

# PROBLEMS AND NOVELTIES OF LEGAL REGULATION OF EXPERT EXAMINATION OF DESIGN DOCUMENTATION FOR OIL AND GAS GEOLOGICAL EXPLORATION WORKS

DOI 10.18572/2410-4396-2021-2-80-82



**Tubdenov Vladislav G.**

PhD (Law)

Senior Lecturer of the Department of Energy Law of the Kutafin Moscow State Law University (MSAL)

Head of the Division of Methodological Support of Subsoil Use and Expert Examination of Geological Exploration Projects of the Federal State Government-Owned Institution Rosgeolekspertiza

■ [vgtubdenov@msal.ru](mailto:vgtubdenov@msal.ru)

*Carrying out of expert examination of project documentation on geological exploration works for crude hydrocarbon is difficult in the absence of a separate (special) regulatory act that would establish the sequence of oil and gas geological exploration works in the Russian Federation related to the study of the oil-and-gas-bearing capacity, geological study, assessment, exploration and development of oil and gas fields (deposits). The license (permission) regime for the use of subsoil is presently established in the Russian Federation, the project documentation on the geological exploration of subsoil is one of the mechanisms of the state licensing system. At the same time, it is obvious that in the conditions of the global crisis associated with the pandemic caused by the coronavirus infection, oil and gas companies are revising their geological exploration programs, reducing investments and postponing seismic investigations. However, the postponement does not always meet the requirements set in the license of a certain subsoil user, and therefore the assessment of the feasibility of postponing geological exploration and its criteria are of crucial importance for the rational use of subsoil. The author brings forward proposals for improving the legal regulation of relations arising in the process of geological exploration of subsoil for the purpose of geological study, assessment and exploration of oil and gas fields including in the Arctic zone of the Russian Federation.*

**Keywords:** energy law, legal regulation of geological exploration relations in the oil and gas complex, expert examination of project documentation.

The Energy Strategy of the Russian Federation until 2035 includes the statement that there are practically no large explored raw hydrocarbon fields in the unallocated subsoil fund and an extremely small number of deposits that have little reserves but are economically efficient in terms of the development. At the same time,

it is emphasized that the level of investments in geological exploration works is low, and the dynamics of exploration of new fields is going down. Another urgent problem is that the Russian geological exploration technologies lag behind the state of the art, which increases the dependence of Russian organizations on imported equipment, technologies, and services.

The issue of a negative impact of geological exploration works on the environment is worth mentioning separately. «Given the current technological development level, recoverable oil reserves in Russia will suffice for 58 years, while profitable ones will suffice for 19 years, according to the inventory data. But these are provisional, indicative figures. This threshold will be constantly shifted with the development of technology. At the same time, Russia has gas reserves for more than 60 years in any economic development scenario». [1]<sup>1</sup>

In accordance with Article 36.1 of Law of the Russian Federation No. 2395-1 of February 21, 1992, *On Subsoil*, the works on the regional geological exploration of subsoil, geological exploration of subsoil, including geological study and assessment of mineral deposits, exploration of mineral deposits carried out using the state funds and the funds of subsoil users are performed in accordance with the approved project documentation, the examination of which is organized by the federal management body of the state subsoil fund or its territorial bodies and is carried out by a state institution under the jurisdiction of the federal management body of the state subsoil fund or its territorial bodies, at the expense of the applicants.

The expert examination of the project documentation on the geological exploration of subsoil is one of the integral parts of the mechanism of state management of the subsoil fund at the early geological object development stages, which makes it possible to assess the validity and sufficiency of the methodology, technology, types and volumes of geological exploration works specified in the project documentation.

At present, the expert examination of the project documentation on the geological exploration of subsoil is carried out by the Federal State Government-Owned Institution Rosgeolekspertiza. [2]<sup>2</sup>

The following documents have been adopted In order to raise the efficiency of the

expert examination of project documentation in 2016:

Rules for the preparation of the project documentation on the geological exploration of subsoil and mineral fields by types of minerals, approved by order of the Ministry of Natural Resources of Russia No. 352 of June 14, 2016; [3]<sup>3</sup>

The Procedure for the expert examination of project documentation on carrying out of works on the regional geological exploration of subsoil, geological exploration of subsoil including geological study and assessment of mineral fields, exploration of mineral fields and the amount of payment for the implementation thereof, approved by order of the Ministry of Natural Resources of Russia No. 490 of September 23, 2016. [4]<sup>4</sup>

