



Sui Northern Gas Pipelines Limited

# sng

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## FLOOD RELIEF ACTIVITIES SNGPL offers whole hearted support

Recent floods across the country have affected more than 4 million Pakistanis. More than 1400 have lost their lives, thousands of houses have been washed away and crops on thousands of acres have been destroyed. SNGPL being a responsible corporate entity extends its full support to its fellow countrymen in this time of distress. The Management and employees of the Company contributed their two days gross salary, a sum of Rs. 17 million, to the Prime Minister's Flood Relief Fund. In addition to that, SNGPL has established a Flood Relief Cell to help the needy flood affected people and dispatched boxes of dry food, water, juices and other eatables to around 500 effected families in Punjab and Khyber Pakhtoonkhwa as a first lot. The medicines were also dispatched in anticipation of the different diseases in the effected areas. The senior management and employees forwarded the boxes to the Army Relief Camp for onward provision to the flood affected people.

The Company made a commitment to send food items to affected people on regular basis with the financial help of its employees. All employees of SNGPL express solidarity with their brothers and sisters in this time of agony and assure them of their full support in this difficult time.

Imtiaz Mehmood (DCS)

## SNGPL Flood Relief Activities



## Sui Northern Gas Pipelines Limited - An EPC Contractor, A Vision, A New Horizon

Apart from rendering meritorious services for the nation by providing natural gas to every door step by optimally employing technological and organizational resources, SNGPL has also emerged as an Engineering Procurement Commissioning (EPC) contractor in pipeline infrastructure development which is in line with its vision to become leader in the natural gas industry. The Company has substantial potential to progress its way up in the market as an EPC contractor and in the recent years SNGPL has undertaken and completed various contract projects related to pipeline engineering & construction of multinational and national companies operating in the country. Most of the contracts have been awarded to SNGPL on negotiations or single bid basis which shows trust in the high standards of construction maintained by SNGPL. The Company proved its expertise and established that it is second to none in terms of fulfilling its commitment and work quality. The challenges in the market continue but we look at them as opportunities to make ourselves better. SNGPL has been undertaking contract jobs of MOL Pakistan, OGDCL, ENGRO Fertilizer Limited, Engro Energy Limited, Fatima Fertilizer, SSGC etc. for the last 2-3 years. Brief insights of Company's EPC activities in these jobs are as under.

### 1- MOL Pakistan Oil & Gas Co.B.V

(An oil/gas exploration Hungarian company) as the operator of the TAL exploration block in the Khyber Pakhtoonkhwa, District, Kohat is developing various gas gathering systems for the production and sales of natural gas from different gas fields like Manzalai, Makori, Mamikhel, Maramzai, Tolanj and Mardankheil. In 2008, MOL Pakistan had awarded SNGPL the project laying of 52 KM gas gathering system comprising Trunk / Flow lines, valve assemblies and Fiber Optic Cable (FOC) of worth Rs. 387.250 million. SNGPL has laid FOC for the very first time in the history of Company for any gas pipeline project. This job was very challenging as the conditions at site were very tough with respect to its terrain and local involvement of people. Despite all these impediments, the Company completed the job successfully for which MOL in recognition of its services not only appreciated SNGPL but further awarded the construction of gathering system



Rock breaking

in 2009 comprising 8" dia x 14 Km long Mamikhel-1 flow line, 12" dia x 23 KM long Maramzai-1 flow line, 7 KM long Manzalai-3 flow line & well head surface facilities, and laying of FOC having total worth of Rs. 473 million. MOL has now further desired to enter into a five year contractual relationship with SNGPL and have suggested to sign blanket service contract in this respect which itself speaks of the trust of market players in the highest standards of SNGPL. The action in this regard is under way. Besides above, MOL also awarded SNGPL the job of construction of Makori-3 feeder line which comprised fabrication of 1200 inch-dia weld joints at Makori field of worth Rs. 8 million to the company by completion of this job 20 MMCFD gas has been added into our network. SNGPL completed this job in a record time of three weeks. In recognition of fast track completion of the job MOL appreciated SNGPL for its efforts and high professionalism. Lately MOL have awarded SNGPL the Engineering and construction work of 8" dia x 9 KM Manzalai -8 flow line and laying of FOC of worth Rs.104.400 million for which survey activity has already been initiated.



