MARTINEZ DE HOZ & RUEDA

NEWSLETTER ENERGY & NATURAL RESOURCES

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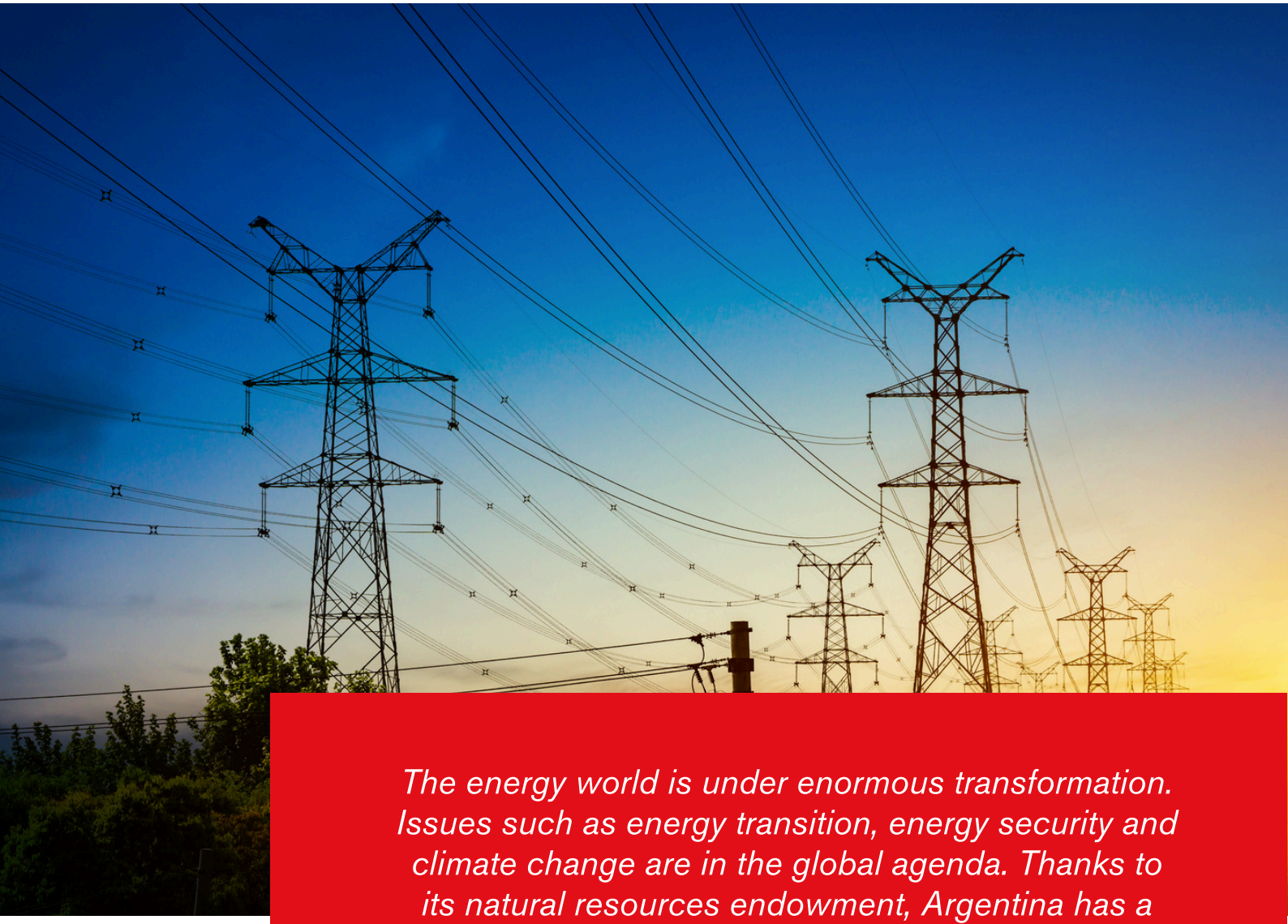

The energy world is under enormous transformation. Issues such as energy transition, energy security and climate change are in the global agenda. Thanks to its natural resources endowment, Argentina has a key role to play in the energy and mining sector. This newsletter intends to inform, with an analytical approach and on a monthly basis, the most relevant events, regulations, and case law taking place in our country.

IN THIS ISSUE

GENERAL DEFINED TERMS

"CAMMESA" means Compañía Administradora del Mercado Mayorista Eléctrico S.A.
"ENRE" means the National Electricity Regulatory Authority (Ente Nacional Regulador de la Electricidad).
"ENARGAS" means the National Gas Regulatory Authority (Ente Nacional Regulador de Gas).
"FHL" means the Federal Hydrocarbons Law No. 17,319, as amended by Laws No. 26,197 and 27,007.
"Federal Mining Code" means the Federal Mining Code approved by means of Federal Law No. 1,919, according to the consolidated text approved by means of Federal Decree No. 456/1997.

"Omnibus Bill of Law" means the bill of law titled "Law of Bases and Starting Points for the Freedom of Argentines" ("Ley de Bases y Puntos de Partida para la Libertad de los Argentinos") submitted by the Federal Executive Branch before the Federal Congress, that includes a general reform of many laws and the organization of the Federal Administration.
"PIST" means the Point of Entry into the Transmission System, for its acronym in Spanish.
"Supreme Court" means the Argentine Federal Supreme Court.
"**MEM**" means the Wholesale Electricity Market, for its Spanish accronim of Mercado Eléctrico Mayorista.

GENERAL REGULATORY NEWS

PROVINCE OF NEUQUÉN: REORGANIZATION OF MINISTRY OF ENERGY AND NATURAL RESOURCES

The Province of Neuquén restructures its organizational chart and grants jurisdiction on environmental matters and water resources to the Ministry of Energy and Natural Resources.

By means of Provincial Decree No. 90/2024, the Executive Branch of the Province of Neuquén modified Provincial Law No. 3,420, which regulates its organizational chart.

Decree No. 90/2024 reassigns jurisdiction regarding environmental provincial Laws No. 1,875, 2,183, 2,175, 2,205, 2,600, 2,615, 2,648 and 2,682 from the Undersecretariat of Environment to the Ministry of Energy and Natural Resources.

Additionally, on February 16, 2024, the Executive Branch issued Provincial Decree No. 120/2024, approving the new organizational chart for the Ministry of Energy and Natural Resources, which (i) demoted the environmental authority from an autonomous Ministry to a Secretariat within the framework of the Ministry of Energy and Natural Resources, and (ii) repositioned the General Directorate of Royalties Collection under the Provincial Directorate of Energy Revenues within the framework of the Undersecretariat of Energy, Mining and Hydrocarbons.

As a result of Decree No. 120/2024, the Ministry of Energy and Natural Resources of the Province of Neuquén is currently organized into the following offices:

(i) Office of Administrative Management Coordination;

(ii) Undersecretariat of Energy, Mining and Hydrocarbons; and

(iii) Secretariat of Environment.

