

**Regulations regarding the Protection of the Environment during the Works
of Exploration and Extraction of Hydrocarbons in the Sea**

*Issued pursuant to
Section 10, Paragraph seven of
the Subterranean Depths Law*

I. General Provisions

1. These Regulations prescribe the requirements for the protection of the environment during the works of exploration and extraction of hydrocarbons in the exclusive economic zone of the Republic of Latvia (hereinafter – the sea).
2. A merchant who has received a licence according to the procedures specified by regulatory enactments regulating the prospecting, exploration and extraction of hydrocarbons (hereinafter – the licensee), has a duty to use the best available techniques..
3. An environmental impact assessment of the exploration of hydrocarbons (that is associated with drilling activities) and extraction thereof shall be performed following the receipt of a licence for the exploration and extraction of hydrocarbons.
4. A permit of Category B for the performance of polluting activities (hereinafter - Category B permit) shall be necessary for the exploration of hydrocarbons, that is associated with drilling activities, and for the extraction thereof.
A permit shall be received in accordance with regulatory enactments that prescribe the procedures for applying for Category A, B and C polluting activities and the issuance of permits for the performance of Category A and B polluting activities thereof.
5. The equipment of a drilling tower for the exploration and extraction activities of hydrocarbons shall comply with the requirements of Regulation 21 of Annex 1 to the 1973 International Convention for the Prevention of Pollution from Ships and the Protocol of 1978 thereto (hereinafter – MARPOL 73/78).
6. A licensee shall perform monitoring of the marine environment and prepare reports on the monitoring of the marine environment according to the conditions of the Category B permit. A licensee shall submit the reports on the monitoring of the marine environment and copies of information to the State Environmental Service.
7. For the fulfilment of the requirements of these Regulations the necessary analyses shall be performed by laboratories that are accredited according to the standards of the State Agency “Latvian National Accreditation Bureau” LVS EN ISO/IEC 17025: 2005 “General Requirements for the Competence of Testing and Calibration Laboratories” or laboratories accredited in other countries, utilising the standard methodologies of international organisations.

II. Discharge during Exploration and Extraction Activities

8. It is prohibited to discharge waste into the sea. Within the meaning of these Regulations waste shall be all waste, including polluted waters and excesses that arise during the operation of a ship or platform, but that is not excess of freight and to which Annexes I, IV and V of MARPOL 73/78 shall apply, as well as the waste associated with ship freight that is specified in MARPOL 73/78.
9. It is prohibited to discharge chemical substances into the sea that are included in the list of harmful substances specified in Paragraph 1.2 of Annex I to the Helsinki Convention on the Protection of the Marine Environment in the Baltic Sea Area, and materials containing chemical substances.
10. It is prohibited to discharge drilling mud and waste arising thereof into the sea.
11. The requirements specified in this Section shall not apply to cases when human life or objects associated with the

exploration or extraction are under the threat of complete destruction, and discharge is the only possibility of averting these threats and if the damage caused by the discharge is less than would be caused if the discharge would not have taken place. Such discharge shall be performed so that the possible harm to human life and the environment is reduced to a minimum.

12. The licensee shall inform the State Environmental Service regarding discharge performed according to Paragraph 11 of these Regulations within 24 hours from the commencement of the discharge, indicating the content of the substances discharged, the possible amount, place and time.

13. Injection of gas and water into the oil-bearing bed for the promotion of extraction, as well as the re-injection of evacuated liquids into the oil-bearing bed in the course of proceeding with the extraction of hydrocarbons shall not be considered as pollution of the subterranean depths. A licensee shall provide for the specified activities in the work plan for the preparation of the hydrocarbon bed and the extraction of hydrocarbons.

III. Elimination of the Consequences of Emergencies

14. If a licensee informs that he or she is to commence activities for the extraction of hydrocarbons, also including experimental extraction, he or she shall conclude an agreement with an institution or merchant that performs activities for emergency elimination.

