been formed by the corporate office ONGC to investigate the root cause of the incident and to

suggest suitable remedial measures to avoid recurrence of similar incidents in future.

WHEREAS the Board issued notice to the contractor M/s. Deep Exploratory Services Pvt. Ltd on 20.01.2026. The industry vide letter dated 04.02.2026 submitted reply as following:

- a. The Production Enhancement Contract (PEC) for Contract Area CA-16 was originally awarded by ONGC to DIL. Subsequently, in accordance with contractual arrangements and internal restructuring, execution of the said contract was assigned to M/s. Deep Exploration Services Pvt. Ltd. (DESL), which has been carrying out the workover and production enhancement activities as an executing contractor / assignee, under the overall supervision and control of ONGC.
- b. The CA-16 block, including Mori-05 well, is a brownfield asset that had been operated by ONGC prior to commencement of PEC activities. The block operations were handed over in April 2025 on an "as-is-where-is" basis, with ownership of the wells, mining lease, surface rights, and statutory control continuing to vest with ONGC as the mine owner and occupier under applicable laws.
- c. On 05 January 2026, during the course of workover activities undertaken at Well No. Mori-05 as part of the production enhancement programme, an unintended and sudden release of gas occurred at the Mori-05 well site. The release of gas was followed by combustion at the site, resulting in burning of the released gas.
- d. Based on the preliminary assessment and information presently available from the operator and executing agency, the incident appears to have been triggered by a sudden and unanticipated release of gas arising from unforeseen subsurface/geological behaviour encountered during workover operations. Such subsurface behaviour could not have been reasonably predicted on the basis of the geological, reservoir, and well data available at the time of planning and execution. The sudden release of gas was followed by an uncontrolled combustion (fire). The event was not attributable to any deviation from the approved work programme or established well control and safety procedures.
- e. The incident occurred due to an unanticipated subsurface/geological behaviour, which manifested suddenly during the course of workover operations. Such unforeseen geological surprises are inherent risks associated with subsurface well interventions, particularly in mature and producing fields, and may occur despite adherence to established engineering practices, approved work programmes and statutory safety requirements.
- f. Immediately upon occurrence of the incident, emergency response protocols were activated under the direction and supervision of ONGC, being the mine owner and operator of the block. Well control and mitigation measures were undertaken by ONGC in coordination with district administration, fire services, and other statutory authorities, with DESL extending full assistance and cooperation as the executing

contractor.

- g. The incident is presently under examination by ONGC and the Directorate General of Mines Safety (DGMS), and DESL/DIL is extending full cooperation in the said proceedings.

WHEREAS the issue was placed before the Monitoring (TF) Committee Meeting held on 08.04.2026. The representative of the industry and JCEE, ZO, Visakhapatnam attended the meeting through VC. The representative of the industry informed that a blowout and fire incident occurred at ONGC Well Mori-5 on 05.01.2026 during workover operations undertaken by M/s. Deep Exploratory Services Pvt Ltd. Immediate emergency response measures were initiated and subsequently, the well was capped on 10.01.2026. The responses were submitted by ONGC and its contractor attributing the incident to unforeseen subsurface conditions, while regulatory scrutiny, inquiry proceedings, and NGT litigation are ongoing for determination of liability and further action. ONGC representative informed that an inquiry committee has been setup by ONGC and another independent committee has also been formed by the corporate office of ONGC to investigate the root cause of the incident and to suggest the suitable remedial measures to avoid recurrence of similar incidents in future. The well was handed over to PEC contractor i.e., M/s. Deep Exploratory Services Pvt Ltd in April 2025 for carrying out work over and production enhancement activities.

The Committee noted that M/s.ONGC Well Mori-5 is operating without obtaining mandatory environmental clearances and consents, prompting immediate inspection, environmental monitoring, and issuance of show cause notices by APPCB for violations. Further noted that, a case was filed before the Hon'ble NGT (SZ), Chennai by Sri Venkatapati Raja Venumala on the incident of gas blow out at ONGC well Mori-5. The case is numbered as OA No. 20 of 2026 (SZ) and heard on 11.02.2026 for admission. The matter is further listed on 25.06.2026.

After detailed review, the Committee recommended to issue Stop Production Order to the facility. The EE, RO, Kakinada to issue notice for prosecution of the occupier, for commencing the operations of the facility without obtaining EC & CTE from the Board and also, to compute Environmental Compensation in accordance to CPCB guidelines for the environmental damage caused due to the incident.

Accordingly, upon careful consideration of RO, Kakinada report and recommendations of the Monitoring (Task force) Committee, the APPCB with the powers vested under section 33 (A) of the Water (Prevention & Control of Pollution) Act, 1974 and section 31 (A) of the Air (Prevention & Control of Pollution) Act, 1981 and amendments thereof, hereby issues **STOP PRODUCTION ORDER** to M/s.ONGC Well Mori-5, Irusumanda (V), Malkipuram (M), Dr. B.R. Ambedkar Konaseema District **to immediately stop all further operations of your facility**, in the interest of safeguarding public health and environment protection.

You are hereby directed to note that, should you violate this order and operate the unit, you will be liable for prosecution in the Court of Judicial Magistrate First Class under Sec.41 (2) of Water (Prevention and Control of Pollution) Amendment Act, 1988 and under Sec.37 of Air (Prevention and Control of Pollution) Amendment Act, 1987, the punishment for which includes imprisonment for a term which shall not be less than one year six months and which may be extended to six years and with fine, besides

imposing Environmental Compensation.

This Order comes into effect from today i.e., 23-04-2026.

**S SRISARAVANAN, I.F.S
MEMBER SECRETARY**

To

**The Occupier,
M/s.ONGC Well Mori-5,
Irusumanda (V), Malkipuram Mandal,
Dr. B.R. Ambedkar Konaseema District.**

Copy to:

1. JCEE, Zonal Office, Visakhapatnam for information and necessary action.
2. EE, Regional Office, Kakinada for information and necessary action. She is directed to issue notice for prosecution of the occupier, for commencing the operations of the facility without obtaining EC, CTE & CTO from the Board. Also, to compute Environmental Compensation in accordance to CPCB guidelines for the environmental damage caused due to the incident.