Finally, the Undersecretariat of Water Resources was reassigned from the Ministry of Energy and Natural Resources to the Ministry of Infrastructure.

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PROVINCE OF RÍO NEGRO: UPDATE OF FEES AND TARIFFS, DEBT-FREE ENVIRONMENTAL CERTIFICATE, AND NEW JURISDICTIONAL POWERS

The Secretariat of Energy and Environment updates fees, creates a Debt-Free Environmental Certificate required for submitting requests, and increases its jurisdictional powers over certain hazardous activities.

On February 22, 2024, the Secretariat of Energy and Environment of the Province of Río Negro (the "**Secretariat**") issued Resolution No. 164/2024 ("**Resolution 164**"), whereby the Secretariat:

(i) updated fees and tariffs payable to the Secretariat;

(ii) established that environmental fees and tariffs shall be calculated on the basis of individual "Value Units" equivalent to the price of one liter of fuel sold by YPF S.A. (USD 1,18 per liter) in its gas stations located in the City of Cipolletti, Province of Río Negro; and

(iii) incorporates a "Debt-Free Environmental Certificate" as a requirement for making any environmental requests to the Secretariat.

Moreover, by means of Resolution 164, the Secretariat assumed jurisdiction over:

(i) hazardous waste inspection in contaminated lands subject to treatment;

(ii) inspection of industries which are presumed to present a high environmental risk; and

(iii) inspection of construction projects which are presumed to present a high environmental risk, following a request in the relevant Technical Report issued in the context of an Environmental Impact Assessment.

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HYDROCARBONS

ENARGAS: RENEWAL OF LICENSED INSTALLERS OF COMBUSTION SYSTEMS

ENARGAS approves the "Renewal Program for Licensed Installers of Combustion Systems" and instructs Natural Gas Distribution Public Service Licensees to require, for the renewal of combustion licenses, a certificate evidencing the approval of the refresher course.

In 2009, the ENARGAS created a "Registration Regime for Installers of Combustion Systems" (Resolution No. 902/2009, hereinafter **"Resolution 902"**), with the purpose of establishing a registry of installers of combustion systems (the "**Registry**") and approved a "Gas Combustion Systems Training Plan" (the "**Training Plan**"), based on training and continuous improvement through the approval of an initial course prior to registration and the approval of systematic updating courses to keep the registration in force. Licensees of the Public Gas Distribution Service were required to employ, on a mandatory and exclusive basis, the intervention of Licensed Installers of Combustion Systems.

On April 17, 2024, ENARGAS issued Resolution No. 144/2024 ("**Resolution 144**"), approving the "Renewal Program for Licensed Installers of Combustion Systems", a refresher course to keep the registration in force. The abovementioned course must be approved by registered Licensees every five years, as set forth in Section 4.2 of Annex I of Resolution 902.

Resolution 144 also establishes that Natural Gas Distribution Public Service Licensees must require, for the renewal of combustion licenses within the Registry, a certificate evidencing the approval of the refresher course.

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PROVINCE OF RÍO NEGRO: WATER DEPARTMENT SETS NEW ROYALTY FOR USE OF PUBLIC WATERS FOR HYDROCARBON ACTIVITIES

The Provincial Water Department shall consider the use of public water for hydrocarbon activities as a "special use", and set forth a higher royalty applicable thereto according to a formula based on prices of diesel

On March 25, 2024, the Water Department of the Province of Río Negro (the "**Water Department**") issued Resolution No. 192/2024 ("**Resolution 192**"), establishing that the use of public waters related to hydrocarbon activities shall be considered as a "special use" and therefore, shall be subject to a higher royalty than the one payable by other industries.

Pursuant to Resolution 192, the new royalty applicable to the use of public waters for hydrocarbon activities shall be determined according to the following formula:

R= Cb x Fd x T

Where:

"**R**" means the value of the royalty to be paid by the permit holder, expressed in Argentine pesos.

"Cb" means the basic cost unit of the royalty, expressed in ARS/m3, multiplied by the price of a liter of Euro Diesel at the Autómovil Club Argentino (ACA) service station located in the city of Viedma, Province of Río Negro.

"**Fd**" means the water resource availability factor, variable between 0 and 20, considering priority uses, existing measurements in terms of quantity and quality, and forecasts of future affectation.

"**T**" means the water quota effectively used by the permit holder.

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POWER AND ELECTRICITY

PROVINCE OF NEUQUÉN AND PROVINCE OF RÍO NEGRO: NEW REGULATIONS ON THE USE OF PUBLIC WATERS FOR THE GENERATION OF HYDROELECTRIC POWER

In the Province of Río Negro, the Provincial Congress enacted Law No. 5707, which sets forth a new royalty for the use of public waters for the generation of hydroelectric power, along with certain terms and conditions in connection with such activity. In the Province of Neuquén, a bill of law was introduced before the Provincial Congress, for the establishment of a fee for the use of public waters for the generation of hydroelectric power.

1. New regulation in the Province of Río Negro

On March 14, 2024, the Province of Río Negro enacted Law No. 5707, regulating the granting of concessions for the use of public waters for the generation of hydroelectric power.

Pursuant to the new law, any person interested in obtaining and/or renewing a concession for the generation of hydroelectric power, granted by the Federal Government in terms of Federal Laws No. 15,336 and 24,065, must previously obtain a concession for the use of public water with the Provincial Water Department (a "**Water Concession**").

Moreover, Law No. 5707 abrogates Section 46 of the Provincial Water Code No. 899 (the "**Water Code**"), which established the obligation to pay a royalty for the use of public waters, except in the case such activity was subject to royalties established under federal laws or in special regulatory or contractual provisions, in which cases such specific royalties would apply.

The new law sets forth the following guidelines for the purpose of calculating the royalty applicable to each Water Concession:

(i) the volume of water used and the specific characteristics of each multipurpose development shall be considered, including water loss due to evaporation from reservoirs, its capacity to mitigate floods, and other aspects determined by the regulation;

(ii) the Royalty may not exceed 5% of the amount invoiced for all sales made by the concessionaire of the multipurpose generation project in the wholesale electricity market for all remunerated items, and/or those that may be incorporated in the future by the Federal Secretariat of Energy, pursuant to the powers granted by National Laws No. 15,336 and No. 24,065; and

(i) in the case of multipurpose uses implemented on a watercourse that is an interprovincial boundary, fifty percent (50%) of the total volume of water used for hydroelectric power generation shall be taken into account.

Failure to apply for a Water Concession or to comply with its provisions may result in the imposition of fines or termination of the Water Concession.

2. Bill of law in the Province of Neuquén

On February 5, 2024, Bill of Law No. 16,401 (the "**Bill**") was introduced before the Provincial Congress. The Bill sets forth a new fee for the use of surface water for the generation of hydroelectric power (the "**Water Fee**"). The Water Fee would be calculated as a monthly settlement per cubic meter, considering the water's exclusive or shared ownership.

The Undersecretariat of Water Resources would be in charge of establishing the value of the Water Fee, by taking into consideration certain technical and economic parameters.

