The Action: Mexico’s Ministry of Environment and Natural Resources has published administrative provisions relative to pipelines transporting petroleum, petroleum products, and petrochemicals.

The Result: The Provisions cover nearly every activity relating to the planning and operation of hydrocarbon pipelines.

Looking Ahead: Published in the Official Gazette of the Federation, the Provisions entered into force on April 1, 2017. Parties currently executing construction projects and operating pipelines have 180 calendar days to comply.
safe design, critical alarms with operator action procedures, emergency response plans, training programs, spill procedures, and the installation of fixed protection devices.

**Suspension and Reactivation**
The Provisions establish the obligation of having a specific procedure for the suspension and reactivation of the transportation systems, which must include the safe disconnection of the supply network, emptying, sweeping, and locking mechanisms.

**Closure, Dismantling, and Abandonment**
For the closure, dismantling, and abandonment activities, a program of industrial safety, operational safety, and environmental protection actions must be performed. This program must include elements such as risk analysis scenarios, recommendations from the risk analysis, and the terms and conditions of the authorizations obtained for the operation of the transportation system.

**Technical Opinions and Evaluations**
Operators of the transportation system must obtain a Technical Design Opinion from an authorized third party prior to operation, establishing that the detailed engineering of the new facilities, their expansion, or with modifications to the process, was carried out in accordance with the Provisions. The Technical Design Opinion must be kept for the duration of the useful life of the project.

Likewise, it is necessary to obtain a Pre-Start Technical Report and submit a notice of initiation of operations to the National Agency for Industrial Safety and Environmental Protection of Hydrocarbon Sector ("Agency") 10 days prior to said initiation.

**Environmental Damage Liability**
In accordance with the Decree, the Provisions shall be applied with the understanding that the liability of the operators will be direct and strict, derived from the risk generated by their activities.

Consequently, the operators will respond to the Agency by taking the necessary actions to avoid and prevent environmental damages derived from those risks, as well as their containment, characterization, and remediation.

The Provisions entered into force on April 1, 2017, and provides 180-calendar days for parties currently executing construction works and operating OPPs transportation systems to comply.

The Decree (available in Spanish) can be consulted here.

---

**THREE KEY TAKEAWAYS**

1. The Ministry’s Provisions are all-encompassing, with specific regulations relating to the design, construction, operation, maintenance, and closing of a hydrocarbon pipeline.

2. A number of accident-prevention and safety measures are required by the Provisions.

3. The Provisions will hold operators directly and strictly liable for environmental damage, with the understanding that operators will take appropriate preventive actions, and assume responsibility for containing and correcting environmental harm should an accident occur.

---

**CONTACTS**

Alberto de la Parra  
Mexico City

José A. Estándia  
Mexico City

Mauricio Llamas  
Mexico City

Mauricio Villegas  
Mexico City

---

**Disclaimer:** Jones Day publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information purposes only and may not be quoted or referred to in any other publication or proceeding without the prior written consent of the Firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our “Contact Us” form, which can be found on our website at www.jonesday.com. The mailing of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship. The views set forth herein are the personal views of the authors and do not necessarily reflect those of the Firm.

© 2017 Jones Day. All rights reserved. 51 Louisiana Avenue, N.W., Washington D.C. 20001-2113