Annexure - X



ANDHRA PRADESH POLLUTION CONTROL BOARD
REGIONAL OFFICE: KAKINADA
Plot No.2, IDA, Ramanayyapeta, Kakinada – 533005
Tele:0884-2374066, E-mail:rokkd-ee1@appcb.gov.in



Notice. No.KNSM/APPCB/RO:KKD/2026-

Dt:18.05.2026

Sub: APPCB – RO, Kakinada – M/s. ONGC Well Mori-5, Irusumanda (V), Malkipuram (M), Dr. B.R. Ambedkar Konaseema District – Commencement and operation of well/workover activities without obtaining Environmental Clearance (EC), Consent for Establishment (CTE) and Consent for Operation (CTO) from APPCB – Blowout and fire accident occurred on 05.01.2026 – Prosecution under the provisions of Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 – Notice issued – Reg.

Ref:

1. Blowout and fire accident occurred at Mori-5 well on 05.01.2026.
2. Show Cause Notice issued by RO, Kakinada on 06.01.2026.
3. Reply submitted by M/s. ONGC dated 16.01.2026.
4. Reply submitted by M/s. Deep Exploratory Services Pvt. Ltd dated 04.02.2026.
5. Monitoring (Task Force) Committee meeting held on 08.04.2026.
6. Stop Production Order issued by APPCB vide Order No.126/APPCB/HO/ECS/KKD/2023, dated 23.04.2026.

* * * * *

WHEREAS a blowout followed by fire incident occurred due to gas leakage at M/s. ONGC Well Mori-5, Irusumanda Village, Malkipuram Mandal, Dr. B.R. Ambedkar Konaseema District on 05.01.2026 during perforation/workover operations being carried out by the PEC operator, M/s. Deep Exploratory Services Pvt. Ltd.,

WHEREAS inspections conducted by the officials of APPCB revealed that the facility/workover operations were commenced and carried out without obtaining mandatory Environmental Clearance (EC), Consent for Establishment (CTE) and Consent for Operation (CTO) from the Andhra Pradesh Pollution Control Board, thereby violating the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981.

WHEREAS the Monitoring (Task Force) Committee in its meeting held on 08.04.2026 recommended initiation of prosecution against the occupier for operating the facility without obtaining mandatory statutory clearances and consents.

WHEREAS the APPCB issued Stop Production Order vide reference 6th cited directing immediate stoppage of all operations and also instructed the Regional Officer, Kakinada to initiate prosecution against the occupier.

Therefore, you are hereby informed that the Board proposes to launch prosecution against the occupier of M/s. ONGC Well Mori-5 under the provisions of:

- Section 44 read with Section 25/26 of the Water (Prevention and Control of Pollution) Act, 1974,
- Section 37 read with Section 21 of the Air (Prevention and Control of Pollution) Act, 1981,

for establishing and operating the facility without obtaining mandatory consents/clearances from the Board.

You are hereby directed to show cause as to why further action including prosecution before the competent Judicial Magistrate Court shall not be initiated against your facility for commencing the operations of the facility without obtaining EC, CTE & CTO from the Board.

Your reply shall reach this office within 10 days failing which action will be initiated against your facility without any further notice.

ILAPANDA
SURYAKALA
ENVIRONMENTAL ENGINEER

Digitally signed by
ILAPANDA SURYAKALA
Date: 2026.05.18
20:16:11 +05'30'

To

**The Asset Manager,
Oil and Natural Gas Corporation Ltd. (ONGC),
Gas Collecting Station (GCS), Mori,
Dr. B.R. Ambedkar Konaseema District**

- Copy submitted to the PA to Chairman, AP Pollution Control Board, Vijayawada for kind information.
- Copy submitted to the PA to Member Secretary, AP Pollution Control Board, Vijayawada for kind information.
- Copy submitted to the Chief Environmental Engineer, APPCB, Board Office, Vijayawada for favour of kind information and for taking necessary action
- Copy submitted to the Joint Chief Environmental Engineer, APPCB, Zonal Office, Visakhapatnam for favour of kind information and for taking necessary action.

No. [ONGC/E/AM/RJY/2026-27/2]

May 26, 2026

To:

Hon'ble Member Secretary, APPCB,
APIIC Colony Road, Gurunanak Colony,
Autonagar, Vijayawada – 520007

Sub: Reply to the Notice of Prosecution No. KNSM/APPCB/RO:KKD/2026 dated May 18, 2026 proposing prosecution under Section 44 read with Section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 37 read with Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 — ONGC Well Mori-5, Irusumanda (V), Malkipuram (M), Dr. B.R. Ambedkar Konaseema District

Ref:

- (i) Blowout and fire incident at ONGC Well Mori#05 on January 5, 2026
- (ii) Show cause notice issued by Regional Office, Kakinada dated January 6, 2026
- (iii) ONGC reply to show cause notice dated January 16, 2026
- (iv) Stop Production Order No. 126/APPCB/HO/ECS/KKD/2023 dated April 23, 2026 (“**Stop Production Order**”)
- (v) Show Cause Notice for Prosecution No. KNSM/APPCB/RO:KKD/2026 dated May 18, 2026 (“**Prosecution Notice**”)

Respected Sir,

1. With due respect, Oil and Natural Gas Corporation Limited (“**ONGC**”) submits this response to the Prosecution Notice issued by the Andhra Pradesh Pollution Control Board, Regional Office, Kakinada (“**APPCB**” or “**Board**”), directing ONGC to show cause as to why further action including prosecution before the competent Judicial Magistrate should not be initiated against ONGC under Section 44 read with Section 25/26 of the Water (Prevention and Control of Pollution) Act, 1974 (“**Water Act**”) and Section 37 read with Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”), in connection with the blowout and fire incident that occurred at Well Mori#05 on January 5, 2026 (“**Incident**”). ONGC respectfully submits that the proposed prosecution is untenable in law and on facts, and sets out hereinbelow the relevant facts, circumstances, legal defenses, and submissions for the Board’s consideration.