The funds collected as Water Fee would be used for the granting of subsidies for electricity tariffs, sanitation works and coastal fences, as well as basic infrastructure projects for municipalities and the purchase of technological elements to achieve energy efficiency in public buildings.

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ENRE: AMENDMENTS TO THE "POWER FACTOR IMPROVEMENT PROGRAM"

The ENRE introduces modifications to the "Power Factor Improvement Program" applicable to EDENOR and EDESUR in relation to extra charges, measurement and control provisions, and flexibilization of certain terms that were deemed overly restrictive.

By means of Resolution ENRE No. 222/2024 ("**Resolution 222**"), the ENRE introduced modifications to the "Power Factor Improvement Program" (the "**Program**") applicable to EDENOR S.A. and EDESUR S.A. (the "**Distributors**"), which had been approved by Resolution ENRE No. 85/2024 ("**Resolution 85**").

The Program had increased the minimum allowable power factor ratio from 0.85 to 0.95, resulting in a 10% decrease in the energy absorbed from the grid for a given active power and a 20% reduction in grid energy losses. Resolution 85 had also modified the tariff scheme for charges relating to power factor included in Sub-annex 1 of the Distributors' concession agreements.

Resolution 222 introduces changes to the tariff scheme for charges relating to power factor included in Sub-annex 1 of the Distributors' concession agreements, which had been established by Resolution 85, allowing the application of a surcharge to users of Tariffs T1, T2 and T3 equivalent to an increase in consumption billing of 1.5% for each 0.01 or fraction greater than 0.005 of variation in the power factor compared to the threshold of 0.95.

Resolution 222 also extends the deadline for users of Tariffs T2 and T3 to adapt their power factor correction equipment, from 120 days to 210 days, and introduces changes to the measurement and control tasks that the Distributors must carry out regarding user consumption.

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EXTENSION OF THE TERM FOR EXECUTION OF THERMAL GENERATION RELIABILITY SUPPLY CONTRACTS

The Secretariat of Energy extends the term for the execution of Thermal Generation Reliability Supply Contracts with CAMMESA, awarded by means of Resolution SE No. 961/2023.

By means of Resolution SE No. 621/2023, the Secretariat of Energy called for a national and international bidding round "TerCONF" (the "**Bidding Round**") and approved the Terms of Reference applicable thereto (the "**ToR**"), for the awarding of Thermal Generation Reliability Supply Contracts (*Contratos de Abastecimiento de Confiabilidad de Generación Térmica*) to be entered into with CAMMESA. The purpose of the Bidding Round was to incorporate new thermal generation supply into the wholesale electricity market, to improve its reliability and sustainability. These agreements were subsequently awarded through Resolution SE No. 961/2023.

On December 28, 2023, the Secretariat of Energy ordered a temporary suspension of the issuance of commercial documentation related to monthly payments related to the Bidding Round, invoking the terms of the ToR.

By means of Resolution No. 45/2024, the Secretariat of Energy finally granted a 60-business days extension, starting on April 16, 2024, for the execution of the agreements between CAMMESA and the awardees of the Bidding Round, in order to allow an additional margin for the evaluation and adjustment of the contractual terms, in line with the needs of the wholesale electricity market and the parties involved.

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APPROVAL OF TERMS AND CONDITIONS AHEAD OF ENERGY TRANSMISSION TARIFFS REVIEW

The ENRE approved the "Program for the Review of Electricity Transmission Tariffs in the year 2024" applicable to TRANSENER S.A., TRANSBA S.A., TRANSPA S.A., DISTROCUYO S.A., EPEN, TRANSNEA S.A., TRANSNOA S.A. and TRANSCOMAHUE S.A.

On December 18, 2023, the Federal Executive issued Decree No. 55/2023, declaring the emergency of the Federal Energy Sector regarding the generation, transmission and distribution of electricity under federal jurisdiction, until December 31, 2024.

Decree No. 55/2023 also ordered the commencement of the procedure set forth in Article 43 of Federal Electricity Law No. 24,065, to review the tariffs scheme corresponding to public utilities in charge of the distribution and transmission of electricity under federal jurisdiction (the "**Tariff Review**"), which shall become effective no later than December 31, 2024.

On April 16, 2024, the ENRE issued Resolution ENRE No. 223/2024 ("**Resolution 223**"), approving the "Program for the Review of Electricity Transmission Tariffs in the year 2024" (the "**Program**"), which establishes

the procedure to implement the Tariff Review regarding the transmission utilities: TRANSENER S.A., TRANSBA S.A., TRANSPA S.A., DISTROCUYO S.A., EPEN, TRANSNEA S.A., TRANSNOA S.A. and TRANSCOMAHUE S.A (the "Carriers").

The Carriers must request the approval of a tariff scheme for the next 5 years, starting on January 1, 2025, in accordance with the criteria set forth in the Program.

The criteria and mechanisms of the Program are based on the principles of sustainability and productive efficiency, taking into consideration the compensation of the costs of provision of transmission services, and setting forth sanctions and premiums to incentivize compliance with the terms of the Tariff Review and investments in maintenance and improvement of the system.

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APPROVAL OF TRANSITIONAL TARIFF SCHEME FOR GASNOR AND METROGAS

The ENARGAS approves a "Transitional Tariffs Scheme" and a "Chart of Rates and Charges for Services" applicable to GASNOR S.A. and METROGAS S.A. until an integral tariff review is conducted, together with monthly tariff adjustments.

On April 3, 2024, ENARGAS issued Resolutions No. 114/2024 and 120/2024 (the "**Resolutions**"), approving the "Transitional Tariff Scheme" and a "Chart of Rates and Charges for Services" (Annexes I and II of each Resolution) applicable to GASNOR S.A. and METROGAS S.A. (the "**Licensees**"), the public utilities holding licenses for the provision of natural gas distribution services. Additionally, the Resolutions establish a monthly tariff adjustment formula, applicable to the charts starting in May 2024.

1. Regulatory Framework

The Resolutions were issued within the framework of Decree No. 55/2023 ("**Decree 55**"), whereby the Federal Executive declared the emergency of the Federal Energy Sector until December 31, 2024, and ordered the commencement of procedure set forth in Section 42 of Federal Gas Law No. 24,076 (the "**Gas Law**"), to review the tariffs scheme corresponding to public utilities in charge of the transportation and distribution of natural gas under federal jurisdiction.

Following three public hearings held during January and February 2024, the Secretariat of Energy issued Resolution SE No. 41/2024 ("**Resolution 41**"), setting gas prices at the PIST to be transferred to end-users.

The Resolutions establish the necessity of proceeding with a temporary adjustment of natural gas transportation and distribution tariffs, in order to maintain, in real terms, the income levels of service providers to cover the investments required to maintain the quality standards and sustainability of the public services, until a new tariffs scheme is approved following the tariff review procedures.

To that end, on March 26, 2024, the ENARGAS entered into certain "Temporary Tariff Adjustment Agreements" (the "**Agreements**") with each of the Licensees. In addition to providing for temporary tariff adjustments, the Agreements also included a monthly tariff adjustment formula for such transitional tariff scheme, starting in May 2024.

