

Suciu Popa | Unlocking the offshore petroleum projects



*After almost 3 years from the enactment of Law no. 256/2018 on certain necessary measures for implementing petroleum operations by titleholders of petroleum agreements related to offshore petroleum blocks (“**Offshore Law**”), Romania takes another step for unblocking such projects.*

Although the Offshore Law established that the reception procedure would be regulated within 90 days as of the date of entry into force of the aforementioned piece of legislation, according to public available information, the lengthy consultations held between the Ministry of Energy and the Competent Authority for Regulating Petroleum Operations in the Black Sea (“**ACROPO**”) resulted in extended delays.

A first attempt in order to develop the legislative framework with regard to the reception procedure was initiated on 19 November 2020, when a Draft Government Decision was published on the website of the Ministry of Economy, Energy and Business.

After almost 1 year of passivity, on 27 August 2021, a new form of the reception procedure was published on the Ministry of Energy website, respectively the Draft Government Decision on the approval of the Procedure for the reception of works related to the petroleum operations conducted by the titleholders of petroleum agreements pursuant to Law no. 256/2018 on certain necessary measures for implementing petroleum operations by titleholders of petroleum agreements related to offshore petroleum blocks (the "**Project**").

In a nutshell, according to the Project, the reception of works represents a component of the quality system and is a complex process, which will certify, in accordance with the law, the completion of works performed under the Offshore Law. The provisions of the Project establish the following main aspects: (i) the organization of the reception procedure; and (ii) the allocation of responsibilities.

The participants within the reception procedure will be:

- (i) the titleholders of the authorization deed;
- (ii) the contractor which performed the execution of the works;
- (iii) the designer of the works;

- (iv) the Independent Body/Independent Examination Entity chosen by the titleholder of the authorization deed;
- (v) the representative (s) of the Ministry of Energy;
- (vi) other competent institutions or specialists within the oil and natural gas field, as guests of the Ministry of Energy.

The Ministry of Energy shall be entitled to grant the final act of reception of the works executed further to the authorization deed.

The reception procedure shall be performed for all the works envisaged by the authorization deed, in accordance with the documentation based on which it was issued, and shall be admitted or rejected on motivated grounds. In case of rejection, the titleholders of the authorization deed shall have the obligation to remedy the ascertained problems and the reception procedure shall be re-performed with regard to the identified issues.

In order to fulfil the reception procedure, the Ministry of Energy and ACROPO shall each appoint one/two representatives, who shall be a part of the competent committee for: (i) analysing the reports prepared in accordance with the proposed provisions of the Project; and (ii) communicating to the titleholder of the authorization deed the document certifying the reception of works.

Unlike the draft of the reception procedure proposed in 2020, the Project does not contain any provision regarding the possibility of taking over a part of the works, during a certain physical stage of execution.

According to the public available information, the observations or suggestions with regard to the Project shall be submitted until 6 September 2021.

In this context, the legislative process of the Project must be followed with great interest by all operators involved in the development of offshore petroleum projects, in order for the final form of the proposed provisions to correspond with the characteristics and nature of such works.

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