Excavation



Trenching



Stringing

# 04



Granular filling & Compaction



Steel fixing



Concrete foundations for compressor cooler unit

## 2- Oil & Gas Development Company Limited (OGDCL)

OGDCL being larger Oil & Gas exploration company and one of the major contributor in oil gas exploration and other related activities in Pakistan. OGDCL planned to set up a compression facility involving erection and installation of 14 No. compressors at Qadirpur gas field. The project scope was huge as it envisaged civil works like foundation of compressors and coolers, installation of compressors, fabrication and erection of piping, Electrical and Instrumentation works etc. The total cost of the project was Rs. 700 million. The project was highly important and strategic in nature as the realization of this project has to bring forth additional 100 MMCFD gas into SNGPL'S network. The early completion of this project was even more important keeping in view already scarce supply of gas in the system. In December 2009, OGDCL invited SNGPL to undertake project and complete in a total time span of just nine months. SNGPL accepted this challenge in the national interest and completed about 70% of the job in effective time span of six months. SNGPL proved its worth and uphold its esteem in working on contract jobs. In March 2010 OGDCL had also awarded the project of laying of 8" dia x 6 KM pipeline from Nashpa well to its CPF plant and onward to SNGPL's injection point near Kohat of worth Rs. 50 million bringing 15 MMCFD gas to SNGPL's system. SNGPL has completed and commissioned the job in five weeks time.

## 3- Fatima Fertilizer Limited (FFL)

FFL who have established largest Ammonia-Urea Fertilizer plant near Sadiqabad approached SNGPL in year 2008 for laying of 20" dia x 45 KM gas pipeline from Mari gas field to Fatima Fertilizer plant and 28" dia x 12 water line on EPC basis. SNGPL and Fatima inked a contract in this respect for a value Rs. 345 million. SNGPL completed this job in a record time for which Fatima Fertilizer appreciated its efforts for the expeditious completion of job

## 4- Engro Fertilizer Limited/ Engro Energy Limited

SNGPL have also rendered its EPC services for Engro Fertilizer Limited and Engro Energy Limited in respect of laying of 20" x 37 KM long gas pipeline from Qadirpur to Engro Fertilizer plant near Dharki and 16" x 3.3 KM gas pipeline from Qadirpur to Engro Energy plant near Ghotkey in the year 2009.

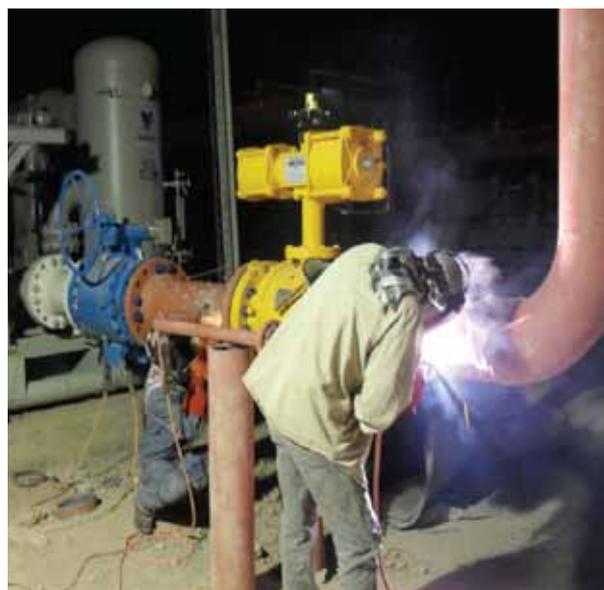
## 5- Sui Southern Gas Company (SSGC)

M/S SSGC have recently awarded SNGPL the job of three layer PE coating of 800 KM linepipe of 8"/6"/4" diameters of worth Rs. 569 million. The coating work at our coating plant is in progress.

Mr. Imran Yousaf, CE (CP&D)



