



Comisión Nacional
de Hidrocarburos

The Role of the National Hydrocarbons Commission

May 2010

The Energy Reform

The Energy Reform is about two things:

- Incentive alignment and
- Checks and balances.

Energy Reform

PEMEX **(Mexico's Oil Company)**

Definition and execution of
exploration and exploitation projects

**Legal mandate to create economic
value.**

Corporate Governance

- Professional Board Members
- Supporting Committees

**New legal framework for service
contracts**

Citizen bonds

SENER **(Ministry of Energy)**

Hydrocarbons' Management

**To execute Nation's
hydrocarbons property rights.**

- To define production's platform trajectory.
- Reserves' restitution definition.
- To authorize exploration and exploitation projects

Hydrocarbons National Commission is created.

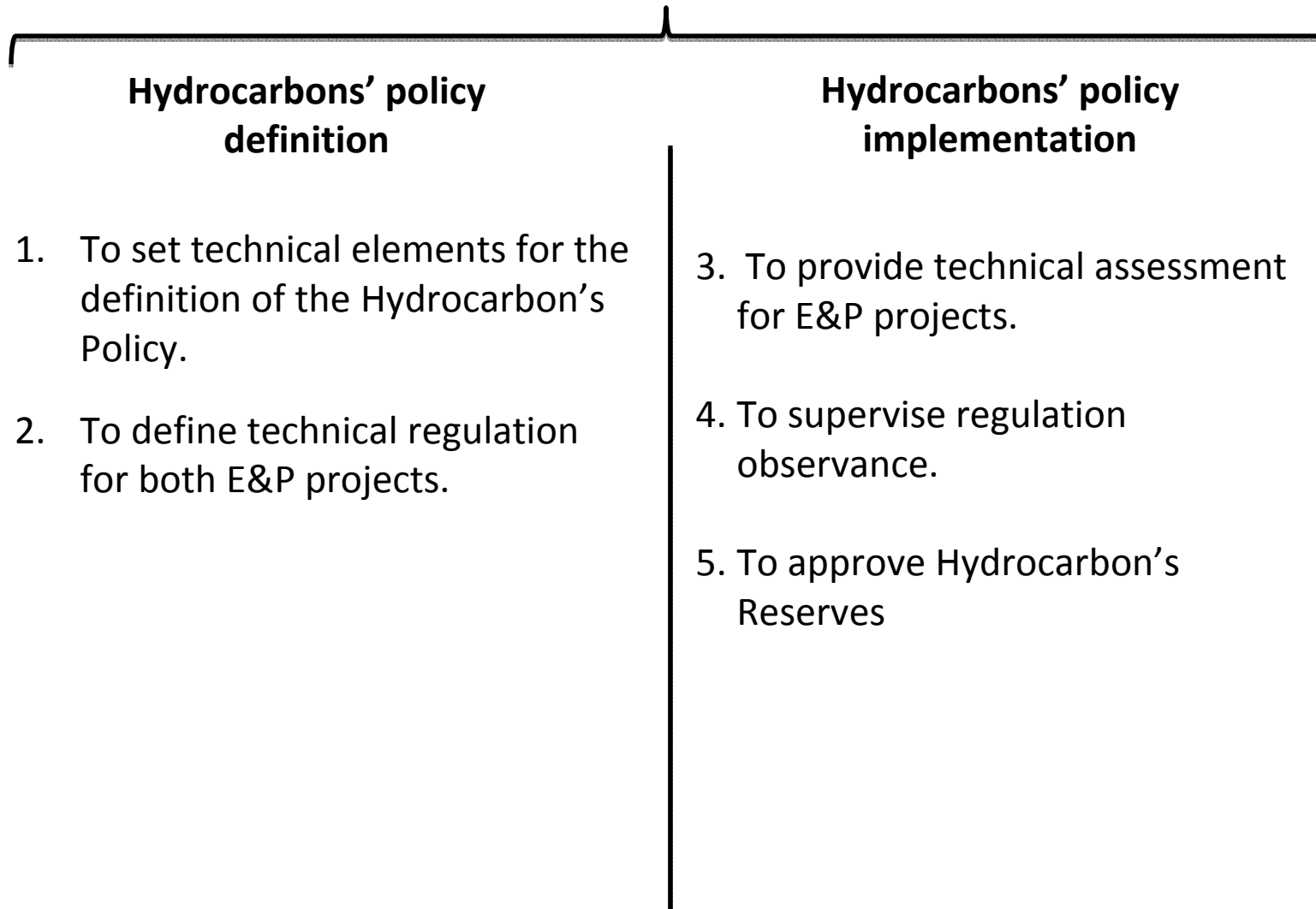


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Mission: To provide technical support to the Ministry of Energy in order to achieve optimal management of hydrocarbon resources.