It should be noted that the legal regulation in the relevant area is constantly being improved. In particular, Order of the Ministry of Natural Resources of Russia No. 865 of October 29, 2020, *On the Approval of the Procedure for the State Accounting and Maintenance of the State Register of Works on the Geological Exploration of Subsoil, the State Register of Subsoil Plots Granted for Use, and Licenses for the Use of Subsoil Plots* entered into force on March 5, 2021. [5]<sup>5</sup> This order established a mechanism, whereby subsoil users are no longer required to contact the Federal Agency for Subsoil Use or take any other actions aimed at entering or amending information in the state register of works, that is, the state register of works on the geological exploration of subsoil is maintained not through the provision of a public service by the Federal Agency for Subsoil Use, but by the means of electronic interaction between the Federal Agency for Subsoil Use and the Federal State Government-Owned Institution Rosgeolekspertiza.

A draft amendments has been prepared to the above Order of the Ministry of Natural

<sup>1</sup> <https://rg.ru/2021/04/04/glava-rosnedr-izvlekaemyh-zapasov-nefti-rossii-hvatit-na-58-let.html>

<sup>2</sup> <http://www.rgexp.ru/>

<sup>3</sup> Official Internet portal of legal information <http://www.pravo.gov.ru>, July 4, 2016.

<sup>4</sup> Official Internet portal of legal information <http://www.pravo.gov.ru>, December 30, 2016.

<sup>5</sup> Official Internet portal of legal information <http://www.pravo.gov.ru>, February 3, 2021.

Resources No. 490 of September 23, 2016 (posted on the official portal of drafts of regulatory acts), establishing a reduction (differentiation) of terms for the expert examination of various types of project documentation for the geological exploration of subsoil.

Besides, it should be noted that in accordance with the Federal Law *On Mandatory Requirements in the Russian Federation*, mandatory requirements providing for the establishment of permissive regimes in respect of citizens and organizations (including in the form of undergoing an expert examination) are established by federal laws or regulatory acts of the President of the Russian Federation, the Government of the Russian Federation in cases determined by federal laws. Thus, the role and status of the expert examination of project documentation on geological exploration of subsoil will only increase.

There are also a number of specific problems associated with the expert examination of project documentation on oil and gas geological exploration works.

In particular, Order of the Ministry of Natural Resources of the Russian Federation No. 126 of February 7, 2001, approving the *Provisional Regulation on the Steps and Stages of Oil and Gas Geological Exploration Works* now contradicts the applicable regulatory framework in the field of subsoil use in relation to raw hydrocarbons to a great extent:

— The rules for the development of raw hydrocarbon fields (Order of the Ministry of Natural Resources and Environment of the Russian Federation No. 356 of June 14, 2016);

— The classification of oil and combustible gas reserves and resources (Order of the Ministry of Natural Resources and Environment of the Russian Federation No. 477 of November 1, 2013).

Carrying out of expert examination of project documentation on geological exploration works for crude hydrocarbon is difficult in the absence of a separate (special) regulatory act that would establish the sequence of oil and gas geological exploration works in the Russian Federation related to the study of the oil-and-gas-bearing capacity, geological study, assessment, exploration and development of oil and gas fields (deposits).

Besides, as the Russian Federation has presently established a license (permission) regime for the use of subsoil, the project documentation on the geological exploration of subsoil is one of the mechanisms of the state licensing system. At the same time, it is obvious that in the conditions of a global crisis associated with the pandemic caused by the coronavirus infection, oil and gas companies are revising their geological exploration programs, reducing investments and postponing seismic investigations. However, the postponement does not always meet the requirements set in the license of a certain subsoil user, and therefore the assessment of the feasibility of postponing geological exploration and its criteria are of crucial importance for the rational use of subsoil.

Finally, it is worth noticing that it seems advisable to include additional environmental requirements to project documentation on the geological exploration of subsoil for the purpose of geological study, assessment, exploration of oil and gas fields in the Arctic zone of the Russian Federation taking into account the fragile ecosystem of the Arctic zone and potential risks of the occurrence of emergencies and accidents in carrying out of geological exploration works especially well drilling. ■

## References

1. Tikhonov S. Scratch beneath the Surface. Recoverable Oil Reserves in Russia Will Suffice for 58 Years / S. Tikhonov // Russian Newspaper — Federal Issue. 2021. April 4.
2. Federal State Government-Owned Institution ROSGEOLEKSPERTIZA. URL: <http://www.rgexp.ru/>.
3. Official Internet portal of legal information. URL: <http://www.pravo.gov.ru>, July 4, 2016.
4. Official Internet portal of legal information. URL: <http://www.pravo.gov.ru>, December 30, 2016.
5. Official Internet portal of legal information. URL: <http://www.pravo.gov.ru>, February 3, 2021.