Installation & Errection of Compressors



Shop Fabrication



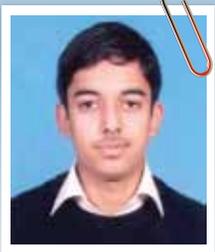
Compressor cooler unit

## SNGPL, A STEP FORWARD IN QUALITY MANAGEMENT

SNGPL is one of the leading gas Company in the EPCC business working in the field of pipeline infrastructure development. The Company is in the pursuit of excellence in quality, HSE and expertise in the field of pipeline engineering and construction. In today's competitive world where sustaining the progress has become quite difficult for a company not adhering to requirements of evolving business needs, professional competence and international accreditation. SNGPL has emerged as a Company whose name in the market is reckoned to be a major market player in the field of oil & gas sector. In a bid to adapt itself with the contemporary business needs, SNGPL has recently embraced ISO 9001: 2008 certification for " Planning, Design, Procurement and Construction of Cross Country Pipeline Projects" in addition to its already acquired certifications of ISO 9001: 2000 certification for " Design of coating and Coating of steel pipes, ISO 14001:2004 (Environment Management System) certification, OHSAS 18001:200 (Occupational Health & Safety Management System) certification and EN ISO 9001: 2008 Certification for Inspection of meters / EVC's, flow proving / calibration of meters / EVC's by using standard equipment and repair maintenance of meters / EVC's

All the above certifications acquired by SNGPL are likely to enhance its productivity with quality and would stand out from its competitors in EPCC business.



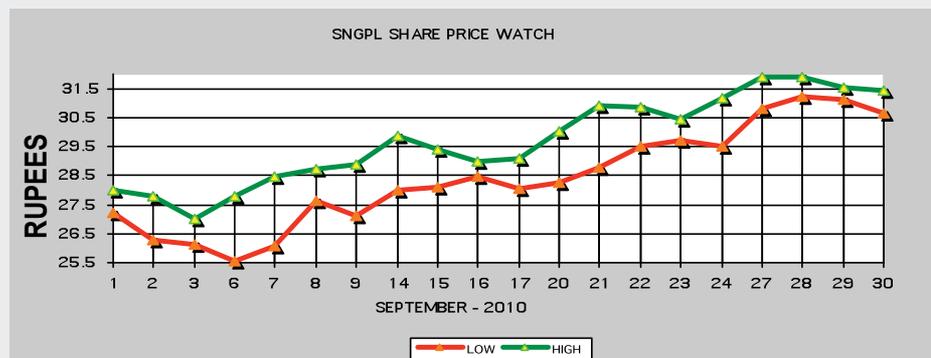


### High Achiever

Mr. Umer Shahid s/o Mr. Muhammad Shahid Hussain Siddiqui (Senior Officer Procurement) has secured 1006 / 1100 marks in F.Sc. Pre-engineering and obtained 5th position in G.C. University.

## SNGPL Share Price Watch September 2010

Rate / Rs				
Period	Opening	Closing	High	Low
1st & 2nd WEEK	27.98	28.50	28.90	25.55
3rd WEEK	28.50	28.93	29.85	28.00
4th WEEK	28.93	30.99	31.15	28.25
5th WEEK	30.99	30.86	31.90	30.65



## UFG Special Task Force HSE Department Set An Example of Professional Commitment

As per Management directives a UFG-C Special Task Force has been established by HSE Department comprising of executives and staff. UFG-C Special Task Force started its activities w.e.f. 3rd June, 2010. Industrial / Commercial Consumers have been checked at Mughalpura, Baghbanpura, Shadipura, Mahmood Booti, Shahdara, Shiekhupura Road, Muridkay and Manga Industrial Estate, Lahore Region. In 280 raids conducted so far, 99 Nos. Direct By-Passes, 17 Nos. Contract violation cases and 164 Nos. suspected tampered meters have been detected and removed by UFG-C Special Task Force. Detection / Evaluation Committee of Distribution Department evaluated gas volume of about 3.314 BCF amounting to Rs. 1697.88 Millions on the basis of cases detected by UFG-C Task Force. On 06.07.2010. Members of UFG-C Special Task Force set an example for professional

commitment and courage to protect the interest of the Company without caring their lives during a surgical strike which was executed at Sheikhpura Road at a suspected gas theft industry. Upon verification of violation of terms and conditions of gas sales contract, the Task Force proceeded to disconnect the gas supply. Upon seeing this state of affairs, the factory owner summoned his 30-35 armed personnel and categorically ordered them to "detain", "capture", "attack" and "kill" the members of Task Force without sparing anyone. Upon hearing his orders, the armed personnel surrounded the team and snatched the weapons and valuables from the guards accompanying the team and started beating them in a most ruthless, callous and barbaric manner with rods, bricks, batons and rifle butts. As a result of this onslaught, the team sustained serious injuries, despite of this