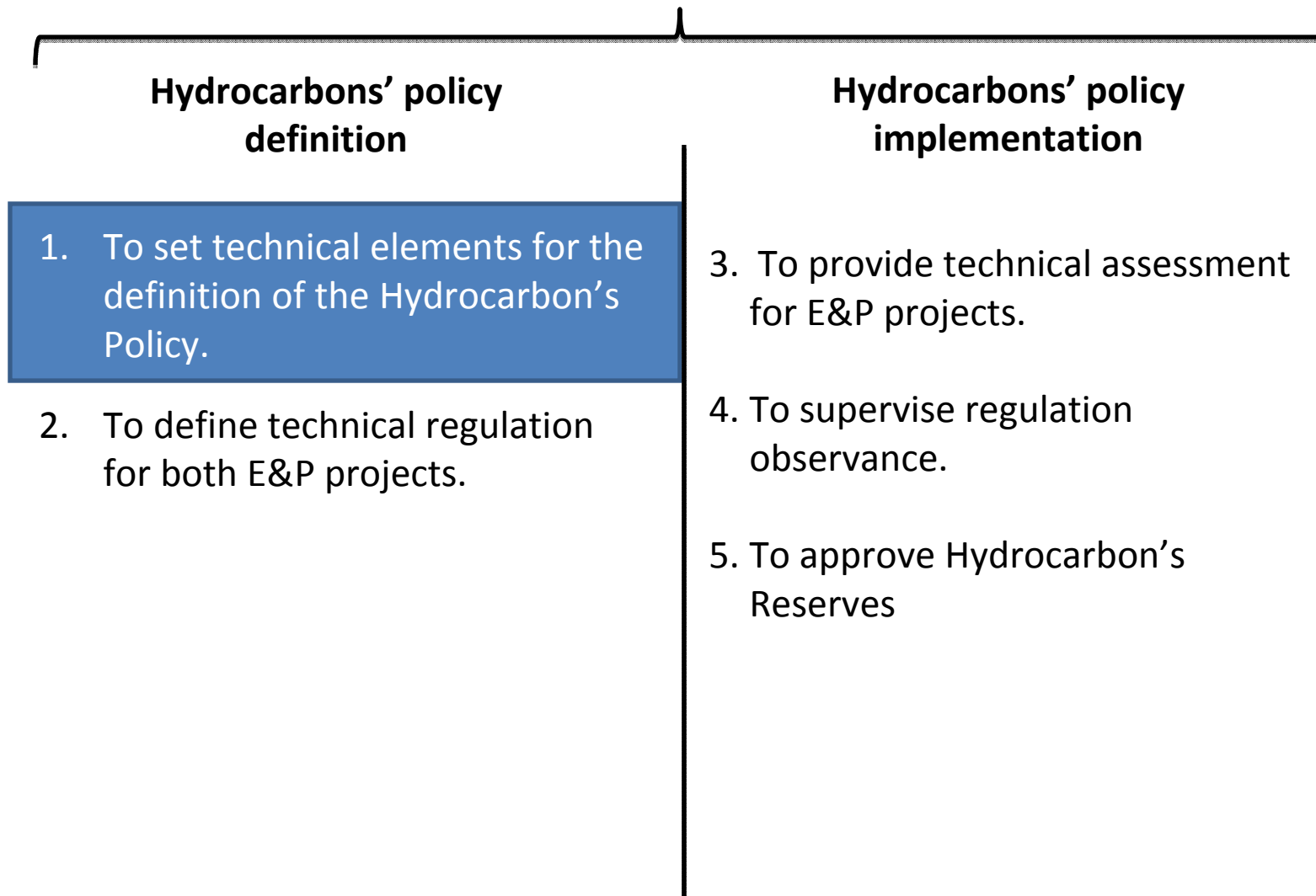
CNH Legal Framework

Hydrocarbons' Management

