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Romania to regulate offshore oil & gas operations



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I. Background

- During the past seven years, Romania has seen a significant increase in offshore exploration in the Black Sea, with the existence of substantial natural gas and oil reserves being confirmed.
- No specific regulatory regime was adopted for the offshore oil & gas operations in Romania. Such operations are conducted on the basis of offshore oil agreements concluded with the National Agency of Mineral Resources (NAMR), following a concession procedure. The oil agreements come into force upon approval of the Romanian Government by way of a Government Decision.
- In the context of the growing offshore oil & gas activity in Romania, the Ministry of Energy, Small & Medium – Sized Enterprises and Business Environment prepared a draft law on the safety of offshore oil and gas operations, which transposes Directive 2013/30/EU. The draft was published on the Ministry's website on 12 August 2015 together with an invitation to the public submit recommendations within 30 days.

II. Highlights of the draft law on safety of offshore oil and gas operations

New regulatory authority to be set-up

- A specialized administrative authority (the "**Authority**") – separate from NAMR – will be set-up under the control of the Romanian Government.
- The Authority shall focus mainly on:
 - assessing and accepting reports on major hazards, design notifications, and notifications of well operations or combined operations;
 - overseeing compliance by operators and owners, including inspections, investigations and enforcement actions; and
 - advising other authorities or bodies, including NAMR.
- If the assessment of the reports and notifications shows that the proposed measures are insufficient, the Authority is entitled to prohibit the operations. Moreover, if the investigations conducted by the Authority or the periodic reviews of the report on major hazards reveal that legal requirements are not met or raise reasonable concerns about the safety of the operations, the Authority may request improvements and may even stop operations.
- Details on the organization and functioning of the Authority will be laid down in the Government Decision to be approved within 30 days from the entry into force of the law.

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Specific safety related documentation

The operator or the license holder shall submit to the Authority within 45 days from the entry into force of the offshore oil agreement specific safety-related documentation, such as the report on major hazards, the corporate major accident



prevention policy, the safety and environmental management system, the internal emergency response plan etc. The report on major hazards shall be revised upon the request of the Authority or at least every five years.

NARM control over the operator

- 45 days from the entry into force of the law, NARM shall issue a methodology on the signing of offshore oil agreements with the license holders.
- The license holder appoints the operator subject to NAMR approval. NAMR shall consult the Authority.
- NAMR may raise justified objections to the appointment of the operator and may request the license holder to appoint an alternative operator or to assume the responsibilities of the operator.
- If during the offshore operations, the Authority concludes that the operator no longer meets the relevant requirements, then it shall inform NARM. The license holder shall immediately propose a replacement operator to NARM.