UFG Special task force



Special task force leaving for Operation





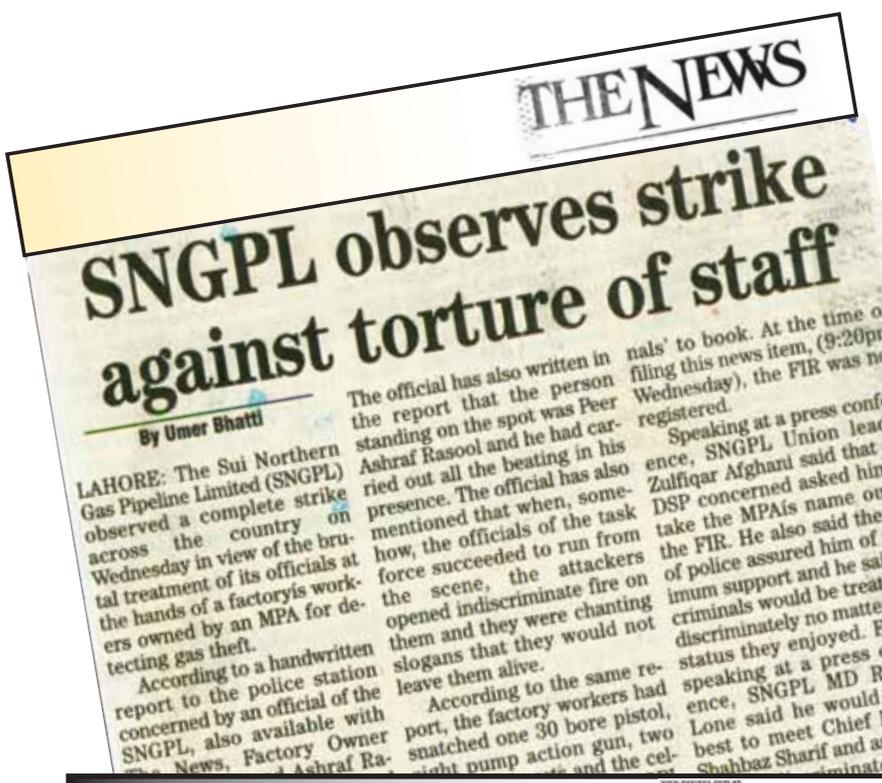
offensive continued and the team was forcefully detained in the premises on the instructions of factory owner. Upon police intervention the team managed to escape from the premises and reached nearby hospital for initial treatment and later on serious injured persons were admitted in various hospitals for further treatment. 17 team members got injuries during this unfortunate incident.

The next day a strike was announced from Sui to Peshawar by the CBA as a protest and to show the solidarity with the injured employees. The incident was also highlighted in the electronic and print media. On Wednesday, July 07 2010, SNGPL Managing Director Rashid A. Lone held a press conference to condemn this behavior from those who are expected to set examples of civic responsibility. The MD has reinforced the seriousness of gas theft and reiterated that those involved would be heavily fined and if found guilty a second time would permanently lose their gas connection. He also stated that if any SNGPL employees were found to be collaborators in any scheme to pilfer gas, they too would be prosecuted and relieved of their employment.

The CBA and Officers Association of SNGPL have also condemned the incident and have demanded prosecution against the gas thieves. By taking above serious steps by the higher Management of SNGPL, FIR was lodged against the owner and employees of the factory after which a compromising settlement developed between the two parties as the owner of the factory apologized to the UFG-C Special Task Force.

Moreover, the Board has also viewed this act very seriously and as token of recognition of the services rendered by the Task Force, beyond the call of duty, and to motivate the employees of the Company, the Board approved a payment of Rs. 200,000/- to each member of the team who was hospitalized due to sever injuries, Rs100,000/- to each member of the team who received Outdoor Patient Treatment for minor injuries and Rs. 50,000/- to all other members of the Task Force.

It is altogether an incident to be regretted that the performance of duties should be met with such aggression and that too, from those who should instead be setting standards of behavior for the nation to follow.



## “COALBED METHANE AND ITS ENVIRONMENTAL IMPACT”

Coalbed methane is a gas that occurs in association with coal. Methane is locked in coal by the water in cleats and is usually undetected by conventional gas-well drilling technology. There are methods like drilling before mining & horizontal drilling, which can be used to extract gas from coal seams other than conventional drilling. To release gas from the coal beds, large quantity of water has to be pumped out. The quantity of water in coal seams varies from basin to basin. Coalbed methane wells generally require much denser spacing than conventional gas wells. It is estimated that Coalbed methane wells can be in operation upto 40 years as compared to conventional gas wells that tend to be exhausted after 25 years.

