
RUSSIAN FEDERATION STATE EVALUATION OF EXPLORED RESERVES AS AN ECONOMIC AND GEOLOGICAL ENFORCEMENT FOR MEETING ECOLOGICAL REQUIREMENTS FOR THE DEVELOPMENT OF NATURAL FUEL AND RAW MINERAL DEPOSITS

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SUMMARY

The following is a brief overview of the current economic and ecological peculiarities of Russia. Data on the structure of Russian Federation Ministry of Ecology and Natural Resources and its activities are also provided.

Geological and Economic Expertise for Explored Resources is viewed as an enforcement means for ecologically applicable subsurface development by the relevant users.

1 INTRODUCTION

For about 60 years preceding the mid-'80s the economy of Russia (as an integral part of the economy of the USSR) was ruthlessly planned by central government.

In the mid-'80s the economic system began to show signs of slow and piece-meal reconstruction.

The economic disproportion, which had been building up for years, surfaced early in the current decade as an economic slump characterized by unmistakable hallmarks, such as:

- Reduced growth rate in the manufacturing industries.
- Pricing distortions and inflation.
- Fewer reliable sources of financing.
- Social distortions.
- Grave environmental problems.

The transition to a democratic form of government and to a market-driven economy paved the way to eliminating the above negative trends. The foregoing is a backdrop against which the current environmental problems should be viewed and some forward-looking environmental strategies should be formulated by Russia.

2 BRIEF OVERVIEW OF ENVIRONMENTAL CONDITIONS

The Ministry of Environmental Protection and Natural Resources of the Russian Federation (Attachment 1) and its 89 local divisions are government agencies duly authorized to deal with environmental issues.

The Russian Ministry of the Environmental Protection and the local environmental protection agencies representing Russia's administrative territories are working to implement the following objectives:

- To integrate management and control processes while recognizing the environmental and economic concerns of the people, to prudently use available natural resources; to develop and enforce norms and standards for load levels on the environment.

- To coordinate efforts in the area of environmental protection and conservation of mineral and other resources.
- To conduct an integrated policy in science and technology.
- To improve the economic, legal, and administrative mechanisms.
- To assess commercial projects for environmental safety on behalf of the government, to maintain environmental security and ecological monitoring.
- To manage Russia's natural reserves (a total of 76 reserves, sanctuaries, and parks), to keep the "Red Book" - the Russian roster of endangered species.
- To assess and predict the quality of the environment, the availability of natural and mineral resources, and biosphere processes.
- To develop, improve, and prudently use monitoring facilities, such as 1,200 monitoring stations in more than 330 cities - to monitor atmospheric pollution.
- International cooperation.

No economic or social reform can do without compliance with a definite set of ideas and values.

For the Russian Federation as a whole the most urgent problem is to clean up the environment and the human habitat from gaseous, liquid, and solid waste discharged by the industries, transport, agriculture, and utilities.

The one overwhelming priority is to clean up the areas suffering from radioactive pollution (Chernobyl, the southern part of the Ural Mountains, Altai, the Yenisei river, and 17 northern territories in European Russia, where Cesium₁₃₇ pollution covers an area of nearly 60,000 km²), with the pollution density in excess of 1 curie/km². A similar radioactivity level can be observed in the areas of "peaceful" subterranean nuclear blasts, some of which were made for the purposes of exploring for oil and gas, as well as in the burial sites of radioactive wastes.

Another priority is the pollution of sources of fresh surface and ground water; one third of all fresh water samples drawn from Russia's water basins (used for portable water supply) fail to meet sanitary standards.

Almost one third of Russia's population inhabit areas where atmospheric pollution exceeds safe standards. Add to that the depletion of forests and parks - our planet's lungs.

Other environmental concerns include the pollution, depletion, and erosion of soil, decertification, and bogging of large areas.

Environmental safety is a significant component of national security, which principle is inscribed in the law "On The Protection Of The Natural Environment".

