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Born from Canadian and Mexican leaders in the industry, we specialize in quantifying, controlling, and reducing CH4 emissions. As pioneers in Mexico in applying OGI technology, we support the journey towards sustainability of the O&G international industry.

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## CHALLENGES AND SOLUTIONS FOR TECHNICAL INFORMATION USE AND SUBMITTAL TO THE MEXICAN DATA REPOSITORY (CNIH)

As of today, there are 111 E&P contracts and 413 entitlements that allow operators to develop oil and gas activities that generate geological, geophysical, petrophysical and petrochemical information. All data and rock samples obtained during such activities are considered of public interest, and as such, they belong to the Nation (not to the entity that produced it on the first place).

Even though the Guidelines for the use and delivery of information to the National Hydrocarbons Information Center (the Guidelines) establish the obligations for using and delivering said data and physical samples, operators often struggle in its compliance. In this one-pager we describe some of the obstacles and complexities faced by the industry and propose some general solutions for minimizing cost and risk of noncompliance.

### The challenge

The Guidelines establish the rules for using (obtaining, showing and sharing) the technical information with third parties. They also describe the rules for its delivery to CNIH. Companies must follow these rules in order to avoid substantial economic and legal penalties. One of the main problems is identifying the rights and obligations regarding the information, depending on its origin and what you intend to do with it.

Filling of dozens of forms and spreadsheets, operating the Technical Information Organization System (SIOIT), complying with technical specifications, and short deadlines, are the main causes of multiple preventions and requests of additional information by CNIH, which imposes a high administrative cost not only for the regulator but also for E&P companies.

### Proposed methodology

Anyone obtaining data or rock samples, directly or indirectly, shall be aware of obligations entailed by the Guidelines and the best way to do it is considering three lines of action:

#### 1) Delivering information

(a) Map all activities to be developed and their related obligations contained in the Guidelines and other regulations, like the one for Drilling Permits, and those from Surface Reconnaissance and Exploration and Exploration Activities (ARES). Knowing the what, how, when, where and to whom from every obligation is necessary for optimal planning and compliance. (b) Gathering and preparing data and rock samples require a full understanding of formats and forms established in the Guidelines. (c) Run a validation process with a “public-officer eye” aiming at identifying any gaps in proper compliance to avoid any request for clarification or requirement of additional information.

#### b) Using information

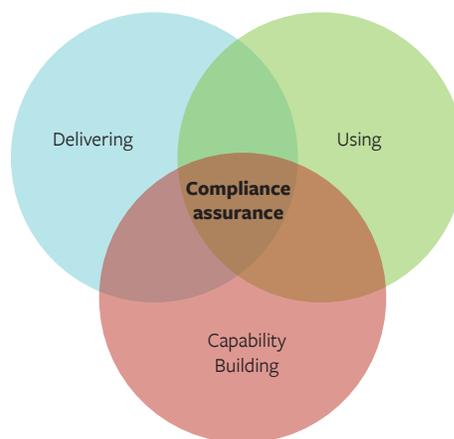
(a) To identify data and rock samples under your custody, how it was obtained (directly or indirectly) and the rights and obligations related to each one of them. (b) In-depth knowledge from company staff (including G&G and regulatory-compliance) about the procedures for using information (e.g. sharing, showing, confidentiality agreements, IT security conditions, and the like). (c) Be aware of rights and obligations of the information obtained through ARES.

#### Capability building

(a) Minimizing the risk of noncompliance by developing regulatory expertise across different areas of the company (G&G, legal, IT, commercial among others). (b) Practice internal and external audits for detecting flaws in processes and capabilities with a continuous improvement approach. (c) For the mid-term, investing in developing customized methodologies and software solutions that controls the process from end-to-end.

#### Conclusion

Handling Mexican Nation’s property has an important downside, so any user of information or rock samples shall be aware of the related risks. Even though regulations seem complex and confusing, a well-structured approach can help to minimize this risk. For this to happen, it is important that all operators and users of information invest in developing a good compliance practice for data and rock samples management.



### Information that can be consulted at CNIH

- +32,000 Wells
- +200 seismic studies 3D,
- +500 seismic studies 2D (12,600 lines),
- + 500 potential methods studies
- 8 geological atlas (Tampico-Misantla, Veracruz, Burgos, southern basins, shallow water, deep water and unconventional).

### Hydrocarbon Information System (SIH)

- **Hydrocarbon production since 1930** (by well, oil operator, contract or entitlement, field, State, API density)
- **Physical activity** (drilling and completion wells, drilling equipment)
- **Economic indicators** (approved investments by contract or entitlement, area or activity)
- **Oil and gas resources and reserves** (1P, 2P, 3P by field, contract or entitlement)  
Source: <https://hidrocarburos.gob.mx/>

### National Core Center

Offices at Hidalgo and Yucatán containing +9 million samples (core, plugs, and thin sections) open to the public for on-site review and analysis.

### Key considerations

**Confidentiality:** depends on whether the information was obtained from CNIH or generated during oil and gas activities.

**Usage permits:** oil operators can request authorizations from the CNIH for sharing, showing or publishing the information obtained during activities.

**Delivery planning:** from the end of the activity considering, official terms and periodicity (quarterly, semiannually or annually), in accordance with the Guidelines.

**Government relations:** constant and adequate communication with the authority is key to achieve an adequate delivery, in time and under specification.

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