The basic steps involved in the production of coalbed methane are as follows:

- 1.** Exploration is carried out in order to identify where coalbed methane deposits may be found. This could include seismic testing, whereby land is cleared in order to drill a line of seismic holes to set off dynamite charges or use mobile machinery to set off vibrations to determine the location of underground coalbed methane gas.
- 2.** Initially a small number of wells are drilled to determine whether coal bed methane project is technically and economically viable. If test results are positive, then feasibility for 20 to 40 wells is undertaken. If still tests are positive, then production phase is started and more wells are drilled.
- 3.** The coal seam is required to be dewatered for removal of water from coalbed methane. Then coal seam is fractured to obtain coalbed methane. Coalbed methane that comes up during the feasibility stage and during dewatering at a later stage, is usually ignited or flared in order to assess that there is enough gas to make project economically viable. Coalbed methane wells are likely to be flared for longer period than the conventional gas wells.
- 4.** The flow of coalbed methane must be steady, if the operation is to be commercially successful. If the well shuts down for any reason, water will collect on well bore and there will be a requirement to dewater it again to get coalbed methane.
- 5.** Coalbed methane is piped to compressor station to boost up its pressure and from there it is piped to ultimately in high pressure transmission pipelines that carry it to energy markets. Pipelines and compression facilities are normally developed during production phase.

### **Following are some of the nvironmental issues related to the production of coalbed methane.**

- 1.** Coalbed methane projects can involve hundreds of wells, with each requiring individual road access. Such concentrated development will have long-term impact on future use and enjoyment of the land for communities as well as for nature.
- 2.** The produced water during dewatering process is often saline and may contain heavy metals that can have long term effects on aquatic ecosystems, depending on disposal practices. This water is not appropriate for irrigation or other uses. Deep well reinjection is the only best industrial option for disposal but it is most costly to implement.
- 3.** Flaring of fossil fuels during dewatering releases a large number of chemicals in air, which are carcinogenic and have been known to impact human health.
- 4.** Compounds used for fracturing coal seams are toxics and can travel along the cracks during fracturing process and may contaminate ground water and drinking water sources.

## Leadership Qualities Essentials in the Present Day Environment

“Mr. Inam-ur-Rahman (Director) delivered a truly enlightening lecture at SNGTI on the topic “Leadership Qualities Essentials in the present Day Environment”. The lecture was graced with the attendance of the MD Mr. Rashid Lone along with the Executives of Top Management. Mr. Inam very enthusiastically unveiled his experience and communicated invaluable information on the topic. The seminar was very interactive, thought provoking and engaging.

The speaker elucidated on the trends in leadership and change. He deliberated at length on different aspects of leadership in relation to the top Management’s role in the organizational development. He stressed strong moral conduct, ethics, and integrity as necessary pre-requisites for leadership. He emphasized that leaders are not born but are made with conscious effort through proper grooming in a conducive environment. Mr. Inam also carried the participants along with his ideas by taking inputs from them thus making the seminar a very cordial and interactive.

Mr. Inam along with the Mr. Adul Rasheed Lone (MD), and Mr. Hasnat (DMD operations) especially visited the workshop at SNGTI. The top Management was apprised on the working and training improvements at SNGTI by the GM Training Mr. Sajjad A. Minhas. Mr. Inam emphasized on improving the training facilities at the workshop and was happy to know that SNGTI has been approved by City

and Guild, UK, as a certified training Facility for the English language and will also be accorded certification in the Technical training by them as well.

The MD very categorically stated to develop the infrastructure of SNGTI and advised to initiate a sanction of Rs. 20 million to build the hostel facility. He and the DMD operations also gave valuable advices to install and use state of the art tools and techniques required for training regarding Compression and Corrosion Control departments. Further, they also emphasized on the specialized training of the field staff.

The seminar ended with a note of thanks by the MD to Mr. Inam and the former also presented a souvenir to the Director HRC. The MD in the closing note endorsed the importance of leadership in the modern times and encouraged SNGTI team to arrange such insightful lectures in future also.



