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Sent: 29 October 2003 15:11
 540 **To:** [REDACTED]@freshfields.com
Cc: [REDACTED]@freshfields.com; [REDACTED]@freshfields.com;
 540 [REDACTED]@freshfields.com; [REDACTED]@birsel.com; [REDACTED]@birsel.com
Subject: RE: BTC - Local Environmental Law Breaches

540 Dear [REDACTED]

Thank you for your mail attaching a copy of the BTC response to the ECA Memorandum on environmental law breaches. Following my review of BTC Co. responses, I have not come across any misleading or obviously inaccurate statement, except for a few issues, which I wanted to bring to your attention.

With regard to Article 22(d) of the Water Pollution Control Regulation of Turkey (WPCR), which requires a 50-meter protection zone to be set up around sources of Class I and Class II groundwater (such as wells, springs, etc.), BTC Co. only state, in their response, by referring to the Groundwater Report and Turkish EIA that there are no groundwater wells inside the 100m-wide pipeline corridor. However, Article 22(d) of the WPCR, when referring to the groundwater sources that will be subject to the 50-meter protection zone requirement, gives an exemplary (non-exhaustive) list of such sources and refers to wells, springs or underground galleries. The thing that came to my attention while reading the BTC Co response is that they seem to have limited their response to groundwater wells, and they do not make any statement as to whether or not there are any springs, galleries or any other sources of groundwater within the 100meter-wide pipeline corridor, which qualify for the 50-meter protection zone requirement. I think that it may be worth check on this with the Sponsors.

On this occasion, I also want to briefly touch upon the following point: Under the WPCR, from among the various surface water sources, natural and men-made reservoirs (i.e., lakes and dams) used for drinking water and other needs, as well as the basins within which these reservoirs are located are subject to a number of protection zone requirements similar to those applied to groundwater sources.

According to the Supplement 1 to Volume II of the Turkish EIA entitled "Environmental and Social Impact Tables", the pipeline route does not appear to come close to or cross any reservoir, except for the following two locations, where the Sponsors seem to have taken mitigative measures. The first location is Kayranlik Mountain Area, Kahramanmaraş Province (Table 51, Maps 51A and 51B), where the "Geben Reservoir" is stated to be under construction, which will provide irrigation water to the area. Apparently the Reservoir will receive flows from a Meryemcil Creek, which is crossed by the pipeline route. According to the Sponsors, there will be a limited disturbance to the Meryemcil Creek. Further, the Sponsors expect a reduction in the water quality in the pond of the Reservoir, though they state that have taken all necessary mitigative measures. The second location is Otlukbeli Mountains, Erzincan Province (Table 24, Maps 24A and 24B). There, the pipeline route crosses Cilhoroz Creek, on which DSI (General Directorate of State Hydraulic Works) is said to be planning to construct the Cayirli Dam, which will provide irrigation water to the agricultural fields in the vicinity. According to the Sponsors' statement, only a minor impact is expected to arise on the Creek, which may give rise to the reduction in the water quality, against which mitigative measures are said to be taken.

In the context of the foregoing, you may wish to check with the Sponsors whether there have been any violations of the protection zone requirements of the WPCR, which apply to natural and men-made reservoirs providing drinking water or water for other needs of the local populations.

Should you have any questions on the above, please do not hesitate to contact us.

Kind regards,

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[REDACTED]
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Birsel Law Offices

s40 **From:** [REDACTED]@freshfields.com [mailto:[REDACTED]@freshfields.com]
s40 **Sent:** 31 October 2003 09:05
To: [REDACTED]
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Subject: BTC - Local Environmental Law Breaches

s40 **Attachments:** [REDACTED]; RE: BTC - Local Environmental Law Breaches

s40 Dear [REDACTED]

not relevant Attached please find the responses of our [REDACTED] Turkish counsel to the Sponsors' memorandum on local environmental law breaches. You will see that both counsel note that there are no statements of law in the response that are incorrect or misleading. Our Turkish counsel has raised some follow-up questions, which we will put to the Sponsors. You already have the response of our Georgian counsel on this issue.

s40 Kind regards
[REDACTED]

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