2. Operative Section

The Resolutions approved the "Transitional Tariffs Scheme" (which follows the provisions of Resolution 41) and "Chart of Rates and Charges for Services" to be applied by each of the Licensees to their end users until April 30, 2024, together with the adjustment formula to be applied starting in May 2024. The "Transitional Tariffs Scheme" shall apply until a new tariff review procedure is conducted in terms of Section 42 of the Gas Law.

Finally, the Resolutions require Licensees to submit a work plan for investments totaling ARS 3,900,000,000 in the case of GASNOR S.A., and ARS 19,590,000,000 in the case of METROGAS S.A., with the purpose of improving gas infrastructure, while prioritizing network safety, reliability, and service quality.

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MINING

MINING PROMOTIONAL REGIME: NEW PUBLIC OFFICIALS IN CHARGE OF GRANTING ADMINISTRATIVE ACTS

The Secretariat of Mining expanded the list of public officials in charge of granting authorizations for duty-free imports, transferring or disaffecting goods and equipment destined for mining activities under the Mining Promotional Regime.

The Federal Mining Investments Law No. 24,196 (the "**Mining Investments Law**") set forth a promotional regime for the development of mining activities (the "**Promotional Regime**"). The Mining Investments Law was further regulated and supplemented by Resolution SM No. 89/2019 ("**Resolution 89**") of the Secretariat of Mining.

Pursuant to Section 21 of the Mining Investments Law, beneficiaries of the Promotional Regime are exempted from the payment of import duties when importing capital goods, special equipment or parts or components thereof, and supplies, which are necessary for conducting mining activities included in the Promotional Regime and destined to such activities. The duty-free import of such goods, and their transfer or disaffection from the Promotional Regime (once the activity that motivated its importation or its useful life concludes) must be authorized by the enforcement authority (the "**Authorization**").

Pursuant to Section 17 of Resolution 89, the Authorization may be signed indistinctly by the Undersecretary of Mining Development, the National Director of Mining Investments or the Director of Control of Mining Investments, or any successor thereof.

On April 23, 2024, the Secretariat of Mining issued Resolution SM No. 6/2024, expanding the list of public officials in charge of issuing the Authorizations, in order to accelerate the approval process.

As a result, Section 17 of Resolution 89 now allows for the Authorization to be issued indistinctly by the Undersecretary of Mining Development, the National Director of Mining Investment, the Director of Mining Investment or the Director of Analysis and Development of Mining Investment Projects, or any successor thereof.

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PROVINCE OF RÍO NEGRO: CREATION OF PROVINCIAL REGISTRY OF NON-FERROUS METALS

The Province of Río Negro issues a supplementary regulation of Law No. 5669 governing non-ferrous metals and implements the Provincial Registry of Non-Ferrous Metals and Marketing of Non-Ferrous Metals.

On April 4, 2024, the Executive Branch of the Province of Río Negro issued Decree No. 256/2024 ("**Decree 256**"), which regulates Provincial Law No. 5669 ("**Law 5669**"), implementing the Provincial Registry of Non-Ferrous Metals and Marketing of Non-Ferrous Metals.

Law 5669 regulates the activities carried out by companies or individuals relating to non-ferrous metals, i.e., those that do not contain significant amounts of iron in their composition, including without limitation those specifically listed therein (the "**Metals**"). Law 5669 governs the storage, reduction, melting, marketing and transportation of these Metals, the manufacturing of goods incorporating these Metals, the operation of scrapyards, junkyards, warehouses and salvage companies, and the acquisitions of these Metals.

Decree 256 sets forth the following regulations with respect to Law 5669:

- Enforcement Authority: the provincial Ministry of Security and Justice (the "**Ministry**"), along with the Police Department and the Directorate of Security and Public Order.

- Registry: Law 5669 created the Provincial Registry of Non-Ferrous Metals and Marketing of Non-Ferrous Metals (the "**Registry**"). Decree 256 sets forth that enrollment in the Registry shall be requested through the Ministry's website. Applicants must provide certain information listed by Decree 256, and the Provincial police department shall visit the commercial address and verify that the information provided by the applicant is correct.

- Reporting Obligations: Decree 256 requires a detailed record of all transactions involving the acquisition, disposal, and transfer of Metals, including information such as dates, trade modalities, counterparties, precise descriptions of the Metals involved, and more. This record must be kept up to date and match with the supporting documentation.

- Transportation of Metals: Pursuant to Decree 256, the "transportation" of Metals includes the transportation of Metals from one point to another within the province, as well as interjurisdictional transportation. The applicant must have a Transportation Guide, which must be endorsed by the local police before transportation begins.

- Sanctions: Decree 256 establishes penalties for infractions in accordance with their materiality, ranging from very serious to minor, considering principles of reasonableness and proportionality, and whether the offender is a first-time or repeat offender. Sanctions include fines (valued based on a number of minimum wages of the provincial public administration) and closure of the establishment.

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PROVINCE OF RÍO NEGRO: APPROVAL OF FORMS FOR MINING PROCEDURES AND MINING PRODUCTION AFFIDAVITS

The Province of Río Negro approves new forms to be submitted together with any petition made before the Mining Authority in the terms of the Federal Mining Code and the Provincial Code of Mining Procedures, and for submission of mining production affidavits

On April 4, 2024, the Mining Authority of the Province of Río Negro issued Resolution AM No. 2/2024, approving the following forms to be submitted when filing petitions in the terms of the Federal Mining Code and the Provincial Code of Mining Procedures:

#	Identification of the Form	Petition
1.	F.10	Application for Exploration Permit
2.	F.11	Application for release of exploration areas
3.	F.20	Application for Claim of Discovery
4.	F.21	Legal Work Report
5.	F.22	Appointment of experts (*peritos*) and request for areas (*pertenencias*)
6.	F.23	Survey Report
7.	F.24	Filing of the Survey
8.	F.30	Application for quarrying (*Solicitud de Canteras*)
9.	F.40	Application for quarrying for Public Works
10.	F.50	Application for Vacant Mine
11.	F.60	Application for Excess Production
12.	F.70	Application for Mining Group
13.	F.80	Application for Easements
14.	F.90	Application for Registration of a Processing Plant
15.	F.100	Application for Registration of Mineral Stockpiles
16.	F.200	Application for rectification of coordinates
17.	F.300	Registration Record for the Provincial Registry of Mining Producers
18.	F.330	Application for Sample Transport Guide

On the same date, the Mining Authority issued Resolution AM No. 3/2024 ("**Resolution 3**"), approving: (i) the Production Affidavit for Minerals of the Third Category, identified with the number "310" ("**F310 Form**"); and (ii) the Production Affidavit for Minerals of the First and Second Category, identified with the number "320" ("**F320 Form**").

The information requested in the F310 Form shall be submitted semiannually, the first semester extending from January 1 to June 30 (the deadline for submission being July 31), and the second semester extending from July 1 to December 31 (the deadline for submission being January 31 of the following year).