## SNGTI AS CITY & GUILDS APPROVED CENTRE

“The road to excellence is always under construction”. This adage speaks volumes of SNGPL’s commitment to its vision & values. You will be all pleased to know that SNGTI (Sui Northern Gas Training Institute) has been certified as an approved training centre of City & Guilds UK which is one of the world leading vocational certificates awarding body. In addition to having developed its own centers for imparting vocational skills in variety of areas, City & Guilds also register training facilities that match its standards to impart its qualifications. SNGTI has been certified to offer City & Guilds international qualification ENGLISH LANGUAGE Course Code, 8984, 8985, 8959, 8960, 8962, 8969, the details of these course code are as follows,

8984 International English for Speaker of Other Languages.

8959 English for business communication - (certificate-Level I).

8960 English for Official Skills - (certificate-Level I).

Having attained the status of City & Guilds Approved Centre, SNGTI will be conducting these courses as per syllabi of City & Guilds and the participants will have opportunity to receive the certificate from City & Guilds after appearing in its exams by paying nominal examination charges.

The certificate in original issued by City & Guilds (UK) -an accreditation body for Vocational, Managerial and Engineering Training, London through Work Force Development International Private Limited for proper display in the Company’s Board Room.



## Eid Milan Party at SNGPL Head Office



The glimps of Eid Milan party at SNGPL Head Office

## SNEOA TAKES OATH

The prestigious event of Oath Taking Ceremony of newly elected members of SNEOA took place on Monday, August 30, 2010 in the Company's Boardroom. The oath was administered by Mr. Abdul Qayyum, Chairman Election Committee/Incharge (Legal) and the ceremony was graced by the presence of Deputy Managing Directors, Senior General Managers, General Managers and Chief Officers. Qaiser Masood, General Secretary, Shahid Maqsood, Joint Secretary, Kashif Minhas, Finance Secretary, Ghulam Afzal, Social Secretary and the six Executive members naming Shahzad Ahmad Awan, Muhammad Waqas Ejaz, Inam Ullah

Khan Yousafzai, Azhar Hussain Khokhar, Farooq Ali and Imran Ahmad Khan took the oath:

The General Secretary thanked respectable DMDs, SGMs & GMs and Chairman Election Committee for gracing the prestigious event and also for their support and patronage for the SNEOA in order to achieve collective benefits for the executives. The General Secretary highlighted the importance of SNEOA being representative body of all SNGPL executives which promotes sense of mutual understanding and goodwill amongst its members and strives for their collective interest.



Mr. Abdul Qayyum (I/C Legal) taking oath from SNEOA Elected body

## Health, Safety & Environment

### 2nd National Conference on “Fuel and the Environment” at Institute of Chemical Sciences, University of Peshawar, Summer Campus, Baragali.

The Institute of Chemical Sciences, University of Peshawar organized the 2nd National Conference on “Fuel and Environment” scheduled from 23-27th July, 2010 at Peshawar University, Summer Campus Baragali. This conference was sponsored by SNGPL.

Objectives of the Conference are:

1. To promote an efficient utilization of our indigenous fuel resources such as petroleum, coal, natural gas, biogas, bio fuels and fuel wood.
  2. To find ways and means to control environmental pollution due to combustion processes. Motor vehicles and thermal power generation units are the major sources of environmental pollution.
  3. To promote use of environmentally clean renewable sources of energy like solar energy, bio-fuels, bio gas, bio-diesel etc as to supplement the diminishing fossil fuel resources.
  4. To highlight environmental degradation due to the rapidly growing consumption of fossil fuels.
- The conference provided a forum for discussion and exchange of views for scientists working in academic and research institutions, petroleum exploration, distribution, and utilization companies as well as agencies involved in environmental issues.

Papers and Journals on various topics of Environment and utilization of indigenous fuel resources were shared by the speakers and posters were displayed by the Ph.D Scholars of the University.

It is pertinent to mention that Chief Engineer (D), SNGPL was honored to be the Chief Guest of the conference in the closing ceremony on 27th July, 2010. Shields were distributed by the Chief Guest to the speakers. Director Institute of Chemical Sciences, University of Peshawar presented shield to SNGPL.



Mr. Ashraf Nadeem CE (D) SNGPL

## RETIREMENTS



Mr. Abdul Rashid Lone (MD) Bidding Farewell to Mr. M. Basit SGM CS/Comp.