3 ECOLOGY CONTAMINATION DURING PRODUCTION

Atmospheric and surface pollution associated with the production of oil, gas, and other materials is one of the subjects being discussed by this Conference. Wasteful production technologies result in huge annual losses of associated gas (flared at a rate of 10 billion cubic meters per year), oil, and condensate (in case of pipeline or well accidents).

Mining industries and related industries that process minerals are among the worst destroyers of the environment, they tear up the landscape, cause considerable land sites to be allocated for use as mines, quarries, development fields, production sites, dumps for barren and substandard rock, storage facilities for slime and tailings, and other structures, they pollute air, soil, surface and ground water, upset hydrogeological balance.

With the volume of mined minerals steadily growing, and doubling every 10-15 years, the need to minimize or eliminate its negative impact on the environment becomes increasingly acute, assuming global proportions and calling for emergency measures even now.

Therefore, the designing and construction of new facilities to mine and process minerals should involve environmental protection measures.

As is known, exploration of mineral deposits, approval of reserves therein and the procedure for assessing the readiness of a deposit for commercial development have been regulated by many generations of normative documents issued by the Reserve Committee and the Russian Federation Ministry of Environmental Protection and Natural Resources. Requirements for the scope of information about the deposit include data which have a direct or indirect bearing upon environmental protection, such as requirements for an integrated study of mineral resources, the study of hydrogeological and geological engineering conditions underlying the development of a deposit, the need to consider the environmental impact of deposit development, and a few other factors.

For the purposes of engineering a state-of-the-art mining facility, exploration programs should furnish sufficient information to set up a system of effective environmental safeguards, of comprehensive deposit development and integrated processing of minerals.

At present, geological and economic feasibility studies for mineral deposits, and all operations incident to their commercial development should take into consideration the following factors. The stereotype notion of strip mining being by far the best and preferred mode of mineral extraction should be re-assessed. The proportion of strip mining in all mining operations is already considerable and tends to increase. In the last 30 years it has grown from 56% to 86.6% for ferrous metal ores and from 40% to 55% for non-ferrous metal ores.

At the same time, studies have shown that strip mining, particularly the kind that uses external dumping, represents the worst impact on the environment.

The total environmental damage caused by strip mining is many times that of deep mining. However, as a result of a narrow-minded departmental approach to planning environmental programs and of biased-down budget outlays incapable of meeting real environmental needs, the above consideration is partially or totally ignored. Upon closer scrutiny the economic "benefit" (low cost) of strip mining turns out to be non-existent or inflated out of proportion, since even such biased-down environmental outlays as are factored into the design estimates are either excluded from product cost or only partially included therein.

Frequently the actual area affected by environmental impact created by a mining operation (mine, quarry) is considerably larger than the area of the deposit.

The area of the deposit under development covered by the above changes can be provisionally divided into two zones: the inner zone dominated by the processed ore and ground water extraction, and the outer zone towards which mine water and eolian transfer tend to move.

Within the INNER ZONE the tension of massive rock changes, slides and slumps occur, river run-off decreases. It is this zone that should determine the shape and size of the site allocation.

The OUTER ZONE functions as a receptacle for substances mined from the subsurface, soil and surface water get contaminated by dust and mine waste water, underground water balance gets upset, swamping takes place, with a result that bogged areas become unfit for commercial use, forest productivity deteriorates as a result of swamping, "burns" by acid mine water, dust pollution of air, transport of fine mineral dust from the surface of dumps. All chemicals from the inner zone settle down on landscape features.

Some of the more important factors include the production technology, waste disposal patterns, the physical and geographical situation, hydrogeological conditions, etc. The size and configuration of the above zones should be established at the time of deposit exploration and taken into consideration in drafting mining and land allocation protocols, as well as at the time of drafting environmental programs and budgeting their implementation.