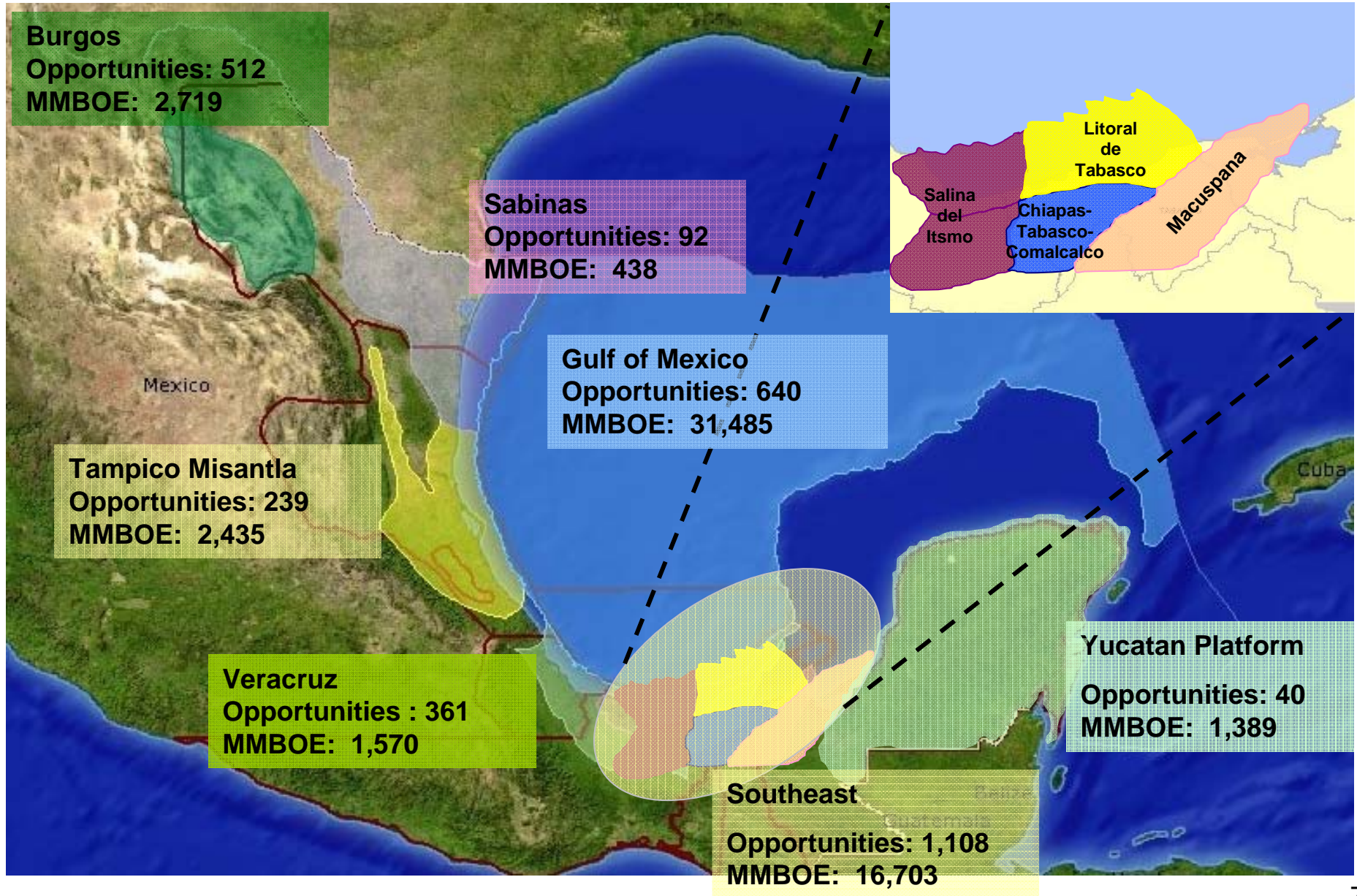


CNH Legal Framework

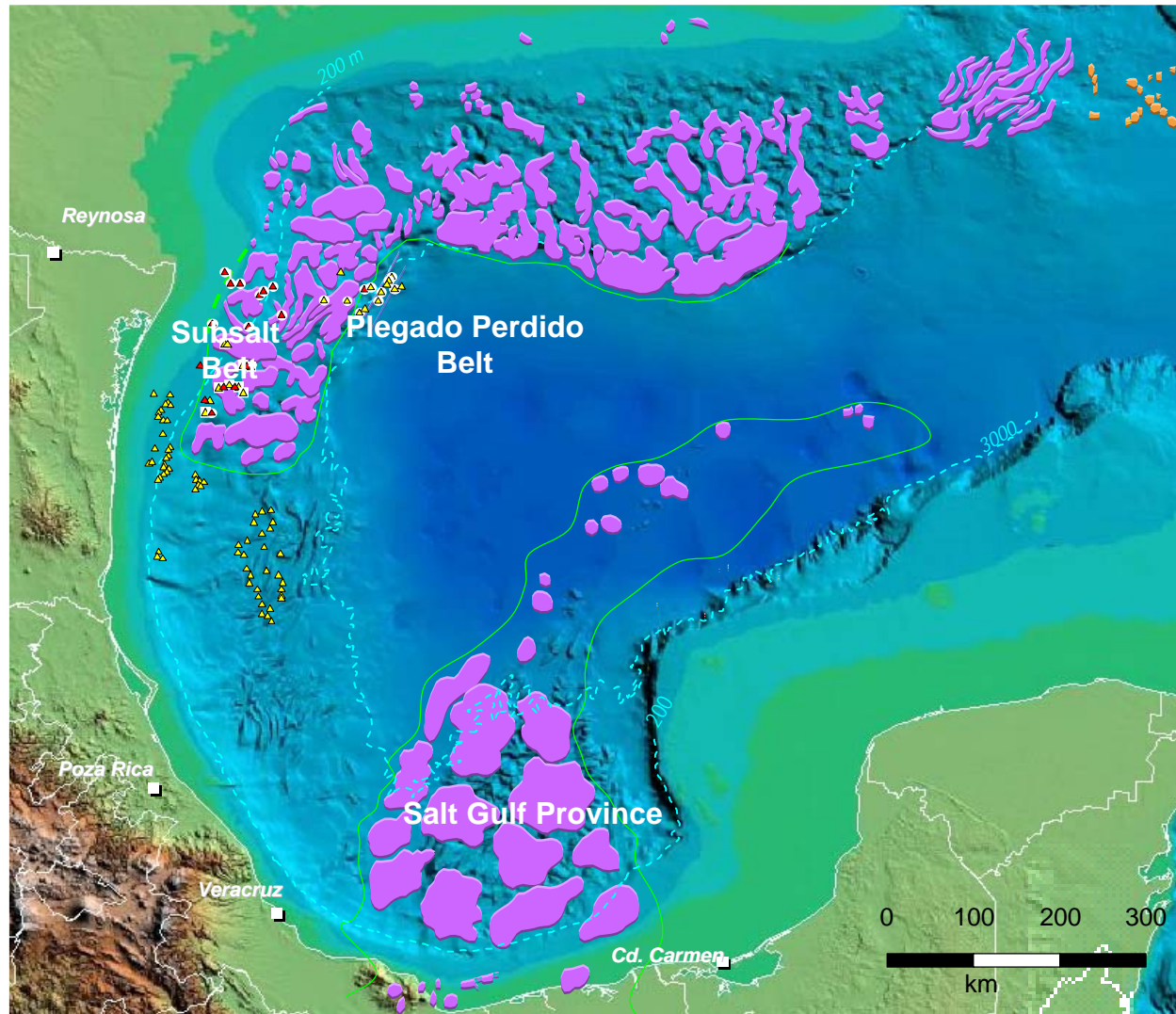