Background and Factual Account of the Incident

2. At the outset, ONGC wishes to place on record that the Incident was an unfortunate event which occurred during workover operation conducted by M/s Deep Industries Limited (“**DIL**”) and

M/s Deep Exploration Services Private Limited (“**DESL**”, hereinafter along with DIL collectively referred to as the “**Contractor**”), at Well Mori#05. The Incident took place at approximately [12:23 hours], immediately after conventional wireline perforation operation in the interval 2713–2717 m (Object-I, Sand-8), which was being executed by M/s Schlumberger as the logging/perforation services contractor engaged independently by the Contractor. The MORI field was handed over by ONGC to DIL under a Production Enhancement Contract (“**PEC**” or “**Contract**”) bearing No. ONGC/PEC/2023/CA-16/PONAMANDA, awarded through an open competitive bidding process, with the objective of enhancing recovery and augmenting production from small and marginal fields in line with the directions issued by MoPNG pursuant to Cabinet decisions on reforms in exploration and licensing policy for enhancement of domestic exploration and production of oil and gas *vide* letter no. O-12015(11)/1/2019-ONG-II dated 01.03.2019. (Copy of the letter attached as **Annexure I**) Subsequently, the Tripartite Addendum/ Deed of Assignment dated December 2, 2025 (“**DoA**”) was executed, whereby the rights, obligations, duties, liabilities and interests under the Contract were assigned by DIL to its wholly-owned subsidiary, DESL. In terms of the DoA, DIL and DESL remain jointly and severally liable for the due and faithful performance of all contractual obligations. DESL has, since such assignment, been the entity conducting workover and production enhancement activities at the Mori field.

3. The PEC, has a tenure of 15 years further extendable by another five years, and constitutes a contractual framework under which the contractor is obligated to comply with all applicable laws, statutory requirements, and to follow Good International Petroleum Industry Practices (“**GIPIP**”) in the execution of all operations.
4. Notwithstanding that the operations at the well were being conducted entirely by the Contractor under its own supervision and control, with its own equipment and personnel, ONGC, recognising the severity of the situation and the imminent threat to surrounding communities and the environment, and in light of the Contractor’s failure to take any requisite steps to control or mitigate the blowout, was compelled to immediately take charge of the emergency. ONGC immediately activated its Disaster Management Plan, mobilised Crisis Management Teams (CMT) (both at regional and corporate level), mobilised ONGC fire tenders, ONGC fire services, safety and medical teams, ONGC security teams, the Corporate CMT from Vadodara, and the regional CMT and safely evacuated local inhabitants in co-ordination with local administration, cordoned off the area, informed the district authorities and commenced firefighting, cooling and well control operations.
5. ONGC coordinated with the District Administration, State Fire Services, Police and other agencies, set up Emergency Control Rooms at the ONGC Base Office at Rajahmundry and at the ONGC Corporate Office at Delhi, and mobilised the US-based Wild Well Control Team. After extensive preparatory works and well control operations, the well was successfully capped on January 10, 2026, within a record time of five days, with full cooperation and support from the local administration. It is placed on record that had ONGC not intervened, the consequences of the Contractor’s negligence would have been catastrophic and irreversible. The well was subsequently subdued and secured without any loss of life or injury to any person.

Status of Well Mori#05 and applicability of environmental clearance

6. It is respectfully submitted that Well Mori#05 was an exploratory well which was spudded on December 24, 1993 and drilled to a depth of 2,800 metres (not 4,800 m as brought out in the Stop Production Order), with drilling completed on March 13, 1994. The objective of drilling the well was to test the Eocene sands similar to Mori pay sands. During testing of Object-I, it was observed that the reservoir was depleting, and it was decided to call off testing; a cement plug was placed with top at 2,400 m to isolate the object. Later the well was completed in Object V and put on production. Well ceased to flow in April 2009 and since then well is not in production.
7. Following the handover of the CA-16 Cluster fields (including the Mori field) to the Contractor on April 3, 2025, the workover plan for Well Mori#05 was prepared by the Multi-Disciplinary Team (“MDT”) of the Contractor and issued on September 22, 2025 (with a modified plan issued on December 15, 2025). Rig DR-11 was moved to the location on November 16, 2025 and workover operations commenced on November 20, 2025. ONGC respectfully submits that it had no operational control over the planning or execution of these workover activities, which were conducted by the Contractor through its MDT and rig crew, with logging and perforation services rendered by M/s Schlumberger as the Contractor’s sub-contractor.
8. It is further submitted that, as the well was originally drilled in 1993–1994, prior to the issuance of the first Environmental Impact Assessment (“EIA”) Notification dated January 27, 1994 by the Union Ministry of Environment and Forests under the Environment (Protection) Act, 1986, Environmental Clearance (“EC”) was not applicable for the original exploratory drilling activity at that time. This EIA Notification of 1994 provided that EC was not required where expenditures involved for drilling of a well were less than INR 100 crores. This is of particular significance, since no explicit demand was made by APPCB, for EC/ CTE/CTO for drilling operations. Further, a request was made by ONGC seeking exemption for applying for consents for drilling operations. The matter was deliberated in detail in the meeting held between ONGC and APPCB on October 29, 1992, which was reviewed by Member Secretary, APPCB and senior officers from ONGC. It was recorded that the APPCB will take appropriate decision on ONGC’s request for exemption of the consents for drilling operations. The matter was further deliberated in the meeting held on March 27, 1995, wherein, certain technical data and reports were sought from ONGC. Minutes of the said meeting are attached at **Annexure II**. The reports and technical data were submitted on April 4, 1995. (**Annexure III**). Further, ONGC is submitting water cess returns under the Water Cess Act, 1977 and obtained assessment orders for the period from 1978 to 1992 and regular water cess payments were made thereafter under Water Cess Act, 1977 (**Annexure IV**).
9. Thereafter, under the MoEFCC EIA-2006 notification dated September 14, 2006, EC was required for oil and gas exploration, development and production. In the first EC granted to ONGC Rajahmundry dated June 11, 2008 pursuant to the EIA Notification dated September 14, 2006, it has been duly recorded that ONGC had already undertaken exploration and development activities in the area and had drilled 555 wells, out of which 110 were producing wells.

