

COVID-19: New Impacts on the Oil and Gas Industry

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• PRODUCTION

Brazil's O&G regulator, the ANP, has adopted measures that establish more flexible rules for submitting Development Plans and Annual Work and Budget and Production Programs. The measures also extend deadlines for the ANP's requests for information on Monthly Production Bulletins and for concessionaires' responses to those requests, allow activities planned for 2020 to be postponed for up to one year, and authorize extraordinary burn-offs of natural gas of up to 100,000 m³/day in small producing fields.¹ The ANP is still evaluating the need for further measures in the O&G sector.

In response to the crisis in the oil market, Petrobras, which had already announced a cut in production of 100,000 barrels/day, announced a further cut on April 1st, bringing the total to 200,000 barrels/day for an indefinite period of time. In deciding which fields will cut back production, Petrobras will consider market and operational conditions. The company will also assess, on a continuing basis, the duration of the cutback, and potential increases or decreases.²

Sources: [1] ANP | [2] EPBR

• REFINING

Petrobras has issued a statement denying information circulating on social networks on the closing of refineries because of the COVID-19 pandemic. The company clarified that, in general, it is operating its assets with reduced personnel, and that it has cut back oil production and adjusted fuel production to current market demand.

• STATE OF RIO DE JANEIRO

The government of the state of Rio de Janeiro has created a commission to draw up a proposal to modernize state legislation in the oil and gas sector. According to the state government, the need to simplify and debureaucratize the rules and regulations governing the industry is a long-standing one.³

Source: [3] EPBR

• IBP – Brazilian Petroleum Institute

The Brazilian Institute of Petroleum, Gas, and Biofuels – IBP has asked the ANP to revise its rules and regulations to bring the regulatory framework into

line with the operational limitations faced by companies in the O&G sector in the midst of the coronavirus pandemic.

Among the requests made by the IBP is a suspension or postponement of routine and internal audits, adjustments to the deadlines for submitting various types of information and reports, and more flexibility in organizing crew changes on FPSOs and in renewing Ship Sanitation certificates.⁴

Source: [4] Medidas do IBP

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