The information requested in the F320 Form shall be submitted quarterly, where: (i) the first quarter shall extend from January 1 to March 31, the deadline for submission being April 30; (ii) the second quarter shall extend from April 1 to June 30, the deadline for submission being July 31; (iii) the third quarter shall extend from July 1 to September 30, the deadline for submission being September 30; and (iv) the fourth quarter shall extend from October 1 to December 31, the deadline for submission being December 31 of the following year.

Failure to file the referred forms or any misrepresentation included therein shall result in penalties.

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PROVINCE OF RÍO NEGRO: UPDATES TO COSTS OF TRANSIT GUIDES FOR MINERALS TRANSPORTED OR TRADED WITHIN THE PROVINCE

On March 25, 2024, the Mining Authority of the Province of Río Negro issued Resolution No. 13/2024 ("**Resolution 13**"), updating the costs of transit guides, which had been last updated in February 2023 (with inflation amounting to 211% in the course of the past year). Transit guides are charged for the monitoring conducted by the Province on the movement of minerals within its territory. However, companies that treat the minerals within the Province are exempt from these fees, as a way to foster the creation of value within the Province.

Prices vary depending on the mineral, starting at ARS 40/tn (0.045 USD at the official exchange rate) for flagstone, up to ARS 870/tn (0.98 USD at the official exchange rate) for frac sand, with other minerals such as iron ore and granite following closely thereafter.

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PROVINCE OF RÍO NEGRO: UPDATE TO COST OF ROYALTIES FOR THIRD CATEGORY MINERALS IN GOVERNMENT LANDS

Section 112 of the Provincial Code of Mining Procedures of Río Negro sets forth that all license holders of quarries located in government lands must pay a semiannual royalty for each ton or cubic meter of mineral extracted within the Province (the "**Royalty"**). The Mining Authority of the Province is statutorily empowered to periodically update these Royalties. This had been last updated in early 2023, whilst inflation reached 211% in Argentina in the time since.

On March 11, 2024, the Mining Authority issued Resolution No. 14/2024, dated ("**Resolution 14**"), updating the formula for calculating Royalties, as follows: (i) in case a quarry is inactive, or its production is less than the required minimum, the value of the mineral must be multiplied by the minimum production per hectare and the total surface of the quarry; and (ii) in case the quarry is in production and exceeding the required minimum, the value of the mineral must be multiplied by the minimum production per hectare.

Both the value of minimum production and the value of the minerals are provided by the Resolution.

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RECENT CASE LAW

THE SUPREME COURT OF THE PROVINCE OF NEUQUÉN SETS NEW LIMITS ON CLAIMS TO GOVERNMENT LANDS BY NATIVE COMMUNITIES

The Supreme Court of the Province of Neuquén confirms the ruling of the First Instance Court that ordered the eviction of certain Native Communities from municipal property, considering that the defendants where in possession of the land not based on tradition, but as a result of a concession granted for commercial purposes, and thus did not merit protection under applicable international human rights treaties.

On April 11, 2024, the Supreme Court of Justice of the Province of Neuquén (Tribunal Superior de Justicia, "**TSJ**") ruled in re "Municipality of Villa La Angostura v. Montes, Hugo y otros s. acción revocatoria", in favor of the Municipality of Villa La Angostura (the "**Municipality**"). The case involved a claim brought by the Municipality against the Native Community "Lof Paichil Antriao" (the "**Native Community**") and certain members of the Native Community personally (the "**Defendants**"), seeking the eviction of the Defendants from a municipal property ("**Property**"), on the basis that the Defendants' occupation of the Property was illegitimate.

The Property was originally transferred to the Municipality by its last owner, a member of the Native Community, in 1951, and was thereafter established as a public beach by the Municipality, through various concession agreements. The latest concessionaire remained on the Property after the expiration of the concession agreement with the Municipality, claiming that possession was being collectively exercised by the Native Community, basing their right to such possession on the Federal Constitution, International Labour Organization Convention No. 169, and the American Convention on Human Rights, which protect indigenous communal property. According to the Defendants, these regulations should displace the application of property rights provided in the Argentine Civil and Commercial Code.

Initially, the Civil, Commercial, Labour, and Mining Court No. 2 (the "**First Instance Court**") ordered the eviction of the Defendants from the Property, upholding the expiration of the concession contract held by the concessionaire with the Municipality. However, the Defendants appealed this decision, and the Provincial Court of Appeals overturned the decision of the First Instance Court and suspended the eviction process until the Federal Government had completed the cadastral survey provided for in National Law No. 26,160, in 2006 (the "**Natives Land Act**").

The Municipality then appealed the ruling of the Court of Appeals before the TSJ, together with a Motion for Inapplicability of the Law.

The TSJ rejected the appeal filed by the Municipality, but admitted its Motion for Inapplicability of the Law, and confirmed the ruling of the First Instance Court that had ordered the eviction of the Defendants from the Property.

The TSJ stated that the ruling of the Court of Appeals had misinterpreted the Natives Land Act, since it was evident from the facts of the case that the Property did

not qualify as a "native land". To this end, the TSJ pointed out that the Natives Land Act does not protect all of land occupied by indigenous communities, but only those lands occupied in a manner that is (i) traditional, (ii) current (i.e., at the time of the enactment of the Natives Land Act), and (iii) public.

Based on these three requirements, the TSJ found that the way the Native Community acquired possession of the Property (i.e., through a concession contract with the Municipality) could not be considered a "traditional" occupation. Similarly, the TSJ found that none of the elements of the case supported the conclusion that the Native Community had a spiritual and material relationship with the Property, considering inter alia that the commercial exploitation that some members of the Native Community currently carried out on the Property (i.e., canoe rentals) could not be considered as a traditional activity of the Native Community.

Finally, the TSJ highlighted that the property rights claimed by the Municipality over the Property are also expressly protected by the Federal Constitution and international human rights treaties.

Therefore, it overruled the decision of the Court of Appeals, and upheld the ruling of the First Instance Court ordering the eviction of the Defendants from the Property.

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INSIGHTS ON THE ARGENTINE ENERGY INDUSTRY

THE PROVINCE OF NEUQUÉN SEEKS TO PROMOTE LOCAL PRODUCTION OF SILICEOUS SANDS

The Province of Neuquén announced its intention to adopt measures to consolidate and develop the local production and supply of siliceous sands required for hydrocarbon extraction, which may overlap with hydrocarbons exploitation activities.

On April 3, 2024, the Province of Neuquén published on its official website (https://www.neuqueninforma.gob.ar/) its intention to consolidate the local production and marketing of siliceous sand, used in hydrocarbons exploitation activities. This shall be carried out by the Mining Directorate, in collaboration with hydrocarbon companies operating in the Province, with the intention of increasing the market share of local production of siliceous sands in order to replace the supply from other provinces (such as Entre Ríos, Río Negro and Chubut), reducing production costs in oil and gas wells, and promoting the local industry.

