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## ANGOLA

### REGULATIONS ON ABANDONMENT AND DECOMMISSIONING OF UPSTREAM OIL AND GAS FACILITIES

Presidential Decree 91/18, of 10 April 2018 (“PD 91/18”) enacted the regulations on abandonment and decommissioning of upstream oil and gas facilities located in Angola.

Below you will find an overview of PD 91/18.

#### Scope

PD 91/18 covers the abandonment and decommissioning of facilities and installations used for the exploration and/or production (upstream) of oil and gas and which are located offshore or onshore Angola.

Downstream facilities, including for refining, transportation and sale of petroleum products, are not subject to PD 91/18.

#### Abandonment Plan

- The Operator must prepare and submit to the National Concessionaire for approval a Preliminary Abandonment Plan (“PAP” – which must include an Environmental Impact Assessment). The PAP is included as part of the general Development and Production Plan for the respective development area or concession.
- The PAP must be updated every 3 years.
- A Final Abandonment Plan (“FAP”) must be prepared by the Operator and approved by the National Concessionaire and the government (Ministry of Natural Resources and Petroleum) by no later than 12 months prior to the planned abandonment date.
- Templates of the PAP and FAP are included in PD 91/18.

### **Abandonment of Wells**

- The abandonment of wells must be done in accordance with the technical and safety guidelines which are appended to PD 91/18.
- The abandonment must be definitive. Temporary abandonment is only permitted in exceptional cases.

### **Decommissioning of Facilities**

- Decommissioning of facilities may be total or partial. It may also be done in a phased manner during the life of the concession.
- Any creation of artificial reefs is subject to government approval.

### **Handover of Facilities**

- In case of handover of facilities to the National Concessionaire, a plan for such handover must be agreed (between Operator and National Concessionaire) by no later than 18 months prior to the end of the respective development area or concession.
- The introduction of any naturally occurring radioactive materials (NORM) is prohibited.
- Within 30 days of a correctly managed handover, the National Concession must provide to Operator a Release of Liability and Indemnity Agreement (“RLIA”) in accordance with the form appended to PD 91/18.

### **Inspection and Completion Certification/Release of Liability**

- Government authorities must carry out inspections to the facilities and installations before, during and after abandonment and decommissioning operations.
- The Operator must monitor the area upon completing the abandonment and decommissioning work and produce a “monitoring report” to submit to the National Concessionaire.
- Within 60 days of such completion (1) the government shall issue a “certificate of work completion” and (2) the National Concessionaire shall provide a RLIA in the form appended to PD 91/18.

### **Funding**

- Operator must set aside sufficient funds to pay for the planned abandonment and decommission operations.
  - Funding shall commence as follows:
    - For future concessions, funding is due from commencement of production.
    - For new development areas within existing concessions, funding is due from a date to be agreed by National Concessionaire and Operator between commencement of production and when 50% of reserves have been recovered.
- For existing concessions with an existing funding program, shall program shall continue unchanged in accordance with the respective contract.

- The funds must be paid into an Escrow Account to be opened in the name of the National Concessionaire and operated in accordance with the terms set out in PD 91/18. Any abandonment funds existing in accounts other than an Escrow Account must be transferred to an Escrow Account.
- If there is a shortfall at the time of actual abandonment, Operator is responsible for providing the missing funds to carry out abandonment/decommissioning according to the plan.
- Any surplus funds shall be transferred to the National Concessionaire.
- All abandonment costs are entitled to cost-recovery/tax deduction.

If you have any queries on this Legal Alert, please do not hesitate to contact João Afonso Fialho at [jaf@vda.pt](mailto:jaf@vda.pt).