10. The petroleum mining lease for Mori – 5 area, which comprises Well Mori#05, has since then been renewed multiple times, each such renewal constituting an affirmation by the competent authority of the validity and lawfulness of ONGC's operations.
11. In relation to CTE and CTO, the renewal issued by the Government of Andhra Pradesh, Industries & Commerce (M.III) Department (“**AP Government**”), *vide* its letter dated December 27, 2022 (bearing reference number G.O. Ms.No.90) is of particular significance (“**PML Renewal 2022**”, attached herewith as **Annexure V**). The PML Renewal 2022 unequivocally records the acceptance by AP Government of rationale provided by ONGC for not obtaining CTE and CTO. The letter in fact categorically states that, “*As per MOEF CC EIA – 1994 Notification Environmental Clearance was not required. Hence CFE CFO was not taken prior to 2006 and hence not submitted along with the Petroleum Mining Lease (PML) applications.*”
12. As brought out above, and as per the records that have been traced so far, although no formal consents were obtained from APPCB, the factual position in this regard had been duly communicated to APPCB as well as to the Government of Andhra Pradesh from time to time. Further, ONGC has regularly made all applicable statutory payments, including payment of Water Cess, for all its rigs and installations. Water Cess payments were also made for “Bhilwara Rig” which was deployed for drilling of Well Mori#05. Documentary evidence in the form of sanction notes, challans and APPCB communications for the relevant period in the matter are attached as **Annexure IV**.
13. ONGC submits that in light of the foregoing — namely,
 - i. the inapplicability of the EIA regime at the time of original drilling,
 - ii. the subsequent grant of Environmental Clearance in 2008,
 - iii. the repeated renewal of the petroleum mining lease;
 - iv. Payment of water cess under the Water Cess Act, 1977 and assessment orders linked to the Water Act, 1974, and
 - v. the express acceptance by the AP Government in 2022 of ONGC's position on CTE and CTO,

it stands established that ONGC has at all material times been in full compliance with applicable environmental and statutory requirements. As brought out above, the factual position regarding non-obtaining of formal consents had been duly communicated to APPCB as well as to the Government of Andhra Pradesh from time to time, and ONGC has regularly made all applicable statutory payments including Water Cess. Having stated the above, we would also like to highlight that the well is a legacy well drilled more than three decades ago, and ONGC would like to retain its rights and ability to submit further historical documents to APPCB for corroboration of its stance.

14. Insofar as the operations post-handover under the PEC are concerned, the responsibility for obtaining all statutory clearances and approvals rested solely with the Contractor upon award of the contract in January 2025.
15. The same is explicitly provided for in the following clause of the PEC:

Clause 4.2.16: *“The Contractor shall be solely responsible for acquiring all approvals, statutory compliances such as essentiality certificates against equipment or materials, permits, consents, authorizations, visas, work permits, licenses, Right of Way (RoW), Right of Use (RoU), easement, surface rights, Environmental Clearances (EC), Forest Clearance and security protection, required under this Contract, at its cost and expense. The Owner may provide necessary reasonable assistance to the Contractor for the purposes of this Article. It is understood between the Parties that the assistance by the Owner shall not in any manner constitute an obligation on the Owner. In case the Owner has already obtained the EC or the same is readily available with the Owner, the Owner may at its sole discretion provide the EC in favour of the Contractor.”*

Therefore, it is humbly requested that all further communications and notices be served to DIL and DESL being the Contractor having operational control of the field.

Findings of Internal Inquiry — Gross Negligence of the Contractor

16. Inquiry into the Incident by Rajahmundry Asset Management and also by ONGC Corporate HSE teams has revealed systemic failures and gross negligence on the part of the Contractor. Critical lapses in the formulation of the workover plan by the Contractor’s Multi-Disciplinary Team (“**MDT**”), which failed to account for formation pressure data, and failure of both primary and secondary barriers which allowed uncontrolled hydrocarbon release resulting in a vapour cloud that subsequently ignited, are the primary reasons for the blowout. Several deviations and non-compliances were observed, including: non-availability of shear ram in the BOP stack; inadequate periodic checks of the BOP system; gaps at the planning stage; and insufficient hazard identification.
17. The Committee’s findings establish that the blowout resulted from: (i) **primary barrier failure** – use of CaCl₂ brine of specific gravity 1.21 during perforation of a known over-pressured gas-bearing zone, where an equivalent fluid weight of approximately 1.66 SG was required; and (ii) **secondary barrier failure** – deployment of an incompatible 7-1/16” 5M BOP stack, omission of a Blind Shear Ram contrary to OISD-STD-174, and the Contractor’s own commitment in the FDEP to use an 11” BOP with Blind Shear Ram. The full report of the corporate inquiry committee can be furnished to the Board, if so desired.
18. Similar inquiries in relation to the incident have been initiated by the Directorate General of Mines Safety (“**DGMS**”) and the Oil Industry Safety Directorate (“**OISD**”).

Contractor’s Misstatements to the Board

19. ONGC draws the Board’s attention to the response submitted by DESL to the Board’s notice dated January 20, 2026, wherein DESL, *vide* its letter dated February 4, 2026, has sought to characterise the Incident as:

“the block operations were handed over in April 2025 on an “as-is-where-is” basis”, with the ownership of the wells, mining lease, surface rights, and statutory control

continuing to vest with ONGC as the mine owner and occupier under the applicable laws.”

20. This is nothing but a complete mis-characterization of the PEC. In fact, Clause 4.2.14 of the PEC states that “the Contractor shall take over the Contract Area on “*as is where is*” basis. For avoidance of any doubt, it is clarified that “as is where is” only includes the Fixed Assets”.

The term Fixed Assets further defined in the PEC to mean the “wells, facilities and equipment, located inside or outside the Contract Area, the non-exclusive use and associated risk of which is transferred from the Owner, at its sole discretion, to the Contractor on the Effective Date for use by the Contractor in the performance of the Petroleum Operations.”

21. The Contractor has clearly misled the Board by conflating the meaning of as-is-where-is basis to subtly try and shift the burden of this unfortunate blow out incident on ONGC. Clearly, the term is being misused by the Contractor to imply that ONGC remains the occupier under the applicable laws. As is explained below, the Contractor in fact is the Occupier in the present case, having possession of the Contract Area and carrying out Petroleum Operations under its control and sole responsibility. In fact, Clause 4.2.1 of the PEC categorically records that the Contractor “*shall conduct all Petroleum Operations as its sole risk, cost and expense ...*”. Thus, the statement made by the Contractor is clearly misleading and a desperate attempt to avoid responsibility of the incident.

22. The Contractor further stated that:

“d. Based on the preliminary assessment and information presently available from the operator and executing agency, the incident appears to have been triggered by a sudden and unanticipated release of gas arising from unforeseen subsurface/geological behaviour encountered during workover operations. Such subsurface behaviour could not have been reasonably predicted on the basis of the geological, reservoir, and well data available at the time of planning and execution. The sudden release of gas was followed by an uncontrolled combustion (fire). The event was not attributable to any deviation from the approved work programme or established well control and safety procedures.

e. The incident occurred due to an unanticipated subsurface/geological behaviour, which manifested suddenly during the course of workover operations. Such unforeseen geological surprises are inherent risks associated with subsurface well interventions, particularly in mature and producing fields, and may occur despite adherence to established engineering practices, approved work programmes and statutory safety requirements.”