There is currently no record of sand extraction for hydraulic fracturing in the Province, although work is currently underway to search for and analyze the physicochemical properties of the sands available locally.

The Province highlighted that applications for siliceous sands shall be considered as applications for minerals of the first category, in accordance with the provisions of the Federal Mining Code, as opposed to other sands and gravel (*áridos*) that are considered minerals of the third category.

This characterization as a first-category mineral means that the activities for the extraction and production of siliceous sands must coexist with hydrocarbon exploitation activities, also classified in such category. There are no guidelines regarding how that coexistence shall be articulated, particularly with respect to current exploitation projects and the right of concessionaires to develop the entire surface of the block granted to them. However, it is expected that these provisions shall be inter alia included in future hydrocarbon titles granted by the Province or regulations applicable to existing titles.

Some hydrocarbon producers have already raised objections to this initiative, due to the potential impact on the exploration and exploitation of hydrocarbons.

The Province reports that the provincial Mining Directorate has received 104 mining requests aimed at sand exploration so far, from (among others) YPF S.A., Transportes Rada Tilly SA., IPEG SA., Aluvional S.A. and Cormine S.E.P.

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PROPOSED CHANGES TO THE FHL INTRODUCED BY THE OMNIBUS BILL OF LAW SUBMITTED BY THE FEDERAL EXECUTIVE

The following is a comparative chart of the proposed changes introduced to the FHL by the Omnibus Bill of Law, which obtained the approval of the House of Representatives (Cámara de Diputados) of the Federal Congress on April 30, 2024.

The Omnibus Law sets forth amendments to several laws and regulations, including the FHL, with the purpose of inter alia refocusing the national energy policy and updating the terms and conditions applicable to permits and concessions granted pursuant to the FHL.

The Omnibus Bill of Law was originally submitted to the Federal Congress in December 2023 as a result of the latest change in administration, and since then it was subsequently modified in several aspects, including the provisions amending the FHL.

On 30 April 2024, the latest version of the Omnibus Bill of Law obtained the approval of the Federal House of Representatives.

Below, we detail the main changes to the FHL introduced by the current text of the Omnibus Bill of Law, compared to the latest version submitted for consideration of the House of Representatives, which the latter rejected in February 2024. The following table only compares those articles of the FHL where changes were introduced since the text that was previously rejected by Congress.

SECTION	OMNIBUS BILL	
	TEXT REJECTED BY CONGRESS	TEXT APPROVED BY THE HOUSE OF REPRESENTATIVES
6	The permit holders and concessionaires shall own the extracted hydrocarbons, and have the right to transport, market and industrialize them as well as their by-products freely, in accordance with the regulations issued by the Federal Executive Branch. The Federal Executive Branch may not intervene or fix prices in the domestic market at any stage of production. Permit holders, concessionaires, refiners and/or marketers may export hydrocarbons and/or their by-products freely, subject to the absence of objection from the Secretariat of Energy. The effective exercise of this right shall be subject to the regulations issued by the Federal Executive Branch, which, among other aspects, must consider: (i) the usual elements related to the access to technically proven resources; and (ii) that, in case of an objection by the Secretariat of Energy, which may only be raised within 30 days following the exercise of the export right, such objection is based on technical or economic reasons related to securing local supply. After the aforementioned term has elapsed, the Secretariat of Energy shall not be entitled to raise any objection.	The permit holders and concessionaires shall own the extracted hydrocarbons, and have the right to transport, market and industrialize them as well as their by-products freely, in accordance with the regulations issued by the Federal Executive Branch. The Federal Executive Branch may not intervene or fix prices in the domestic market ~~at any stage of production~~ for any of the activities indicated in the preceding paragraph. Permit holders, concessionaires, refiners and/or marketers may export hydrocarbons and/or their by-products freely, subject to the absence of objection from the Secretariat of Energy. The effective exercise of this right shall be subject to the regulations issued by the Federal Executive Branch, which, among other aspects, must consider: (i) the usual elements related to the access to technically proven resources; and (ii) that, ~~in case of an~~ any objection by the Secretariat of Energy, ~~which may only~~ must be raised within thirty (30) days ~~following the exercise of the export right, such objection is based on technical or economic reasons related~~ the date on which the required exports are informed to the Secretariat of Energy, and must be based on technical or economic reasons related to securing local supply. After the aforementioned term has elapsed, the Secretariat of Energy shall not be entitled to raise any objection.
12	The Federal Government acknowledges in favor of the Provinces within whose territories hydrocarbon fields are exploited by state-owned, private or mixed companies, the same royalty as the one collected by the Federal State in compliance with the provisions of Sections 59, 61 and 93 hereof.	The Federal Government ~~acknowledges in favor of the Provinces within whose territories~~ and the provinces are entitled to receive a share in the proceeds from the exploitation of hydrocarbon fields ~~are exploited~~ subject to their jurisdiction by state-owned, private or mixed companies, the same royalty as the one collected by the Federal State in compliance accordance with the provisions of Sections 59, 61 and 93 hereof.

SECTION	OMNIBUS BILL	
	TEXT REJECTED BY CONGRESS	TEXT APPROVED BY THE HOUSE OF REPRESENTATIVES
27 BIS	Unconventional Exploitation of Hydrocarbon means the extraction of liquid and/or gaseous hydrocarbons by unconventional stimulation techniques applied in fields located in geological formations of schist or slate rocks (shale gas or shale oil), compact sandstone (tight sands, tight gas, tight oil), seams of coal (coal bed methane) and/or characterized, in general, by the presence of low permeability rocks. The exploitation concessionaire, within the concession area, may require the subdivision of the area and transform it from a conventional concession to an unconventional concession. Such request shall be based on the development of a pilot plan, in accordance with acceptable technical and economic criteria, with the purpose of determining the commercial exploitation of the discovered deposit; and may only be submitted until December 31, 2026. After this term has expired, no other requests for reconversion shall be admitted. Federal or Provincial Enforcement Authority, as the case may be, shall decide within sixty (60) days. After the reconversion request is approved, the term of the relevant concession shall consist in a single period of THIRTY-FIVE YEARS (35) years counted as from the date of the submission. The new Unconventional Exploitation Concession of Hydrocarbons must have as its main purpose the Unconventional Hydrocarbons Exploitation. Nevertheless, the holder thereof may develop complementary activities of conventional hydrocarbon exploitation, under the provisions of Section 30 and related provisions of this Law. Holders of an Unconventional Exploitation Concession of Hydrocarbons, which in turn hold an adjacent and preexisting exploitation concession, may apply for the unitization of the two areas as a single unconventional exploitation concession, provided that the geological continuity of these areas is clearly demonstrated. Such request shall be based on the development of the pilot plan provided in the preceding paragraph and the unitized zone shall be subject to payments to the Federal State or Provincial State, as the case may be, in amounts corresponding	Unconventional Exploitation of Hydrocarbon means the extraction of liquid and/or gaseous hydrocarbons by unconventional stimulation techniques applied in fields located in geological formations of schist or slate rocks (shale gas or shale oil), compact sandstone (tight sands, tight gas, tight oil), seams of coal (coal bed methane) and/or characterized, in general, by the presence of low permeability rocks. The exploitation concessionaire, within the concession area, may require the subdivision of the area and transform it from a conventional concession to an unconventional concession. Such request shall be based on the development of a pilot plan, in accordance with acceptable technical and economic criteria, with the purpose of determining the commercial exploitation of the discovered deposit; and with such request being the object of the required concession; and it may only be submitted until December 31, ~~2026~~ 2028. After this term has expired, no other requests for reconversion shall be admitted. Federal or Provincial Enforcement Authority, as the case may be, shall decide within sixty (60) days. After the reconversion request is approved, the term of the relevant concession shall consist in a single period of THIRTY-FIVE YEARS (35) years counted as from the date of the submission. The new Unconventional Exploitation Concession of Hydrocarbons must have as its ~~main~~ purpose the Unconventional Hydrocarbons Exploitation. Nevertheless, the holder thereof may develop complementary activities of conventional hydrocarbon exploitation, under the provisions of Section 30 and related provisions of this Law. Holders of an Unconventional Exploitation Concession of Hydrocarbons, which in turn hold an adjacent and preexisting exploitation concession, may apply for the unitization of the two areas as a single unconventional exploitation concession, provided that the geological continuity of these areas is clearly demonstrated. Such request shall be based on the development of the pilot plan provided in the preceding paragraph and the unitized zone shall be subject to payments to the Federal State or Provincial State, as