Usually, the construction and operation of mining facilities entail major disruptions in the natural hydrodynamic balance, and occasionally, in the composition of the ground water of the adjacent areas. Disturbances of this kind are caused primarily by such major water discharge systems as the drainage systems of quarries and mines. For example, ferrous ore mining facilities alone pump topside about 0.470 cubic kilometer of ground water. In the Ural basin 1564.87 thousand cubic meters of ground water per day is pumped topside to bring down the ground water table. The above figure represents 41% of the entire registered ground water extraction. 85% of the water is dumped, which often pollutes surface and ground water. Mining water is usually dumped into nearly small rivers,

many of which have become sewage dumps. Disturbances in the hydrodynamic balance involve major changes in the water table, filtration rate and direction of ground water over large areas. Around mining facilities the water table drops by dozens or hundreds of meters, while the area covered by the cones of depression may stretch over hundreds of square kilometers. In the Ural the drop in the ground water table as a result of deposit drainage stands at 700 meters and covers an area of hundreds of square kilometers (500-600 square kilometers of the North-Ural Boxite Mine).

4 STATE EVALUATION OF DISCOVERED RESERVES

This official expert examination is performed in the territory of Russia by the State Commission for Mineral Reserves (GKZ).

The State Commission for Mineral Reserves was set up in Russia (the former USSR) in 1927. The Commission has made geological and economic evaluation of more than 25,000 fields and deposits of minerals in the USSR and in friendly countries.

In its 67 years the Commission has operated as part of the USSR Planning Commission, the USSR Ministry of Geology, the Ministry of Heavy Industry and has worked for more than 35 years as an independent body under the USSR Council of Ministers.

In 1992 the Commission became part of the Ministry for Ecology and Natural Resources of the Russian Federation (1). The Ministry is headed by Prof. V.I. Danilov-Danilian.

On February 21, 1992, the Russian Federation enacted its Law on the Subsurface, which in its Article 29 contemplates a new procedure for state expert examination of mineral reserves (Attachment 2). The article provides, *inter alia*, that "allocation of the subsurface to users for the purpose of extraction of minerals shall only be permitted upon state expert examination of the reserves of such minerals". The report on the state expert examination is sufficient for formal registration of explored reserves.

The Russian Federation's Minister for Ecology and Natural Resources issued regulations on the purposes, objectives and functions of the State Commission for Mineral Reserves.

The principal objectives of the State Commission for Mineral Reserves shall be as follows:

- To conduct state expert examination of geological information covering explored deposits of minerals and fossil fuel for the purpose of objective estimation of the quantity and quality of mineral deposits, their importance for national economy, mining, technological, environmental and other conditions of their development.
- To conduct state expert examination of geological information pertaining to portions of the subsurface unrelated to field development but suitable for the construction and operation of underground structures.
- To develop and regularly update classifications of mineral reserves and instruction for their application.
- To elaborate quality requirements and standards for subsurface mineral resources, which would ensure the utmost utilization of minerals and raw materials in the Russian Federation, with due consideration given to the environmental and economic factors thereof.
- To verify the design philosophy and check the actual performance of mining facilities which develop explored reserves of minerals.
- To participate in elaborating federal and regional programs for the geological study of the subsurface for minerals and raw materials, to offer recommendations for investment policies and foreign economic operations related to meeting the needs of Russia's market for minerals and fossil fuel.

The activities of the State Reserve Commission shall be governed by the laws of the Russian Federation, Presidential Decrees, decision and executive orders of the government, other by-laws

and these Regulations. The State Reserve Commission shall draw conclusions from the application of appropriate legislation to issues within its competence and shall submit such conclusions to the state authority in charge of the subsurface and to the government of the Russian Federation.

In implementing its mandate, the State Reserve Commission shall:

