



Comisión Nacional de Hidrocarburos

# Project of the Transversal modification to the Regulations

(Date of publication: August 18<sup>th</sup>, 2023)

## Centro Nacional de Información de Hidrocarburos | DGIME

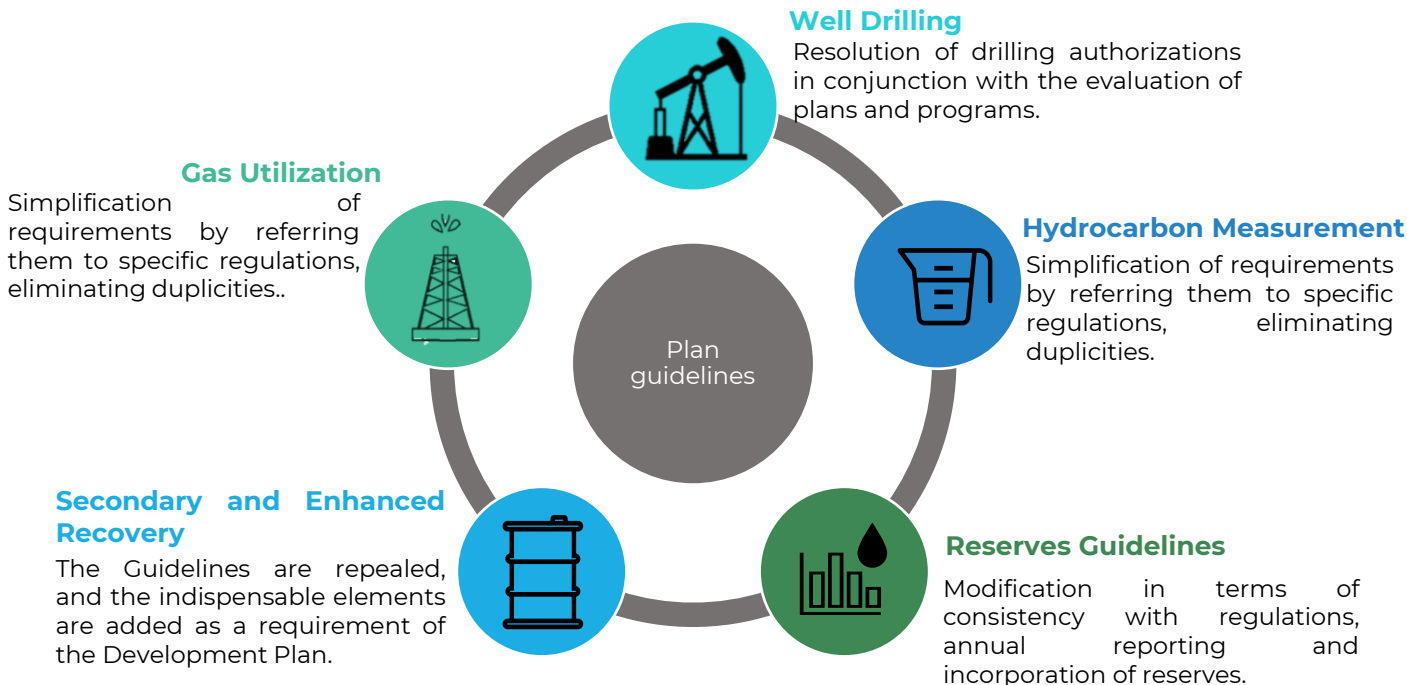
The Comisión Nacional de Hidrocarburos (CNH or Commission) has as two of its strategic objectives to ensure the continuous improvement of the regulation of exploration and extraction of hydrocarbons, as well as to ensure efficient and quality attention to the regulated entities.

Taking into consideration these objectives, the CNH takes the regulation as an effective tool to accompany the growth of all factors in the energy sector based on the following strategy :



Currently, the Commission is developing the Project for the transversal modification of the Regulations, in which the following aspects stand out:

## Transversality of the Plans Guidelines





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The impact of the transversal modification for each area of opportunity detected is summarized as:

## Plan Guidelines

Reduction of administrative costs	
<b>Exploration Plan</b>	57%
<b>Development Plan</b>	46%
<b>Total reduction</b>	32%
<b>Benefit</b>	\$ 1,500 millions

- The presentation of the Work Program and Budget for the Assignees is eliminated.
- Reduction of attention periods of the Plan and Programs.
- Simplification of requirements.
- Flexibility in cases of modification of Development Plans.
- Training and technology transfer.