SECTION	OMNIBUS BILL	
	TEXT REJECTED BY CONGRESS	TEXT APPROVED BY THE HOUSE OF REPRESENTATIVES
27 BIS	to the area that was subject to a higher amount and the term of the concession that is greater. The concession corresponding to the area unaffected by the new Unconventional Exploitation Concession of Hydrocarbons shall remain in force in accordance with its original expiration term and the conditions set forth at the time of its award. The Granting Authority shall have to readjust the respective title to the extent resulting from the subdivision.	the case may be, in amounts corresponding to the area that was subject to a higher amount and the term of the concession that is greater. The concession corresponding to the area unaffected by the new Unconventional Exploitation Concession of Hydrocarbons shall remain in force in accordance with its original expiration term and the conditions set forth at the time of its ~~award. The~~ concession, as provided in the last paragraph of Article 35 of this law, and the Granting Authority shall have to readjust the respective title to the extent resulting from the subdivision.
31	Any holder of an exploitation concession shall be bound, within reasonable periods of time, to make the investments necessary for the performance of the works required for the development of the entire surface comprised in the area of its concession, in accordance with the most rational and efficient techniques, and in accordance with the nature and size of the proven reserves.	Any holder of an exploitation concession shall be bound, within reasonable periods of time, to make the investments necessary for the performance of the works required for the development of the ~~entire surface~~ any area comprised in the area of its concession, in accordance with the most rational and efficient techniques, and in accordance with the nature and size of the proven reserves.
40	The transportation authorizations shall be awarded by the Federal or Provincial Executive Branch, as the case may be, to persons that meet the requirements and comply with the specifications related to the proceedings included in Part 5 hereof, as applicable. The Federal Enforcement Authority shall keep a Register of persons authorized to transport and of those entitled to process hydrocarbons. The holders of exploitation concessions that, in the exercise of the right conferred by Section 28 hereof, build permanent facilities for the transportation of hydrocarbons beyond the boundaries of any awarded block, shall obtain an authorization, subject to the pertinent conditions and the Enforcement Authority shall verify the compliance with such conditions. When said facilities do not extend beyond the limits of any of the blocks of the concession, such authorization shall be optional and shall be granted under the same conditions as the exploitation concession.	The transportation authorizations shall be awarded by the Federal or Provincial Executive Branch, as the case may be, to persons that meet the requirements ~~and comply with the specifications related to the proceedings included in Part 5 hereof, as applicable~~ set forth in Article 5 hereof. The Federal Enforcement Authority shall keep a Register of persons authorized to transport and of those entitled to process hydrocarbons. The holders of exploitation concessions that, in the exercise of the right conferred by Section 28 hereof, build permanent facilities for the transportation of hydrocarbons beyond the boundaries of any awarded block, shall obtain an authorization, subject to the pertinent conditions and the Enforcement Authority shall verify the compliance with such conditions. When said facilities do not extend beyond the limits of any of the blocks of the concession, such authorization shall be optional and shall be granted under the same conditions as the exploitation concession.

SECTION	OMNIBUS BILL	
	TEXT REJECTED BY CONGRESS	TEXT APPROVED BY THE HOUSE OF REPRESENTATIVES
40	The owners of projects and/or facilities for the conditioning, separation, fractioning, liquefaction and/or any other hydrocarbon industrialization process may request from the authority an authorization to transport hydrocarbons and/or their byproducts to their industrialization facilities and from the same to the centers and/or facilities for further industrialization or commercialization processes.	The owners of projects and/or facilities for the conditioning, separation, fractioning, liquefaction and/or any other hydrocarbon industrialization process may request from the authority an authorization to transport hydrocarbons and/or their byproducts to their industrialization facilities and from the same to the centers and/or facilities for further industrialization or commercialization processes. These authorizations shall not be subject to a time limit.
43	As long as its transportation facilities have surplus capacity, and if there are no technical reasons to the contrary, the concessionaire is obliged to grant open access transportation rights to third parties' hydrocarbons without discrimination, for a fee that shall be the same for all users in similar circumstances. If a person has transportation capacity, but does not use it, it must be made available for use by third parties, but always subordinated to the transportation needs of the holder. Those authorized to transport hydrocarbons may not carry out acts that imply unfair competition or abuse of their dominant position in the market. Those authorized to process hydrocarbons shall process hydrocarbons from third parties for up to FIVE PERCENT (5%) of the capacity of their facilities, provided that the safety of the process is not compromised, that the parties reach an agreement for the service to be provided, and that the applicant is in charge of the costs associated to the connection to the plant. Said percentage may be increased by the Enforcement Authority once FOUR (4) years have elapsed since the commercial authorization of the plant and in case the remaining or idle capacity of the plant continues. In the case of liquid fuel processing plants, the processing service shall include the storage service. The preceding provisions shall not be applicable to the processing units that integrate refining complexes and their related storage facilities, to natural gas liquefaction plants or to the hydrocarbon transportation	As long as its transportation facilities have surplus capacity, and if there are no technical reasons to the contrary, the concessionaire is obliged to grant open access transportation rights to third parties' hydrocarbons without discrimination, for a fee that shall be the same for all users in similar circumstances. If a person has transportation capacity, but does not use it, it must be made available for use by third parties, but always subordinated to the transportation needs of the holder. Those authorized to transport hydrocarbons may not carry out acts that imply unfair competition or abuse of their dominant position in the market. Those authorized to process hydrocarbons shall process hydrocarbons from third parties for up to a maximum of FIVE PERCENT (5%) of the capacity of their facilities, provided that the safety of the process is not compromised, that the parties reach an agreement for the service to be provided, and that the applicant is in charge of the costs associated to the connection to the plant. Said percentage may be increased (i) by agreement of the parties at any time and/or (ii) by the Enforcement Authority once FOUR (4) years have elapsed since the commercial authorization of the plant and in case the remaining or idle capacity of the plant continues. In the case of liquid fuel processing plants, the processing service shall include the storage service. The preceding provisions shall not be applicable to the processing units that integrate refining complexes and their related storage facilities, to natural gas liquefaction plants or to the hydrocarbon