- Arrange for expert examination of feasibility studies for permanent and provisional quality standards for mineral raw materials for estimates of the net worth (value) of the fields and shall approve such estimates (except quality standards for minerals whose reserves shall be examined and approved by territorial commissions for mineral reserves - TCRs).
- Determine recovery rates for oil and gas condensate.
- Arrange for state expert examination of subsurface reserve estimates produced from geological field study completed to date, and determine the quantity and quality of explored reserves while establishing, pursuant to the applicable classifications of mineral reserves, the depth of the analysis and verifiability of the explored reserves estimates (2), the commercial potential of the field (or parts thereof), their readiness for commercial development, possible utility of continued exploration.
- If so requested by organizations exploring and producing minerals, it shall examine the materials obtained from field prospecting and exploration (at any stage of their analysis), advise such organizations on the ways to slash cost and minimize time for future exploration.
- Participate in expert examination of feasibility studies and field development plans, of modernization of the existing mining-and enrichment, mining-and-metallurgical, mining-and-chemical combines in the Russian Federation.
- Pass expert judgement on the feasibility of exploitation and development of oil and oil-and-gas fields assuming express estimates of oil and fuel gas, as well as on their commitment to commercial development.
- Compile and analyze the results of consideration by the Commission of reserve estimates for different types of minerals and develop recommendations to upgrade exploitation work and to slash time required for mineral exploration.
- Draft, in conjunction with organizations concerned, classifications of mineral deposits and submit them for approval following the procedure established by the government of the Russian Federation.
- Improve and update the existing instructions, improve new instructions for the application of mineral reserves classifications to different mineral resources, approve instructions governing the delivery procedure, the contents, the format of materials submitted to the Commission in support of provisional and permanent quality standards for mineral raw materials and estimated mineral reserves in the subsurface, it shall also formulate other methodological instructions.
- Participate, through expert judgement, in compiling state balance sheets for minerals.
- Pass expert judgement on writing off from the state balance sheets of certain minerals (except commonly available varieties), decide on their economic and quantitative re-estimation.
- Extend methodological guidance to territorial mineral reserves commissions and monitor their work.
- Participate in developing and financing of mission-oriented research and development programs to improve methods for exploration of fields and their geological and economic assessment.

- Collect and systemize information pertaining to Russian and world market.
- Prepare materials for sessions of the interdepartmental commission which disburses bonuses for discoveries of mineral deposits.
- Participate in drafting proposals for quotas for the development of prime minerals (specially listed), in expert examination of materials prior to licensing of production and export of minerals.
- Maintain direct academic contacts with foreign counterpart organizations on issues delegated to the commission.

Under the Law of the Russian Federation on the Subsurface the State Reserve Commission shall have the right:

- To contract on the part-time basis the services of skilled professionals from ministries, agencies, production facilities, research centers, engineering organizations to participate in expert examination of draft quality standards for minerals, of reserve estimates and of information supporting particular recovery rates for oil and condensate, to enlist the assistance of R&D centers, engineering and other organizations.
- To insist that the ministries, agencies, exploration organizations and exploitation facilities submit as appropriate:

Feasibility studies of quality standards for minerals and reserve estimates, updated estimates of reserves in explored fields under development, where changes have occurred since the last state expert examination of reserves as a result of exploration and production activities, quality standard changes and other factors.

Annual schedules for submitting for expert examination by the commission of feasibility studies of quality standards for minerals and mineral reserve estimates for fields under exploration or under development.

Geological and other materials required to confirm technical and economic considerations underlying quality standards for minerals, oil and condensate recovery rates, estimation of minerals in the subsurface.

- To pronounce null and void decisions by territorial commissions for mineral reserves whenever such decisions contravene field reserve classifications or instructions by the State Reserve Commission for application of such classifications.
- To contract such enterprises, organizations and agencies as submit for expert examination by the Commission feasibility studies for draft quality standards for minerals, estimates of minerals in the subsurface and their economic evaluation, feasibility studies for the construction and modernization of mining facilities, etc.
- To determine, according to applicable procedure, remuneration rates for expert examination of reserve estimates, draft quality standards, feasibility studies in support of oil and condensate recovery rates, advice on the exploration methods and other problems within the Commission's competence.
- To determine the cost of the Commission's business trips and travel, and the amount of money to support its social programs, which will be a factor of its revenue.
- To contract other enterprises, organizations and physical persons for the purposes of transportation, leasing and security of offices and other services in support of the Commission's normal activity, the purchase of office equipment and supplies, copiers and printers, their maintenance and servicing.
- To engage in academic, consultant and publishing activities, to draft and publish prescriptive documents on issues within the Commission's competence.