23. ONGC submits that the above characterisation by the Contractor is factually incorrect and directly contrary to the findings of the inquiry, which clearly establish gross and wilful negligence on the part of the Contractor in following the required safety protocols in a workover well. Inadequate mud weight (primary barrier), incompatible BOP and inappropriate BOP stack configuration (secondary barrier), non-adherence to BOP pressure test and function test

requirements, inadequate well monitoring during wireline perforation, and insufficient and non-standard BOP flange assembly fittings are attributable to the blowout. The Incident was not the consequence of any unforeseeable subsurface or geological occurrence but was the direct result of the Contractor's failure to plan and implement the requisite well control measures.

ONGC's Emergency Response and Environmental Monitoring

24. Post blowout, as a responsible corporate entity, ONGC immediately responded to the situation and mobilised all its resources and equipment. The Disaster Management Plan of Rajahmundry Asset, which clearly delineates the responsibilities and actions by different agencies, was promptly operationalised, the area was cordoned off, and local inhabitants in the vicinity of the well site were evacuated to safer locations. The equipment and resources were deployed from the very next day of the Incident. Foreign experts on well control from M/s Wild Well Control, USA, were also mobilised to ensure that the best expertise was deployed to control the situation in the shortest possible time. ONGC respectfully submits that this intervention was undertaken solely in discharge of its statutory and public obligations and to mitigate damage and shall not be construed as any admission of liability for the Incident or as any waiver of the Contractor's primary responsibility under the Contract or applicable law.
25. For monitoring the environmental impact of the Incident, ONGC promptly engaged a NABL-accredited agency. Two monitoring stations were set up at 0–500 m distance and 500–1,000 m distance from the well site, and air, water, and noise quality parameters were measured in the area. PM10, PM2.5, CO, CO₂, and NO₂ readings were continuously monitored from January 5, 2026 through January 11, 2026 (i.e., from the date of the Incident until the day after the well was successfully capped). The environmental monitoring reports generated by ONGC's accredited agency are available and can be furnished to the Board, if desired.
26. It is further placed on record that ONGC has been fully cooperative with the Board at all stages. In response to the Show Cause Notice issued by the Regional Office, Kakinada on January 6, 2026, ONGC submitted a detailed reply on January 16, 2026, setting out the chronological account of the Incident, the emergency response measures undertaken, the contractual allocation of responsibilities under the PEC, and the corrective and preventive measures being put in place. In addition, comprehensive asset-wise and district-wise information regarding wells, Environmental Clearances, consents, and abandonment details in Kakinada, Rajahmundry, and Dr. B.R. Ambedkar Konaseema districts were furnished to the Regional Office as requested vide its letter dated January 8, 2026.

27. Response to Grounds of Proposed Prosecution

ONGC respectfully responds to each ground of the proposed prosecution as set forth in the Prosecution Notice:

- 27.1 Issue 1: Operating without Environmental Clearance (EC): The Prosecution Notice alleges that ONGC operated the facility without obtaining Environmental Clearance. ONGC submits that Well Mori#05 was drilled in 1993–1994, prior to the issuance of the first EIA Notification dated January 27, 1994 under the Environment (Protection) Act, 1986. This EIA Notification of 1994 provided that EC was not required where expenditures involved for drilling of a well were less

than INR 100 crores. This is of particular significance, since no explicit demand was made by APPCB, for EC/ CTE/CTO for drilling operations. Thereafter, under the MoEFCC EIA-2006 notification dated September 14, 2006, EC was required for oil and gas exploration, development and production. Subsequently, MOEFCC accorded Environmental Clearance for ONGC's existing oil and gas fields in Andhra Pradesh vide clearance dated June 11, 2008. Further, ONGC's rationale for not obtaining CTE and CTO is evident from the payment of water cess under the Water Cess Act, 1977 and assessment orders linked to the Water Act, 1974 and the Government of Andhra Pradesh, in the PML Renewal 2022, also categorically accepted, that "As per MOEF CC EIA – 1994 Notification Environmental Clearance was not required." Accordingly, ONGC was not operating without EC; the allegation is factually and legally misconceived.

27.2 Issue2: Operating without Consent to Establish (CTE) and Consent to Operate (CTO): The Prosecution Notice alleges that ONGC established and operated the facility without obtaining CTE and CTO from APPCB. ONGC submits that Well Mori#05 was established in 1993–1994, prior to the applicability of the statutory consent regime for such activities. Since EC was not mandated prior to the MoEFCC EIA-2006 notification, and since the expenditures involved for drilling of a well were less than INR 100crores, CTE/CTO for drilling operations were not being taken, and ONGC sought exemption for applying for consents for drilling operations. The matter was deliberated in a meeting held between ONGC and APPCB on October 29, 1992 and March 27,1995, attended by the Member Secretary, APPCB and senior officers from ONGC. The PML Renewal 2022 issued by the Government of Andhra Pradesh expressly recorded and accepted that CTE/CTO was not required to be obtained prior to 2006 and hence was not submitted with the PML application. The AP Government's acceptance of this position constitutes a clear acknowledgment by the competent state authority that ONGC was not in violation of the consent requirements. Further, ONGC has regularly made all applicable statutory payments, including payment of Water Cess for the relevant period, for all its rigs and installations, including for "Bhilwara Rig" deployed for drilling of Well Mori#05. Furthermore, following the handover of the field to the Contractor under the PEC on April 3, 2025, all obligations to obtain statutory clearances vested exclusively with the Contractor under Clause 4.2.16 of the PEC. The Contractor, not ONGC, was the entity conducting workover operations at the time of the Incident.

27.3 Issue 3: Violation of Section 25/26 of the Water Act, 1974: Section 25 of the Water Act requires prior consent of the State Board for establishment of any industry or process that is likely to discharge sewage or trade effluent into a stream, well, sewer or on land. Section 26 prescribes the procedure for grant or refusal of such consent. ONGC submits that at the time of original establishment of the well in 1993–1994, these provisions were not applicable to onshore petroleum exploration activities and ONGC was operating under the framework then existing and recognized by the competent authorities. The well remained non-operational since 2009 and was handed over to the Contractor in April 2025. Any activity thereafter was conducted solely by the Contractor. Without prejudice to the fact that the responsibility of obtaining statutory approvals is with the Contractor, ONGC submits that no discharge of sewage or trade effluent into any stream, well, sewer or land has been established, and the proposed prosecution under Section 44 read with Section 25/26 is not maintainable against ONGC.

