

Ministry of Mining to perform the duties and exercise the rights of the State as stated in a special petroleum-operation contract and in the applicable presidential decree.

SPECIAL PETROLEUM OPERATION CONTRACT LAW

Some relevant regulations contained in this law are as follows:

Terms such as "Special Petroleum-Operation Contract", "Contractor", "Compensation", "Specific Petroleum Job Contract", and other expressions are defined.

States that, if it is so specified in the special petroleum - operation contract, the contractor is allowed to export the hydrocarbons received as payment, without the limitations imposed by the normal regulations applied to exports. The right to freely make use of foreign currency generated by exports of such hydrocarbons is guaranteed.

In Annex N° 2 a summary of the principal regulations contained in this law is presented.

3.2 Refining, importation, and distribution

Present legislation on refining, importation, and distribution of petroleum and derivatives of petroleum is contained in 1978 Decree Law N° 1, Mining Law (as amended by 1979 Decree Law N° 3,001 and 1982 Law N 18,179):

All entities that engage in the business of importing, refining, distributing, transporting, or retailing petroleum, petroleum derived fuels, natural gas and LPG directly to the consumer must be registered with the Ministry of Economy.

The law provides that the President of the Republic is authorized to impose, by Presidential Decree issued through the Ministry of Economy, certain duties on registered entities, with the purpose of preventing actions or activities harmful to the population or to property.

The President of the Republic is authorized to establish, as national policy, the technical and quality standards applicable to different kinds of petroleum,