

DOF: 26/03/2020**AGREEMENT issuing the criteria for determining the method of recognition and surface exploration to be subject to the regulations on surface occupation.**

In the margin is a stamp with the National Shield, which reads: United Mexican States - Secretariat of Energy.

NORMA ROCÍO NAHLE GARCÍA, Secretary of Energy based on Articles 90 of the Political Constitution of the United Mexican States, 1, 2, fraction I, 14, 16, 26 and 33, fractions II, IV, V and XXXI, of the Organic Law of the Federal Public Administration; 4 of the Federal Law of Administrative Procedure; 1, 2, fraction I, 5, 7, fractions I and II, 8, fractions I and IV, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, and 78, General Law of Regulatory Improvement; 1, 2, section I, 4, section XXXII, 5, 32, 33, 37, 38, 39, 47, section II, 95, 96, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 131 of the Law of Hydrocarbons 1, 2, 3, fraction VI; 6, 7, 61, second paragraph, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77 of the Regulations of the Law of Hydrocarbons; 1, 2, 3, 4, and 5, fractions XXIV and XXVI, of the Internal Regulations of the Secretariat of Energy

CONSIDERING

That the last paragraph of Article 25 of the Political Constitution of the United Mexican States establishes that, in order to contribute to the fulfillment of the objectives indicated in the first, sixth and ninth paragraphs of said article, the authorities of all orders of government, within the scope of their competence, must implement public policies of regulatory improvement for the simplification of regulations, procedures, services and other objectives established by the general law on the matter.

That Article 131 of the Hydrocarbons Law and Article 2 of the Regulations to the Hydrocarbons Law, the Secretary of Energy has the power to interpret, for administrative purposes and in matters within its competence, such regulatory bodies or administrative acts as it may issue.

That article 4, section XXXII of the Hydrocarbons Law establishes that the Recognition and Surface Exploration are all those evaluation studies that make use only of activities on the surface of the land or sea to consider the possible existence of hydrocarbons in a given area, including work for the acquisition, processing, reprocessing or interpretation of the information.

That article 37 of the Hydrocarbons Law indicates that the activities of Recognition and Surface Exploration of the areas to investigate the possible existence of hydrocarbons will require authorization from the National Hydrocarbons Commission, in terms of the regulations it issues for this purpose.

The authorizations and activities for Recognition and Surface Exploration do not grant exploration rights, nor preferential rights in relation to allocations or contracts for exploration and extraction.

The Assignors and Contractors shall not require authorization for the Recognition and Surface Exploration of the areas of assignments and the contractual areas of which they are holders, they shall only have to give notice to the National Commission of Hydrocarbons and comply with the requirements for the delivery of information and other obligations established in the regulation and compliance with the requirements indicated by other competent authorities for this purpose.

Article 117 of the Hydrocarbons Law establishes that the provisions of Chapter IV on Surface Use and Occupation of Title Four of the Hydrocarbons Law are applicable, among others, to Surface Exploration and Reconnaissance.

That the last paragraph of article 77 of the Regulations of the Hydrocarbons Law, provides that Chapter III of the Third Title of the Provisions Applicable to the Hydrocarbon Industry, on Use and Surface Occupation, is applicable, among others, to the Recognition and Surface Exploration, except for the legal servitude of hydrocarbons.

That the Surface Reconnaissance and Exploration uses different methods that require an analysis to determine which of them impacts on the use of the land and that, therefore, Chapter IV on Surface Use and Occupation of Title Four of the Hydrocarbons Law applies to it, as well as the relative and applicable provisions of the Hydrocarbons Law Regulations and other technical-administrative provisions regarding surface use and occupation.

That from the point of view of temporality, the activities of Reconnaissance and Surface Exploration comprise an average of sixty days from the conditioning and topographic survey to the acquisition of geophysical data, a period of less than the one hundred and eighty days of negotiation referred to in article 106 of the Hydrocarbons Law; Furthermore, it should be considered that the procedure of surface occupation does not conclude with the agreement between the parties until the District Judge in civil matters or the Unitary

Agrarian Tribunal validates it, giving it the character of *res judicata*, in accordance with article 105 of the Hydrocarbons Law and its subsequent registration before the registration authorities, in order to make it opposable to third parties.