- 27.4 Issue4: Violation of Section 21 of the Air Act, 1981: Section 21 of the Air Act requires prior consent of the State Board for establishing or operating any industrial plant in an air pollution control area. ONGC submits that similar to the position under the Water Act, the well was established prior to the applicability of these provisions to such activities, and any operations post-April 2025 were conducted exclusively by the Contractor under the PEC. The Incident was caused solely by the gross negligence of the Contractor in conducting workover operations without following prescribed safety protocols, as established by multiple internal inquiries. ONGC, which stepped in to control the emergency and cap the well within five days, should not be prosecuted for the Contractor's failures. The proposed prosecution under Section 37 read with Section 21 is not maintainable against ONGC.
28. Identity of the "Occupier" — Proper Party for Prosecution: ONGC draws the Board's attention to the fact that the Prosecution Notice is addressed to ONGC as the "occupier" of the facility. At this juncture, it is important to consider that the term "occupier", as defined under the Air Act and Water Act means '*in relation to any factory or premises, means the person who has control over the affairs of the factory or the premises...*'. Accordingly, as is demonstrated in this response, if any prosecution is to be initiated, it ought to be directed against the entity exercising actual operational control at the time of the Incident, i.e., the Contractor, and not ONGC.
29. ONGC states that at the material time of the Incident, the workover operations were being conducted entirely by the Contractor, i.e. M/s Deep Industries Limited/ and M/s Deep Exploration Services Pvt. Ltd., using their own equipment, personnel, rig, and sub-contractors, under the PEC. The letter dated April 03, 2025 (attached as **Annexure VI**) issued by ONGC in favour of the Contractor, clearly records:
- "Subsequent to the submission of FDP and Mobilization & handing over plan vide letter dated 25.03.2025, ONGC Rajahmundry Asset is hereby handing over all awarded fields and fixed assets of respective fields Adavipalem, Elamanchili, Razole, Kammapalem, Geddanapalli + TVAA, Mori, Ponamanda + Penumadam, Endamuru on "as is where is" basis to M/S Deep Industries Ltd., to carry out and execute all operations and activities involved for the Petroleum Operations in accordance with the Law, Good International Petroleum Industry Practices, the Contract and the relevant development plan & Annual Work Program with effective from 03rd April 2025."*
- Further, as states above, in Clause 4.2.14 of the PEC, "as is where is" includes Fixed Assets only.
30. ONGC had no operational control over the workover activities. ONGC further submits that at the time of the blowout incident, the well was entirely under the operation and control of the Contractor. The Contractor's own response to APPCB dated February 4, 2026 (referred to in the Stop Production Order) acknowledges that DESL was "*carrying out the workover and production enhancement activities*" at the well. ONGC draws attention to the fact that in the said response, DESL has sought to characterise the operations as being conducted "*under the overall supervision and control of ONGC*", which is factually incorrect and contrary to the

terms of the PEC and the DoA, under which the Contractor assumed full operational responsibility.

31. In fact, attention is also drawn to the fact that in the Stop Production Order, where the APPCB has itself acknowledged that the perforation/workover operations being carried out by the Contractor (*emphasis supplied*) without obtaining environmental clearance from the competent authority and CTE, CTO from the APPCB and has not taken pre safety precautions before restart of well. Clearly the APPCB is also aware that the Contract Area where the Incident occurred was under the control and possession of the Contractor.
32. The contractual framework under the PEC comprehensively establishes that the Contractor exercises complete and exclusive operational control over the Contract Area, with ONGC's role being limited to that of a titleholder and licensor. The relevant provisions, *inter alia* are set out below:
- a. **Independent Contractor with Exclusive Direction (Article 29.4):** The PEC expressly provides that “...Contractor shall perform the Petroleum Operations as an independent contractor and the relationship of the Parties hereunder shall in no event be construed to be a partnership or that of principal and agent or employee or employer. The Contractor shall be fully responsible for and... shall have exclusive direction of its employees, servants, agents and subcontractors and subcontractors’ employees, servants or agents and shall direct, control, supervise, inspect and remain responsible for the manner and method of performing the Petroleum Operations.” This provision unequivocally negates any suggestion that ONGC exercised supervision or control over the Contractor’s operations.
 - b. **Sole Risk and Expense (Article 4.2.1):** Under Article 4.2.1, the Contractor is required to “conduct all Petroleum Operations at its sole risk, cost and expense and provide all funds necessary for the conduct of Petroleum Operations.”
 - c. **Conduct of All Operations (Articles 4.2.3, 4.2.9 and 4.2.10):** Article 4.2.3 obligates the Contractor to “conduct all Petroleum Operations in the Contract Area with all diligence, expeditiously, efficiently and in a safe and workmanlike manner at all times complying with Laws and GIPIIP.” Article 4.2.9 further provides that the Contractor shall undertake operations including “operation of the Contract Area, handling of all Production, processing, treatment, sampling, effluent disposal, Transportation and Handling of Petroleum to the relevant Delivery Point(s).” Article 4.2.10 extends this to all activities “necessary, ancillary and incidental” to Petroleum Operations, including project management, resource allocation, procurement, engineering, construction, commissioning, testing, training and abandonment.
 - d. **Sole Responsibility for Manpower, Safety and Permits (Articles 4.2.14, 4.2.12 and 21.3):** Under Article 4.2.14, the Contractor is “solely responsible for manpower required for any purpose to perform its obligations under this Contract.” Article 4.2.12 requires the Contractor to appoint a manager responsible for “safety and environment protection during the Contract Period.” Article 21.3 mandates the Contractor to “apply for and... obtain and maintain in force throughout the Contract Period all permits required by the Law,” and expressly provides that any cooperation by the Owner “shall not relieve the Contractor

- from its exclusive responsibility to ensure the obtaining and maintenance of such permits in force in accordance with the Law.”*
- e. **Fire, Security and Electricity (Article 18.8):** Article 18.8 provides that “*fire & security services shall be the sole responsibility of the Contractor*” and the Contractor is required to “*take all measures under applicable laws to ensure the security of the Contract Area.*”
 - f. **Environmental Obligations and Emergency Response (Article 16.9):** Article 16.9 requires the Contractor to ensure that “*Petroleum Operations are conducted in an environmentally acceptable and safe manner consistent with Good International Petroleum Industry Practices.*”
 - g. **Insurance and Liability for Blowouts (Article 22.1.4):** Article 22.1.4 further provides that “*the liability to restore all assets and operations in the event of an accident shall solely be on the Contractor.*”
 - h. **ONGC’s Limited Role:** In contrast, ONGC’s role under the PEC is limited. The Joint Monitoring Committee constituted under Article 5.1 is expressly described as an “*advisory body*” and does not confer any operational control on ONGC.