## Well Guidelines

Reduction of administrative costs	
<b>Total reduction of paperwork</b>	32%
<b>Benefit</b>	\$ 1,060 millions

- New regulations according to drilling activities.
- Request for drilling of wells at the same time that the Plan or Program.
- Reduction of paperwork.
- Reduction of resolution periods for wells in deep and ultra-deep water.
- Elimination of V Annex.
- Elimination of the modification for the drilling authorization.

## Gas Use Guidelines

Reduction of administrative costs	
<b>PAGNA requirements</b>	71%
<b>Total requirements</b>	43%
<b>Benefit</b>	\$ 110 millions

- Simplification of the utilization program.
- Simplification of formats.
- Revocation of Annexes I and II.
- Homologation of the obligation related to the use of associated natural gas and non-associated natural gas.
- Elimination of the adjustment to the achievement goal.

## Measurement Guidelines

Reduction of administrative costs	
<b>Measurement Guidelines Reports</b>	33%
<b>Benefit</b>	\$ 610 millions

- Elimination of the annual measurement report.
- Simplification of formats.
- Clarification of the assumptions to present the provisional measurement point proposal.
- Clarification of the assumptions of modification of measurement mechanisms.



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## Enhanced Recovery Guidelines

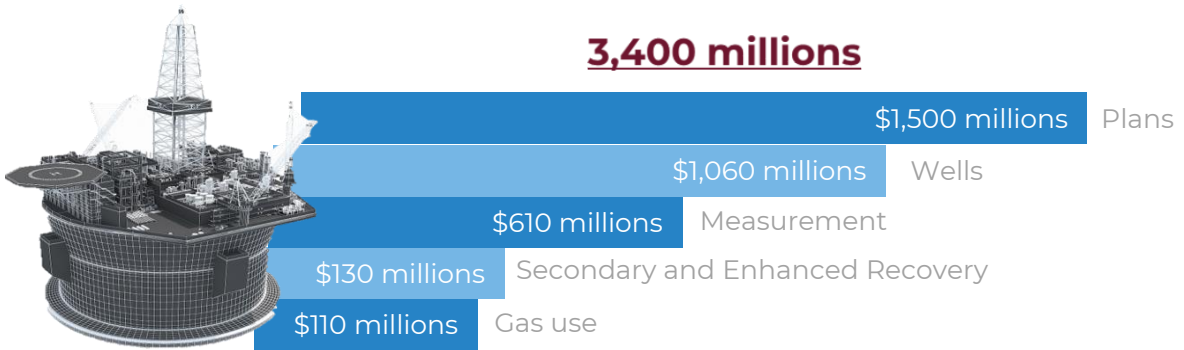
Reduction of administrative costs	
<b>Total procedures</b>	60%*
<b>Benefit</b>	\$ 130 millions
* Some procedures were incorporated into the Plan Guidelines.	

- The provisions for secondary or improved recovery processes to form part of the development plan are abrogated.
- The obligation to present results of the biannual technical and economic review is eliminated.
- Monitoring of tests with quarterly and final reports
- Process performance indicators.

## Reserves Guidelines

- The guidelines were modified so that the regulation issued by the Commission is consistent with respect to the incorporation of reserves from the favorable pronouncement of the Evaluation, Pilot or Transition Program, or from the presentation of the evaluation report.

## Savings in regulatory compliance



## Next actions

01 Submission to the Comisión Nacional de Mejora Regulatoria of the Regulatory Impact Analysis and start of the Regulatory Improvement process



01

02

Reception and attention to comments issued during the Public Consultation process.



Public Consultation

03 Once the final Opinion of Comisión Nacional de Mejora Regulatoria is obtained, the Agreement will be submitted to the Governing Body



03

04

Approved by the Governing Body, it will be sent to the Official Journal of the Federation for publication

Official Journal of the Federation

The changes in the regulatory improvement will make it possible to ensure greater efficiency and effectiveness in exploration and extraction projects by meeting the strategic objectives of the CNH, in which regulation is seen as a factor to maximize the value of hydrocarbons, and not only as an administrative procedure, in order to promote investment and economic growth.