Any decisions and instructions by the State Mineral Reserve Commission on issues within its competence are binding on all enterprises and organizations, agencies, concerns, associations, cooperatives, foreign companies and joint ventures which perform in the Russian Federation exploration, engineering and construction of mining facilities, the mining of minerals, irrespective of their departmental chain of command.

Evaluation of mineral resources by government experts is both the subject of Article 29 of the Law on the Subsurface and a fundamental provision of another article of the same Law which deals with rational use and protection of mineral resources (para 4, Article 23).

The accuracy of geologic information on the explored resources of any field is a major economic factor to be considered when the authorities concerned are reviewing an application for a development license and determine the rate of payments for the use of mineral resources.

Pursuant to para. 4 of Article 41 of the Law on the Subsurface the rate of royalties for the commercial production shall be set with due account of:

- The type of the mineral concerned.
- the amount and quality of its resources (finalized in the evaluation process by the State Commission for Mineral Reserves.
- Natural, geographic, geologic, mining and economic conditions for the development and exploration of the field (to be determined in the evaluation process by the State Commission for Mineral Reserves).
- Risks.

The State Commission for Mineral Reserves also assists in determining the rate of payments for the use of the subsurface for purposes other than mining (for construction, storage, etc.). The amount of such lump sum or regular payments is related to the size of the development area and the expected environmental impact as well as to the return on the subsurface area in question, such return to be evaluated at the national or territorial level (para. 7 of Article 41 of the Law on the Subsurface). As evaluated by the field geologists, the data on any field discovered and explored through a network of boreholes, may be biased and the amount and quality of the minerals explored are typically overstated. The evaluation process usually reduces the original estimation of the field concerned, and provides a more balanced assessment of the required process technology and the economic profile of the project. In 1990 the original estimates of recoverable hydrocarbons for every oil field were reduced by 10-25%. However, on several occasions the resources were found to be underestimated.

The fact that the state experts are not controlled by any governmental agency, and the possibility to draw on the expertise and experience of the best professionals in specific areas help develop a descriptive field model close to its real-life counterpart. The discussion and examples above confirm the importance of such evaluation to define the economic profile of each feasibility study and project the economics of prospective field development programs.

In this sense the evaluation process is not only prescribed by law; it is a practical requirement to make the body of available geologic information usable for planning at a later stage. The State Commission for Mineral Reserves has another important function; it is responsible for the evaluation of geologic and economic data used to determine the current market value of the minerals involved (such evaluation must be based on methods acceptable to western investors and presented to convertible currency terms):

- The actual costs incurred by Russian companies (whatever their form of ownership) to support exploration and prospecting of mineral resources, such costs to be reimbursed by foreign investors or contributed as capitalization by the Russian party concerned to the authorized fund of the joint venture.
- The actual costs incurred by the foreign party to explore any field discovered under a production sharing agreement, such costs to be reimbursed through deliveries of hydrocarbons.

There is much to be said for the idea to use the potential of the State Commission for Mineral Reserves whose main strength is the experience of hundreds of experts and whose database covers specific geologic features of Russia's mineral resources as well as those of other countries.

The Commission's oil and gas experts alone include 280 highly skilled engineers and researchers from all major areas of prospecting and exploration (seismic prospecting, well logging, cable, and drilling stem tests, core drilling and examination, oil gas condensate and subsurface water sampling and examination, lithochemical, petrographic and other methods to study reservoir and country rocks, flow enhancement methods, volumetric and variables to estimate hydrocarbon resources, field development plans, evaluation of the economic profiles of field development projects, transportation of crude and processed products; and marketing).

The main evaluation objective for any submitted information is to finalize the geologic model of the field and the mining potential of commercial deposits (reservoirs), to provide an objective estimate of the amount and quality of explored primary and associated minerals and fuels, assess their economic potential and evaluate mining, hydrogeological, environmental and other conditions for commercial production.