15. A licensee shall develop a plan of action for an emergency situation (hereinafter – action plan). An action plan shall include all possible emergency scenarios, action in different emergency situations, resources that are in existence and that are to be involved, and notification schemes. In developing an action plan, a licensee shall observe the requirements of regulatory enactments of the Republic of Latvia and international regulatory enactments binding on the Republic of Latvia, in the field of environmental protection. A licensee shall submit a copy of the action plan and a copy of the agreement specified in Paragraph 14 of these Regulations to the State Environmental Service together with a submission for the receipt of a Category B permit.

16. When performing measures to eliminate pollution with hydrocarbons, the utilisation of such substances or products that promote pollution with hydrocarbon dispersion (dispersants) shall be restricted as far as possible. Each time of utilisation shall be co-ordinated in advance with the State Environmental Service. It is prohibited to utilise hydrocarbon-sinking substances for the elimination of pollution.

17. The requirements in relation to equipment are as follows:

17.1. the relevant quantity of equipment in order to eliminate the possible consequences, if a leakage of hydrocarbons has occurred from the exploration or extraction drillings, ship, platform or pipeline, taking into account the geological location of the drilling, evaporation and emulsification of hydrocarbons;

17.2. hydrocarbon collection systems, booms and transport materials shall be designed so they can be utilised and be effective in the current conditions and the height of waves that prevail in the relevant region (a height of waves up to 2 metres and a current of up to 1 knot), and the equipment shall be capable of being operated in the prevailing temperature in the relevant region;

17.3. the capability of the equipment to eliminate pollution to be used in the conditions of ice for the elimination of the consequences of emergencies has been examined in conditions of low temperature, ice and under the ice;

17.4. the equipment intended for the elimination of pollution of harmful substances other than hydrocarbons, used in a substantial amount, shall comply with the following conditions:

17.4.1. the quantity and type of equipment shall be such, so that the user may determine and inform about the amount of pollution and location thereof, avert or reduce the discharge of substances and eliminate the pollution; and

17.4.2. if the pollution is floating and insoluble in water, it is possible to restrict, collect and transport it in the circumstances specified in Sub-paragraph 17.2 of these Regulations.

18. The duties of a licensee, if unexpected pollution of the environment is established, shall be as follows:

18.1. to identify the source of the pollution without delay;

18.2. in accordance with the action plan perform the necessary operations in order to eliminate the pollution;

18.3. provide information without delay to the State Environmental Service and State Fire-fighting and Rescue Service regarding the following:

18.3.1. the type and amount of the pollution;

18.3.2. the time and place of the determination of the pollution;

18.3.3. the source of the pollution;

18.3.4. the operations commenced for the elimination of the pollution and the causes thereof; and,

18.3.5. the wind and sea conditions at the place of pollution.

IV. Control

19. Officials of the State Environmental Service shall control the compliance with requirements of environmental regulatory enactments, the conditions specified in the Category B permit, stand-by and action plans for the elimination of pollution from hydrocarbon exploration and extraction activities according to the following conditions:

19.1. the State Environmental Service shall submit to the Ministry of Economics the control schedule for the following calendar year by 20 October of each year, providing that the inspections are performed at least once in every half year;

19.2. officials of the State Environmental Service have the right (after prior co-ordination with the licensee) in accordance with the control schedule and in cases, when justified suspicions arise that a site involved in hydrocarbon exploration and extraction activities has created environmental pollution (informing the licensee in advance), to control the compliance with the requirements of environmental regulatory enactments, to be present free of charge at the site involved in hydrocarbon exploration and extraction activities and to receive the necessary information and document copies for the performance of functions thereof.

20. The State Environmental Service within 2 weeks time shall inform the Ministry of Economics and the licensee regarding the monitoring results.

21. The licensee shall ensure the following:

21.1. the transport of an official from the State Environmental Service to the site involved in hydrocarbon exploration or extraction activities as well as the appropriate working conditions for the performance of control thereof;

21.2. the provision of all information necessary for the control of compliance with the requirements of environmental regulatory enactments to the State Environmental Service;

21.3. periodic automated control and registration of emissions, as well as the provision of regular reports to the State Environmental Service regarding substances discharged into the environment in accordance with the conditions specified in the Category B permit; and,

21.4. the permanent implementation of the requirements for environmental protection and the action plan thereof. The State Environmental Service shall be informed regarding results once in every half year.

Prime Minister

A. Kalvītis

Minister for Environment

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