Hydrocarbons' Management



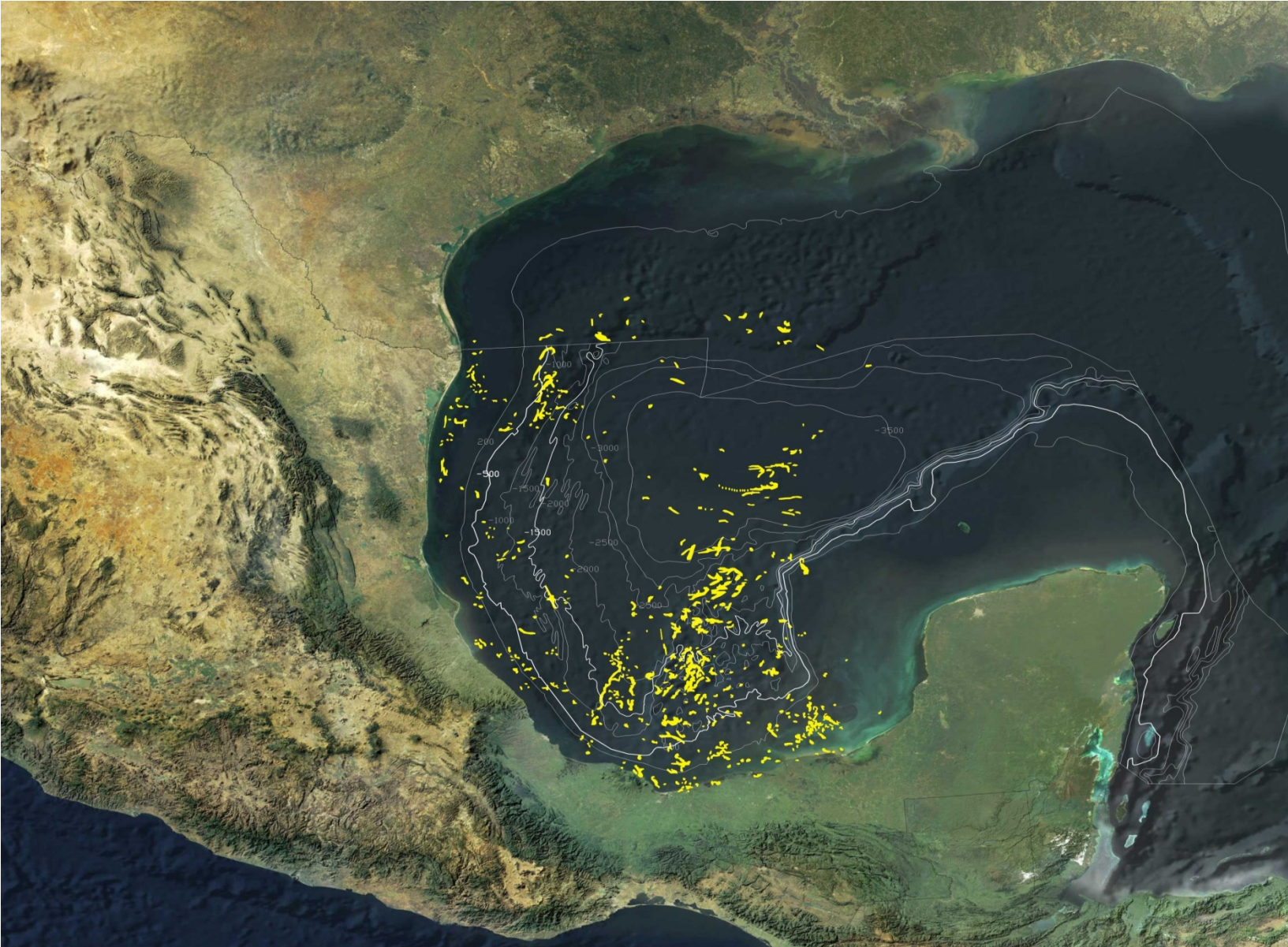
Hydrocarbons policy: Prospective resources