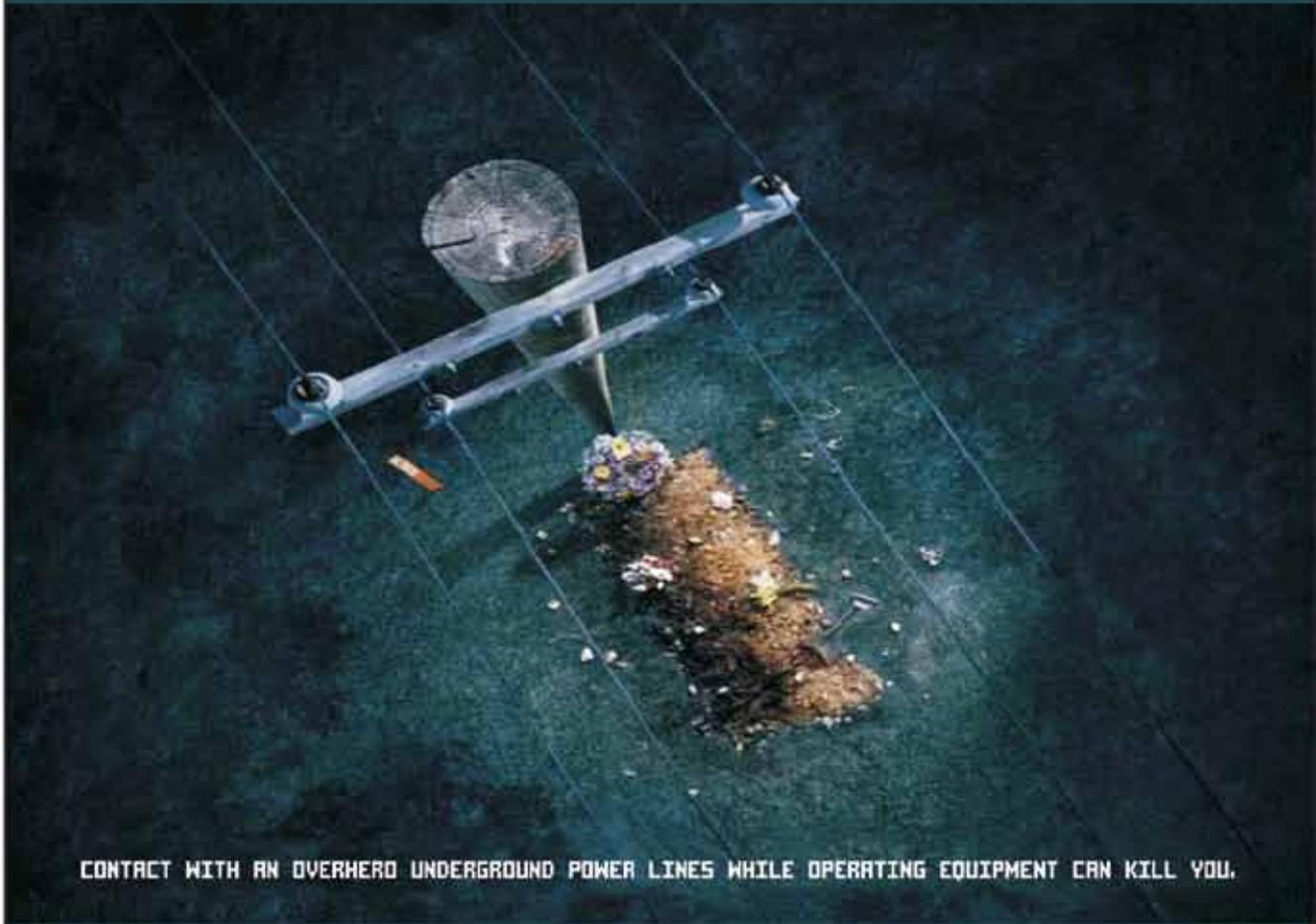
Mr. M. Arif Latif (SA to MD) Bidding Farewell to Mr. Ibrar Ahmad DMD/SA to MD



Mr. M. Arif Hameed SGM (CSS) Bidding Farewell to Mr. M.A. Shahid (Officer Procurement)

# Be aware of overhead/underground power lines while line pipe handling operations.

In a split second, a day at work can turn deadly. Always be aware of overhead/underground power lines when operating equipment.



## Health, Safety & Environment Department



**SUI NORTHERN GAS PIPELINES LIMITED**

21 Kashmir Road, Lahore. Ph:99201451-60 Fax: 99201317  
[www.sngpl.com.pk](http://www.sngpl.com.pk)