If any mineral resources are made available to any user for the purposes of geologic exploration and production such user may (as envisaged in the license) begin production of minerals or fuel prior to the evaluation of the mineral reserves by state experts (para. 4 of Article 29 of the Law on the Subsurface). In this event the license for the use of mineral resources shall define the time when the relevant material resources shall be submitted for evaluation by the government agencies concerned. The findings of such evaluation determine the final (revised) terms for the use of the resources including payments.

5 REQUIREMENTS FOR MINERAL DEPOSITS ECOLOGICAL INFORMATION

The State Reserve Committee of the Russian Federation Ministry of Environmental Protection and Natural Resources has formulated "Provisional Requirements for the Scope of Ecological Information about a Mineral Deposit", which serve as guidelines for exploration organizations. The "Requirements" emphasize that environmental studies should be conducted at an early stage of deposit exploration, which will help identify priority areas.

The document contains an important provision, which will help arrange for consistent monitoring of environmental parameters in and around the deposit - it spells out the need to determine the background characteristics of the area, including its geochemical background, and to identify the most sensitive components of the ecosystem.

The geological input used to compile technological regulations should include data on chemical and mineralogical characteristics of the product and tailings (ash), grain size distribution, the amount and composition of by-products and waste of metallurgical plants. In this context it is important to record the behavior of toxic components (arsenic, sulfur, selenium, cadmium and others) in the course of production and processing of minerals.

Besides, the "Requirements" contain a number of principles, which, when implemented, will help minimize the environmental damage and support the needs of the national economy for minerals:

- To refrain from committing a deposit to commercial development if the existing needs for a particular mineral can be met by alternative sources - secondary resources, wastes from existing facilities, imports. This recommendation should be included in the feasibility study for analysis following preliminary exploration.
- The choice of mining mode (strip mining, deep mining, combination mining, the use of special geotechniques) should be based on the least-environmental-damage principle, even if the mode selected is less effective economically.

- Development of any deposit should be designed to extract and utilize all available minerals, since frequently the mining of incident minerals could nullify the need for their extraction in dedicated development programs.
- If the need for a new source of mineral is not questioned development should start of a minable deposit which would involve minimal expenditure of power and metal (loose or bulk minerals rather than compacted minerals).

6 GOVERNMENT REGULATION'S POLICY

No economic or social reform can do without compliance with a definite set of ideas and values.

During the transition period in Russia such a set of ideas and values can be best served by checking the unbridled plundering of natural resources, enforcement means included.

Environmental protection, and the prudent and waste-free utilization of natural resources call for a more efficient government regulation of the use of natural resources.

Stable economic development must exclude or reduce the use of wasteful, ecology-unfriendly and "environment-intensive" projects, technologies, and equipment.

What is required is a balance between a system of government regulation and market self-regulation. This philosophy is now being implemented by the government of the Russian Federation, which seeks to institute government regulation through government budget allocations, legislation, by-laws, as well as through the use of diverse financial mechanisms, such as quotas, licensing, tax regulation, tax privileges, accelerated amortization, and interest rate adjustments, on one hand, and market regulation, on the other.

An important aspect of the government's selective structural policies lies in the stabilization and continued improvements of the fuel and energy complex, which comprises production, refining, oil chemistry, trunk pipe lines, etc.

Government regulation of nature utilization includes not only rigid direct control of hazardous plants of governmental enterprises, but more importantly, the setting up of norms and standards, of economic stimuli and incentives (royalties, pollution and discharge fees, compensation for any damage to health or property of the people).