Hydrocarbons policy: Salt Province

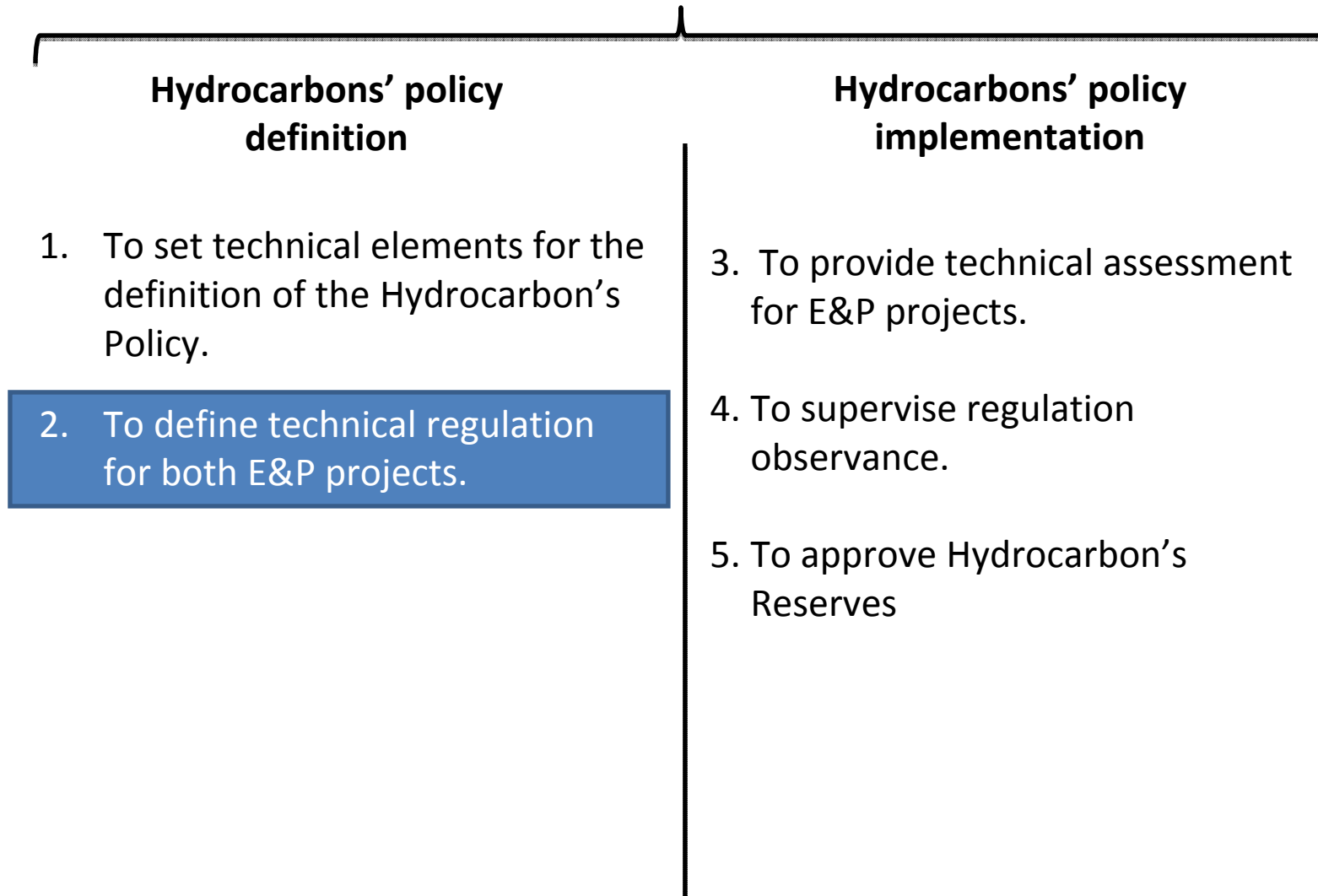


Hydrocarbons policy: Leaks in the Salt Province

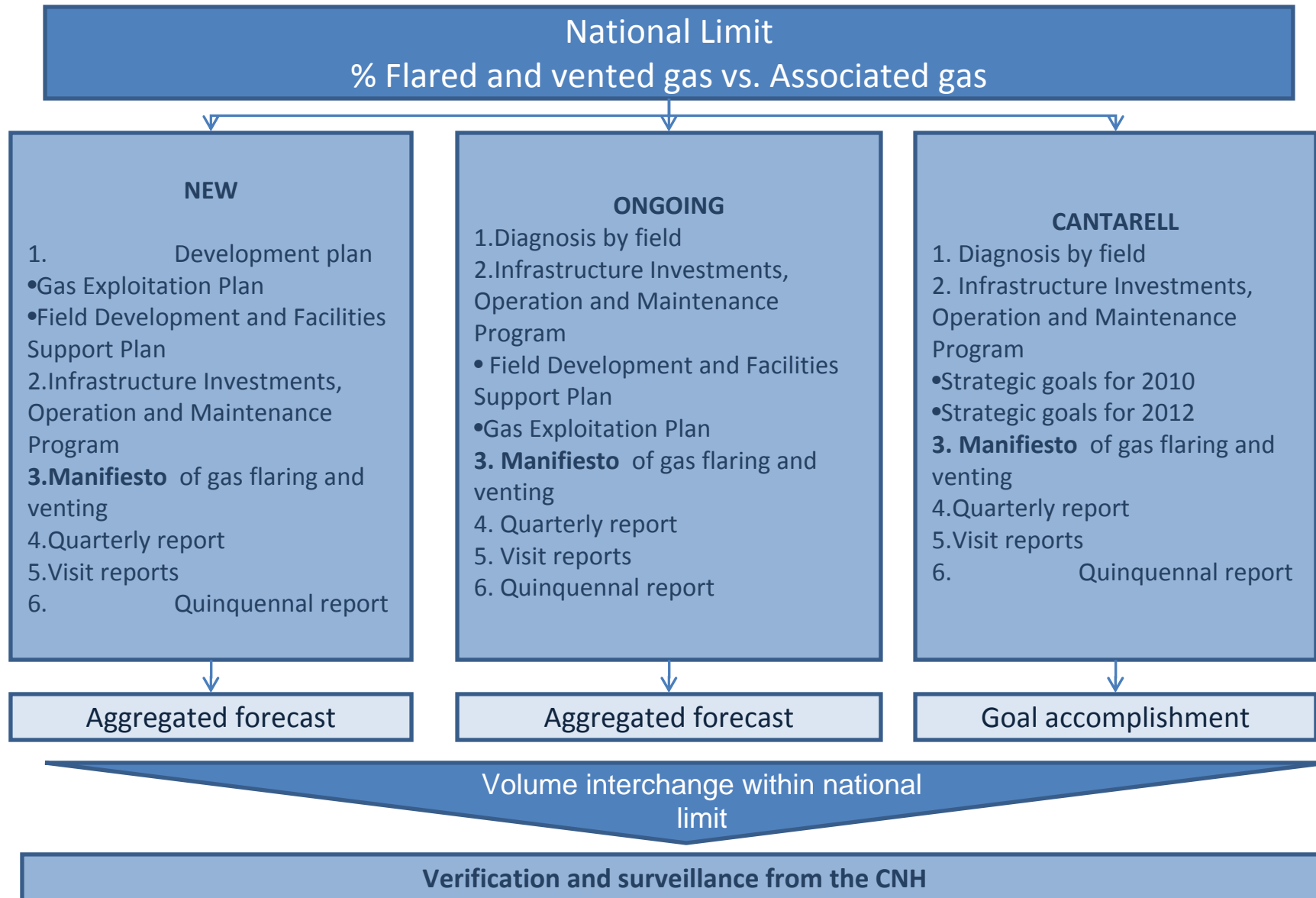


CNH Legal Framework

Hydrocarbons' Management

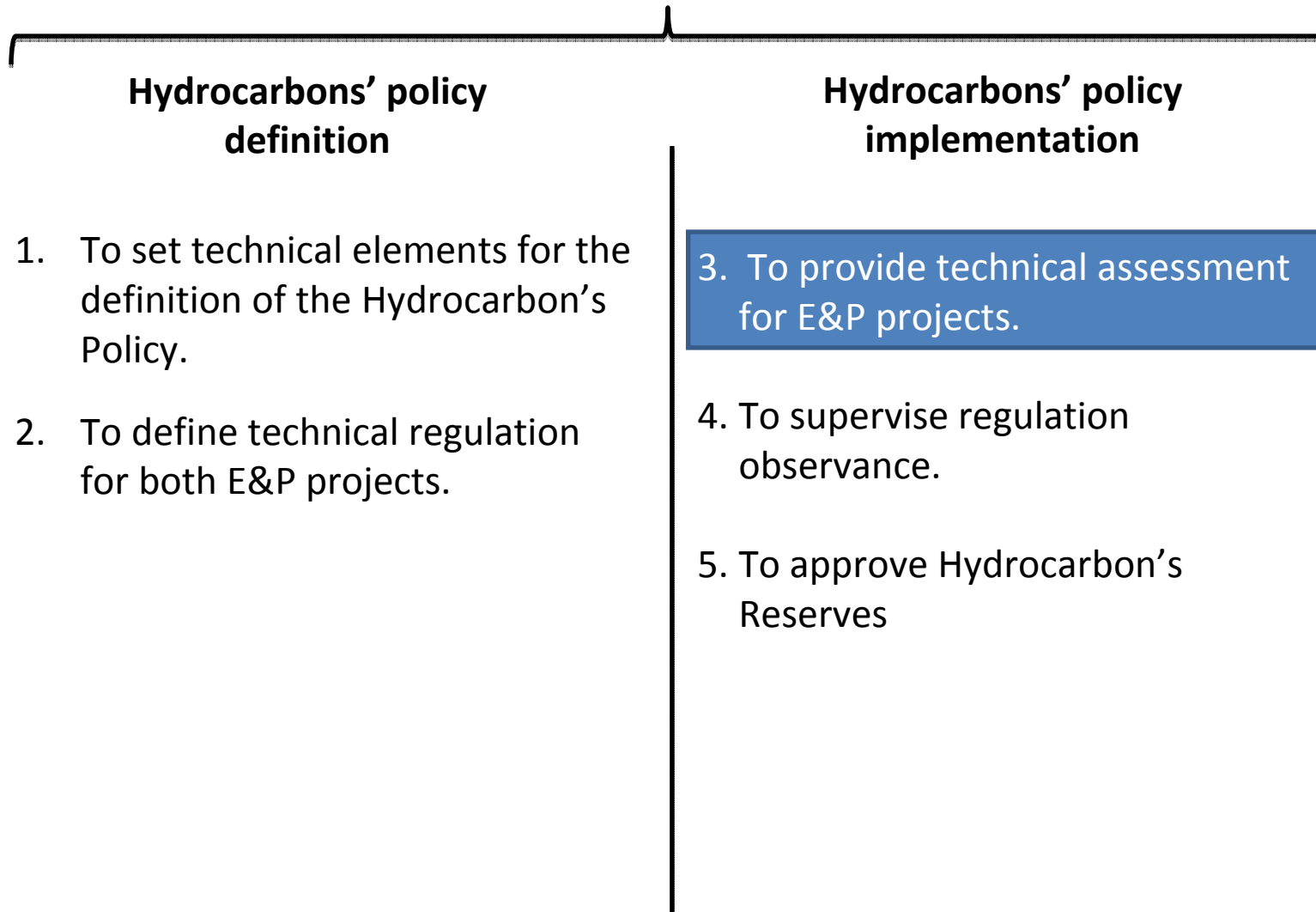


Technical regulation: Gas Flaring



CNH Legal Framework

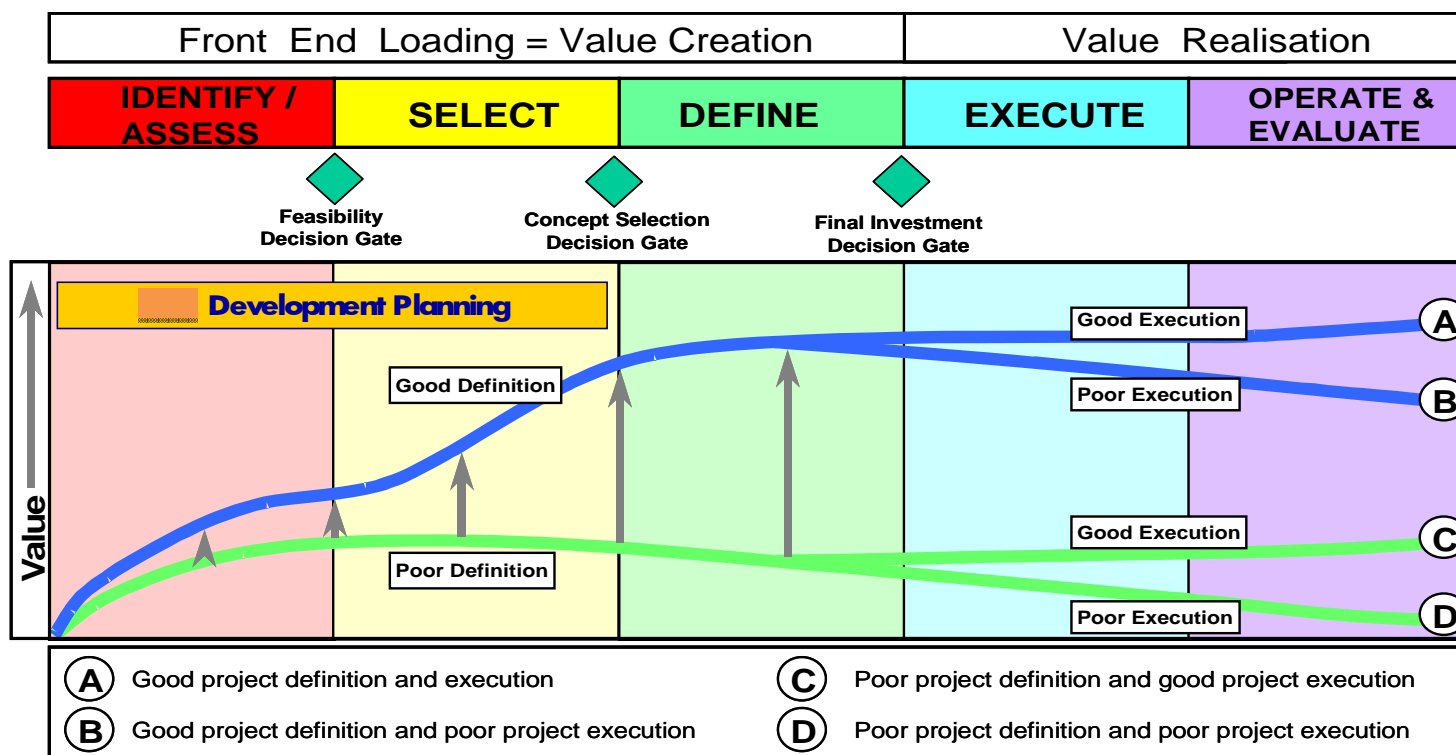
Hydrocarbons' Management



CNH: Technical guidelines and assessment

Technical guidelines that should be followed in the design of E&P projects.

In each stage, the guidelines will establish the obligation to present projects for technical assessment based on *Front End Loading (FEL)* methodology. In this sense, the CNH will be the *gatekeeper* in each stage throughout the whole process.



CNH: Technical guidelines and assessment

Elements that should be established by CNH's technical assessment:

- Pemex should be able to identify the most suitable technology (from relevant alternatives) for production and industrial safety.
- In accordance to best practices, Pemex has to evaluate technical alternatives and choose the most suitable, according to Nation's best interests.
- That Pemex should be capable to execute technologies associated to projects by itself or through third party support.
- The CNH will define maximum deviation parameters in terms of costs, production and execution time-span.



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Thank you