That among the techniques for ground-based Surface Reconnaissance and Exploration the methods of gravimetry, magnetometry, geoelectric, magnetotelluric and seismic 2D, 3D and multicomponent 3C are used, the seismic method being the most

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used in Reconnaissance and Surface Exploration activities.

That, within the diverse modalities of the seismic method, in addition to the conventional 2D and 3D seismic, there is also the 2D and 3D well seismic, which have the possibility of using detectors on the surface or inside the well hole; as well as, the 1C component seismic or three 3C components with repetition in time (4D) to monitor the movement of fluids in an oil or gas field.

That the majority of the methods of Reconnaissance and Surface Exploration are carried out in less time than the procedure of surface occupation and, on the contrary, only the well seismic and the seismic of repetition in time require impacting the use of the land in a permanent way when developing a continuous work by means of fixed installations for periods longer than one year, Therefore, it is defined that these activities are those to which Chapter IV of the Use and Surface Occupation of Title Four of the Provisions applicable to the Hydrocarbons Industry of the Hydrocarbons Law must be applied, due to their indefinite stay in the lands where they are carried out.

That the characteristics of the Surface Survey and Exploration should be considered, with respect to the duration of the activity, the type of technology used for that purpose and, consequently, its impact on land use.

That in order to provide certainty to the development of the activities of Reconnaissance and Surface Exploration, it is necessary to establish the criteria to determine to which method of these activities the Chapter IV of the Use and Surface Occupation of the Fourth Title of the Provisions applicable to the Hydrocarbon Industry, of the Hydrocarbons Law, as well as the relative and applicable ones of the Regulations of the Hydrocarbons Law and other technical-administrative provisions referring to the use and surface occupation will be applied, therefore I have kindly issued the following

AGREEMENT TO ISSUE THE CRITERIA FOR DETERMINING THE METHOD OF SURFACE RECOGNITION AND EXPLORATION TO BE SUBJECT TO SURFACE OCCUPATION REGULATIONS

FIRST. The criterion is defined to determine that, in accordance with articles 117 of the Hydrocarbons Law and 77, last paragraph of the Hydrocarbons Law Regulations, the regulations on the use and surface occupation of said regulations are applicable only to the seismic method of Reconnaissance and Surface Exploration that uses well seismic and repetition seismic over time since they involve the installation of equipment and work in permanent facilities on the lands where these types of methods are developed and by virtue of which the surface use of the land would be impacted.

SECOND. Under the terms of the FIRST Agreement and in accordance with article 101, section VIII of the Hydrocarbons Law, the consideration, terms and conditions for the use, enjoyment or affectation of the lands, goods or rights where the activities of Reconnaissance and Surface Exploration using the well seismic and the repetition seismic in time are intended to take place shall be established in a contract, in terms of the *AGREEMENT issuing the Guidelines and Model Contracts for the use, enjoyment, affectation or, as the case may be, acquisition of the land, goods or rights to carry out the activities of exploration and extraction of hydrocarbons and transportation by means of pipelines*, published in the Official Gazette of the Federation on June 2, 2016.

THIRD: The issuance of this criterion does not constitute costs nor does it establish requirements or procedures for individuals, but rather it speeds up the negotiation to carry out the Surface Reconnaissance and Exploration by means of methods other than well seismic and repetition seismic over time, since it does not involve surface effects on the use of the land. However, this Agreement does not exempt the fulfillment of the obligations of those authorized to have the necessary agreements or contracts for the use of the land where the work will be carried out in terms of the applicable common legal provisions.

TRANSITORY

SOLE - This Agreement shall enter into force on the day following its publication in the Federal Official Gazette.

Mexico City, March 2, 2020 - The Secretary of Energy, **Norma Rocio Nahle** Garcia.

