

# Mexico Introduces Industrial Safety and Environmental Protection Provisions for Hydrocarbon Pipelines

## IN SHORT

**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.

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On March 31, 2017, the Ministry of Environment and Natural Resources published general administrative provisions in the *Official Gazette of the Federation*. These administrative provisions establish the guidelines for industrial and operational safety and environmental protection for inland transportation through petroleum, petroleum products, and petrochemical pipelines ("Provisions"). This includes specifications, characteristics, and requirements for the design, construction, pre-start, operation, maintenance, closure, dismantling, and abandonment of land transportation systems by means of pipes of petroleum, petroleum products, and petrochemicals ("OPP") in order to prevent damages to the population and environmental impacts ("Decree").

## Provisions

The Provisions are applicable to: (i) inland transportation systems through OPP pipes linked to natural gas processing plants; (ii) segments of pipelines of the transportation systems that are located between pumping stations; (iii) OPP transportation pipelines and associated facilities; (iv) instrumentation pipelines and other facilities connected to the pipelines; and (v) modifications and/or changes in technology, trajectory changes, repairs, as well as typical operational modifications in the system.

### Design

The Provisions outline design specifications for the development of transportation systems. Along with other design considerations, these specifications apply to the structural design, material selection, temperature, fluid, and operating pressure of the system.



The Provisions outline design specifications for the development of (hydrocarbon) transportation systems.



### Construction

As for the construction of the transportation system, the Provisions establish the obligations of: (i) obtaining a federal environmental impact and risk authorization prior to the initiation of construction activities; (ii) having elements of structural and personnel safety throughout the entire construction works process; (iii) following the procedures related to the installation of valves, welding, damage to the soil, ditches, and protection measures, as well as any other applicable procedures.

### Pre-Start

Prior to the initiation of a transportation system's operations, a review of the facility must be performed in order to ensure its correct operation visual inspections, hermeticity tests, and registry generation, and other tests and reviews that may be deemed necessary.

### Operation and Maintenance

The Provisions establish the obligation of implementing accident-preventing safety measures such as

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.

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