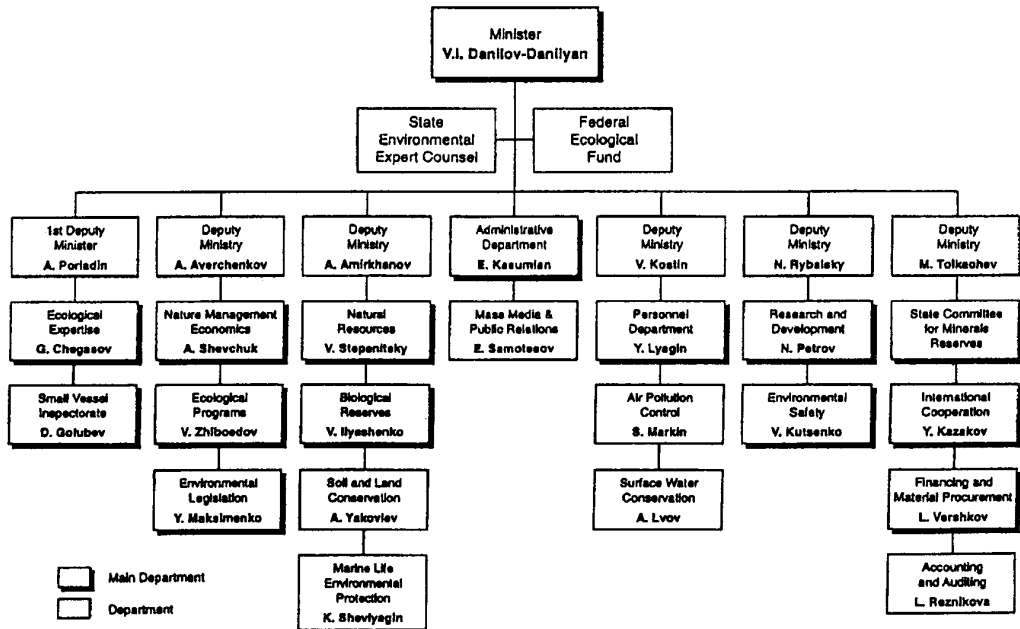
The quality of the environment will also be improved by the new policies in foreign investment and joint projects in Russia. The new policies will place a fresh emphasis on modernization and retrofitting of old or environmentally unsafe facilities for the production of oil and gas, chemical plants, metal works, agricultural enterprises, and the construction business.

ENDNOTES

1. Recently renamed as the Ministry of Environmental Protection and Natural Resources of the Russian Federation.
2. Expert examination of common minerals (except deposits of building stone for facilities with a capacity exceeding 400,000 m³ or per year), great, small deposits of fresh water shall be conducted by territorial commissions for mineral reserves.

ATTACHMENT 1

**RUSSIAN FEDERATION
MINISTRY OF ENVIRONMENTAL PROTECTION AND
NATURAL RESOURCES**



ATTACHMENT 2**THE LAW OF THE RUSSIAN FEDERATION ON “THE SUBSURFACE”
(adopted by the Russian Supreme Soviet on 21st February, 1992)**

Article 29 (State expertise on users of natural resources deposits and raw materials)

Orientated at creating conditions for rational complex exploitation of natural resources deposits (Article 3, Item 2,3); the definition of payment for exploiting natural resources deposits (Articles 39, 40, 41, 42); defining borders of the areas of natural resources deposits given for exploitation: amount of natural resources of investigated deposits are to undergo state expertise.

Permission to exploit natural resources deposits is given only after conducting state expertise of the amount of natural resources available.

Conclusion of state expertise is a foundation of state inventory (Articles 28, 30).

State expertise may be conducted at any stage of geological research of a deposit, on condition that the geologic matter submitted for expertise allow to give objective estimates of the amount and quality of natural resources, their importance to national economy, mining, hydrogeological, ecological and other conditions of their extraction.

On condition of giving deposits to exploitation simultaneously with geologic research of them (Article 11), users of deposits are able according to license (Article 12) to start exploitation before state expertise of natural resources deposits.

The dates of next submission of materials to state expertise with further defining of conditions of exploiting deposits including payment are stipulated in the license for the right of exploiting deposits.

State expertise is to evaluate geologic information concerning the natural deposits areas where erection and maintenance of underground complexes is possible and which are not connected with exploiting natural resources deposits (Article 6, Items 3, 4; Article 25).

Giving such areas of natural resources deposits for exploitation is allowed only after conducting state expertise of geologic information.

State expertise of natural resources deposits, geologic information about areas of natural resources deposits are realized by management body of the state fund (Article 2) or its territorial branch.