SECTION	OMNIBUS BILL	
	TEXT REJECTED BY CONGRESS	TEXT APPROVED BY THE HOUSE OF REPRESENTATIVES
43	authorizations granted to the owners of such liquefaction plants pursuant to the provisions of Article 40, last paragraph. The Federal or Provincial Enforcement Authority, as the case may be, shall establish rules for the coordination and complementation of the transportation system.	transportation authorizations granted to the owners of such liquefaction plants pursuant to the provisions of Article 40, last paragraph. The Federal or Provincial Enforcement Authority, as the case may be, shall establish rules for the coordination and complementation of the transportation system.
44 BIS	Underground natural gas storage authorizations confer the right to store natural gas in natural reservoirs of depleted hydrocarbons, including the process of injection, deposit and withdrawal of natural gas. They may be granted in: a) Areas subject to exploration permits and/or their own exploitation concessions. b) Areas subject to exploration permits and/or exploitation concessions by third parties, with their authorization, granted before the Enforcement Authority. c) Areas that have been productive and are no longer subject to exploration permits and/or exploitation concessions. Any other natural gas underground storage project that is not carried out in the aforementioned cases shall not require authorization under this law. The Executive Branch may grant authorization for underground storage of natural gas to any person that: (i) complies with the requirements of technical experience and financial capacity; (ii) has the consent of the holder of the exploration permit and/or exploitation concession in which the natural reservoir to be used for storage is located; and (iii) undertakes to build at its own cost and risk the necessary facilities to carry out the storage activity. Storage authorizations shall not be subject to a term. The holders of an underground gas storage authorization may request an authorization for the transportation of hydrocarbons up to their storage facilities and from these to the transportation system, which shall also not be subject to a time limit.	Underground natural gas storage authorizations confer the right to store natural gas in natural reservoirs of depleted hydrocarbons, including the process of injection, deposit and withdrawal of natural gas. They may be granted in: a) Areas subject to exploration permits and/or own exploitation concessions. b) Areas subject to exploration permits and/or exploitation concessions by third parties, with their authorization, granted before the Enforcement Authority. c) Areas that have been productive and are no longer subject to exploration permits and/or exploitation concessions. Any other natural gas underground storage project that is not carried out in the aforementioned cases shall not require authorization under this law. The Executive Branch may grant authorization for underground storage of natural gas to any person that: (i) complies with the requirements of technical experience and financial capacity; (ii) has the consent of the holder of the exploration permit and/or exploitation concession in which the natural reservoir to be used for storage is located; and (iii) undertakes to build at its own cost and risk the necessary facilities to carry out the storage activity. Storage authorizations shall not be subject to a term. The holders of an underground gas storage authorization may request an authorization for the transportation of hydrocarbons up to their storage facilities and from these to the transportation system, which shall also not be subject to a time limit.

SECTION	OMNIBUS BILL	
	TEXT REJECTED BY CONGRESS	TEXT APPROVED BY THE HOUSE OF REPRESENTATIVES
44 BIS	Authorized parties shall not be obliged to store natural gas from third parties, being free to carry out the activity for their own benefit or that of third parties, and to freely agree on the prices for the sale of the natural gas stored and for the storage service, including the reservation of their capacity. The authorization of underground storage of natural gas shall not be subject to the payment of any exploitation bonuses and similar payments may not be imposed for the granting of these authorizations by means of provincial regulations. Stored natural gas shall only pay royalties with its commercialization.	Authorized parties shall not be obliged to store natural gas from third parties, being free to carry out the activity for their own benefit or that of third parties, and to freely agree on the prices for the sale of the natural gas stored and for the storage service, including the reservation of their capacity. The authorization of underground storage of natural gas shall not be subject to the payment of any exploitation bonuses and similar payments may not be imposed for the granting of these authorizations by means of provincial regulations. ~~Stored natural gas shall only pay royalties with its commercialization.~~ Natural gas used in underground storage shall only pay royalties at the time of its first commercialization under the terms of Article 59 of Law No. 17,319, as amended. In the case of own natural gas storage, royalties will be paid at the prices at the entrance of the transportation system (PIST) basin average at the time of its production prior to being stored.
47 BIS	Existing exploitation concessions, at the end of their term, may not be awarded without a new bidding procedure. The corresponding bidding may be carried out at least ONE (1) year prior to the expiration of such concessions. In case the purpose of the bidding to be carried out is the exploitation concession of areas in production, the bidding terms and conditions must establish the value corresponding to the investments not recovered during the exploitation of the area. The bidder may include such value at the time of making the offer for the purpose of continuing with the exploitation of the existing wells. In such case, such value will be recognized to the holder of the expired concession. If the bidder does not include the aforementioned value in its bid, it will not be able to exploit the existing wells.	Existing exploitation concessions, at the end of their term, may not be awarded without a new bidding procedure. The corresponding bidding may be carried out at least ONE (1) year prior to the expiration of such concessions. ~~In case~~ If the purpose of the bidding to be carried out is the exploitation concession of areas in production, the bidding terms and conditions ~~must~~ may establish the value corresponding to the investments not recovered during the exploitation of the area. ~~The~~ According to the terms and conditions, the bidder may include such value at the time of making the offer for the purpose of continuing with the exploitation of the existing wells. In such case, such value will be recognized to the holder of the expired concession. If the bidder does not include the aforementioned value in its bid, it will not be able to exploit the existing wells.
72	Concessions, permits and authorizations awarded under the provisions of this law may be assigned, with the prior authorization of the Federal or Provincial Executive	Concessions, permits and authorizations awarded under the provisions of this law may be assigned, with the prior authorization of the Federal or Provincial Executive

SECTION	OMNIBUS BILL	
	TEXT REJECTED BY CONGRESS	TEXT APPROVED BY THE HOUSE OF REPRESENTATIVES
72	Branch, as appropriate, to such persons that that qualify and comply with the conditions and requirements established for the concessionaires or permit holders, as the case may be. The application for such assignment shall be submitted to the Federal or Provincial Enforcement Authority, as appropriate, together with a draft of the corresponding public deed of conveyance.	Branch, as appropriate, to such persons that that qualify and comply with the conditions and requirements established for the concessionaires, ~~or~~ permit holders, or authorized, as the case may be. The application for such assignment shall be submitted to the Federal or Provincial Enforcement Authority, as appropriate, together with a draft of the corresponding public deed of conveyance.

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