The above provisions, read together, conclusively establish that the Contractor was the entity exercising complete and exclusive operational control, supervision and management of all Petroleum Operations in the Contract Area, including the workover operations at Well Mori#05 at the time of the Incident. ONGC’s role was limited to that of a titleholder of the mining lease and provider of downstream processing and transportation facilities. The Contractor, and not ONGC, was the *de facto* occupier of the facility within the meaning of the Water Act and the Air Act with effect from April 3, 2025 i.e. date of handover of the site.

33. In view of the foregoing, ONGC respectfully submits as follows:
- 33.1 Contractor’s sole operational responsibility: The blowout occurred during workover operations conducted exclusively by the Contractor using its own equipment and personnel and through its logging/perforation sub-contractor (M/s Schlumberger) engaged by the Contractor. The workover plan was prepared by the Contractor’s MDT and was not shared with ONGC, and ONGC had no direct operational involvement in the activities that precipitated the Incident.
 - 33.2 Jurisdictional responsibility: ONGC submits that any regulatory action, if warranted, ought to be directed against the entity exercising actual operational control over the activities that led to the Incident, i.e., the Contractor. In the present case, the workover operations were conducted entirely by the Contractor using its own equipment, personnel, and sub-contractors, without any direct operational involvement of ONGC.
 - 33.3 Contractual allocation of liability: The PEC places comprehensive accountability on the Contractor for conducting all Petroleum Operations in the Contract Area with due diligence, expeditiously, efficiently, and in a safe and workmanlike manner at all times, complying with applicable laws and GIPIP. ONGC submits that the Board should take cognisance of the fact that even though the operations were the responsibility of the Contractor and were being

conducted entirely under its supervision and control, ONGC, due to its prompt response, could control the blowout in a record time of five days in a safe and controlled manner.

- 33.4 Environmental Clearance and Statutory approvals: The well was originally drilled in 1993–1994, prior to the EIA Notification regime of January 27, 1994. Environmental clearance was neither applicable nor legally required at the time of original drilling and testing. Further, the Ministry of Environment and Forest accorded Environmental Clearance for ONGC’s existing oil and gas fields in Andhra Pradesh. The original petroleum mining lease for the Mori-5 area was issued on March 18, 1998 and has been renewed multiple times. Significantly, the PML Renewal 2022, expressly accepted ONGC’s rationale for not obtaining CTE and CTO, noting that Environmental Clearance was not required under the 1994 EIA Notification. Accordingly, it is conclusively established that ONGC has been in full compliance with all applicable environmental and statutory requirements. Further, following the handover of the field to the Contractor under the PEC on April 3, 2025, the obligation to obtain and maintain all statutory approvals rests exclusively with the Contractor. Any non-compliance in this regard is attributable solely to the Contractor’s default.
- 33.5 ONGC’s emergency response: Notwithstanding the absence of operational control, ONGC intervened immediately, deployed its CMT and well-services resources, controlled the well on January 10, 2026 by pumping mud of specific gravity 1.65 and fitting a 13-5/8” blind ram BOP, and ensured that there was no loss of life or injury. ONGC simultaneously engaged a NABL-accredited agency for ambient air, water and noise monitoring from the date of the Incident itself, with continuous monitoring at distances of 0–500 metres and 500–1,000 metres from the well site through January 11, 2026.
- 33.6 Investigations: A corporate inquiry committee constituted by the Office of the Executive Director – Chief HSE, New Delhi, has completed a detailed investigation. Its findings establish that the Incident was caused by primary and secondary well-control barrier failures attributable solely to the Contractor, including: (i) use of 1.21 SG CaCl₂ brine in lieu of fluid of approximately 1.66 SG equivalent during perforation of a known over-pressured gas-bearing zone; (ii) deployment of a 7-1/16” 5M BOP stack without a Blind Shear Ram, contrary to OISD-STD-174 and the Contractor’s own FDEP commitment to use an 11” BOP with Blind Shear Ram; (iii) non-testing of the BOP stack after subsequent nipple-up cycles; (iv) non-connection of the trip tank during perforation; (v) selection of conventional wireline perforation instead of TTP/TCP for a gas-bearing zone; and (vi) the MDT’s preparation of the workover plan without incorporating WCR/FER data on formation pressure and the over-pressured zone, and without sharing the plan with ONGC. The full inquiry report can be furnished to the Board.
- 33.7 Safety record: It may be pertinent to point out that in the last 20 years, ONGC’s operations in the Krishna-Godavari Basin have been without any similar incident, which amply demonstrates ONGC’s commitment towards safety, the robustness of its adopted standards and practices, and the adequacy of personnel training and equipment standards. Safety is accorded topmost priority by the management of ONGC and is monitored at the highest level of the organisation. The organisation follows all applicable environmental laws, statutory requirements, OISD guidelines, DGMS standards, and GIPIP. ONGC has in place a comprehensive well control and emergency management system, Disaster Management Plan, standard operating procedures for each operation, and follows industry-accepted best safety practices. ONGC’s safety systems are regularly audited by external agencies such as DGMS and OISD, along with stringent cross-Asset internal safety audits. ONGC follows fire protection and emergency management systems

in accordance with applicable OISD standards, including OISD-STD-189 and other relevant guidelines issued for upstream oil and gas installations.

- 33.8 Compliance with the Stop Production Order: Reply to the Stop Production Order has already been submitted by ONGC vide letter dated May 21, 2026. As directed by APPCB in the Stop Production Order, no production or any other activity is being undertaken at Mori#05, and the same has been communicated to DESL and DIL in clear and unequivocal terms. Presently, the well has been subdued with a BOP capping, continuous monitoring is being done, and no pressure has been observed in the well. However, for safety reasons, the well needs to be abandoned as per the SOP and as per OISD guidelines. Any future activity towards this shall be undertaken only in compliance with applicable law and with prior intimation to, and approval from, the Board.
34. In summary, the blowout is attributable entirely to the gross negligence of the Contractor in the conduct of workover operations. ONGC has at all material times acted with diligence and dispatch in responding to the emergency, mitigating environmental harm, and cooperating with the Board. Accordingly, it is submitted that no further action in terms of the Prosecution Notice be taken against ONGC and Prosecution Notice against ONGC may be withdrawn/recalled
35. In view of the foregoing submissions, ONGC respectfully requests the Board to:
- 35.1 Withdrawal/Recall of Prosecution Notice: Withdraw/Recall the Prosecution Notice, as ONGC has demonstrated that it was not in violation of any statutory requirements and the workover operations that led to the Incident were conducted exclusively by the Contractor;
- 35.2 Direction of Prosecution Against Proper Party: If the Board is of the view that prosecution is warranted, ONGC requests that such prosecution be directed against M/s Deep Industries Limited and/or M/s Deep Exploration Services Pvt. Ltd., being the entities that exercised actual operational control over the workover activities at the time of the Incident;
- 35.3 Personal Hearing: Grant ONGC an opportunity to be heard in person before any final decision is taken on the proposed prosecution.

Accordingly, ONGC states that it has been in compliance with Water Act, 1974 and Air Act, 1981. Our existing as well as the proposed wells were covered under the provisions of EIA Notification 2006 through our Environmental Clearance of 2008. Hence, it is requested that the Prosecution Notice be withdrawn/recalled and ONGC should not be proceeded against.

36. ONGC remains fully committed towards environmental protection, statutory compliance, safe operations and any further directions from the Board shall be complied with. ONGC assures the Board of its fullest cooperation in this matter and undertakes to furnish all information, documents, and reports as may be required by the Board.
37. Nothing contained in this reply shall be construed as an admission of liability, nor is it intended to waive, restrict, or limit any rights, remedies, claims, or defences available to ONGC under the Contract, applicable law, or equity, all of which are hereby expressly reserved. ONGC's present submissions are without prejudice to any and all rights and remedies that ONGC may



have or may seek to exercise against the Contractor or any other party in connection with the Incident.

Yours faithfully,

For and on behalf of **Oil and Natural Gas Corporation Limited**


26 MAY 2026

[Asset Manager- Rajahmundry ONGC]

Annexure - XII



ANDHRA PRADESH POLLUTION CONTROL BOARD

APIIC Colony Road, Gurunanak Colony, Autonagar,
Vijayawada- 520007 Phone. No.0866-2463200,
Website: <https://pcb.ap.gov.in/>



Order. No. 126/APPCB/HO/ECS/KKD/2023-

Date:21-06-2026.

Sub: APPCB - HO - ECS - M/s. ONGC Well Mori-5, Irusumanda (V), Malkipuram (M), Dr. B.R. Ambedkar Konaseema District – Blowout and fire incident occurred on 05.01.2026 – Review by Monitoring (TF) Committee in its meeting held on 08.04.2026 – Constitution of Committee – Reg.

- Ref:**
1. Blowout and fire accident occurred in the well Mori-5 on 05.01.2026.
 2. RO, Kakinada Show Cause notice to M/s. ONGC & M/s Deep Industries Limited on 06.01.2026.
 3. M/s. ONGC reply letter dated 16.01.2026.
 4. RO, Kakinada report dt.24.01.2026.
 5. Monitoring (TF) Committee Meeting held on 08.04.2026.
 6. Memo No. 126/APPCB/HO/ECS/KKD/2023- Date:23-04-2026

A blowout followed by a fire accident occurred on 05.01.2026 at ONGC's Mori-5 well in Irusumanda Village, malkipuram (M), Dr.Br.Ambedkar Konaseema district during perforation/workover operations by the PEC operator, M/s.Deep Industries Limited. It was reported that the operations were conducted without obtaining mandatory Environmental Clearance and Consent to Establishment/Operation from APPCB, and without adequate safety precautions. The site is surrounded by agricultural lands, a nearby water body, and habitations within 200–350 meters.

The Board reviewed the status of the industry during the Monitoring (TF) Committee meeting held on 08.04.2026. During the review, the Committee noted that M/s.ONGC Well Mori-5 was operated without obtaining mandatory environmental clearances and consents. Further noted that, a case was filed before the Hon'ble NGT (SZ), Chennai by Sri Venkatapati Raja Venumala on the incident of gas blow out at ONGC well Mori-5. The case is numbered as OA No. 20 of 2026 (SZ) and heard on 11.02.2026 for admission. The matter is further listed on 25.06.2026.

After detailed review, the Committee recommended to issue Stop Production Order to the facility and also, to compute Environmental Compensation in accordance to CPCB guidelines for the environmental damage caused due to the incident. Accordingly, the Board issued Stop production order to the industry on 23.04.2026 and issued notice prompting for prosecution of the occupier for the violations to environmental regulations.

In accordance to committee recommendations, a committee with the following officials is constituted to immediately inspect M/s. ONGC Well Mori-5, Irusumanda (V), Malkipuram (M), Dr. B.R. Ambedkar Konaseema District to evaluate the environmental damage caused due to blowout followed by fire accident occurred on 05.01.2026-

1. Dr. Ambati Sheshagiri Rao, IPE, Visakhapatnam (Member of Monitoring (TF) Committee, APPCB).
2. Sri S Shankar Nayak, JCEE, APPCB, ZO, Visakhapatnam.

3. Smt. I. Surya Kala, EE, APPCB, RO, Kakinada.

The Committee is to identify remediation and restoration measures to be implemented; Assess the environmental damage caused using primary & secondary data from stake holder departments and to estimate appropriate environmental compensation to levy on the industry duly following scientific methodology prescribed by the CPCB. The Committee may also take assistance of any other domain experts, if required to assess the environmental damage and to compute Environmental Compensation in the above matter.

The committee shall furnish a detailed report with specific findings and assess the environmental compensation for the damage caused due to incident **within 2 weeks**.

The JCEE, ZO, Visakhapatnam shall provide necessary logistics and coordination for conducting the inspection and submission of the report.

S SRISARAVANAN, I.F.S
MEMBER SECRETARY

To
All the individuals.

Copy to:

1. The CEE, APPCB, HO, Vijayawada for information.
2. The JCEE, APPCB, ZO, Visakhapatnam for information and necessary action.
3. The EE, APPCB, RO, Kakinada for information and necessary action.