

Oil Production under Scrutiny in the name of Environmental Protection

Under Venezuela's new oil industry regulations, environmental protection is a mandatory requirement, and failure to comply results in criminal penalties imposed directly on companies. Against this backdrop, PETROMACA stands out as a partner—not only for carrying out technical tasks, but also for fostering a culture of environmental compliance and providing legal protection across the entire value chain.

Within the penalties scope, Venezuelan environmental regulations prioritize danger crimes, in which it is not necessary for actual damage to the ecosystem to occur for the offense to be established: rather, the mere creation of a legally prohibited risk is sufficient. With regard to hazardous waste and toxic substances generated by oil production, the law establishes a strict system of traceability and comprehensive management.

For reference, the regulations governing the improper disposal of non-hazardous and hazardous solid waste (set forth in the relevant sections of the Environmental Criminal Law - LPA) criminalize conduct such as the unauthorized infiltration or burial of non-biodegradable materials, the mixing of hazardous and non-hazardous waste in landfills not designed for that purpose, the construction or operation of final disposal sites without express authorization, the unregulated export of toxic waste, and non-compliance with comprehensive technical management plans. Furthermore, regulations on the improper handling of hazardous substances penalize the abandonment or discharge of materials that may contaminate soil, surface water, groundwater, or the atmosphere; the generation or handling of substances that pose risks to health and the environment; the failure to take actions required by emergency response plans; and the installation of facilities or storage areas that violate current technical regulations.

For the hydrocarbons industry—as well as for PDVSA, for private operators, and associated contractors—this means they are obligated to implement closed-loop effluent management systems, rigorously segregate hazardous waste at the source, provide certified training for operational staff, and ensure digital traceability for every volume of waste generated, transported, or disposed of. The law does not wait for the soil to become contaminated, the aquifer to be polluted, or public health to be jeopardized; it penalizes deviations from technical protocols starting from the planning phase. The Organic Law on Hydrocarbons (LOH 2026) reinforces this approach by establishing responsible waste management and compliance with energy transition standards as guiding principles for all activities throughout the value chain.

Corporate Criminal Liability: The End of The "Corporate Veil"

Historically, criminal law has been centered on individual conduct under the maxim “societas delinquere non potest.” The operational reality of the 21st century, however, has shown that the greatest environmental risks stem from complex corporate structures and diffuse chains of command. The 2012 LPA, in accordance with the Organic Law on the Environment, broke with this paradigm by expressly recognizing the criminal liability of legal entities.

Under this framework, a company may be held liable on its own, regardless of the individual liability of its officers or legal representatives. Penalties are no longer limited to fines in tax units; they include temporary or permanent suspensions of operations, a ban on contracting with the

government, and even the dissolution of the legal entity. For operators and contractors serving the hydrocarbon industry, this means that compliance is no longer just an administrative function but has become a strategic asset essential to corporate survival.

The only effective defense against an environmental investigation is documentary evidence of due diligence: up-to-date procedure manuals, regular external audits, validated contingency plans, records of technical training, and continuous monitoring systems. The government no longer punishes only the actual harm caused; it penalizes any failure to follow protocol from the very first link in the chain.

Value Chain, Joint and Several Liability, and Guarantor's Liability

Modern oil operations are inherently collaborative. It involves major operators, drilling contractors, crude oil transport companies, pipeline maintenance companies, processors, and specialized service providers. Venezuelan environmental law has recognized this reality and has shielded liability through two key provisions.

Joint and several liability (as referred to in Article 16 of the LPA) provides that when two legal entities enter into an agreement under which one performs work for the benefit of the other, and such performance results in environmental risks or damage, both are jointly and severally liable. There is no such thing as the “third-party” defense or “transfer of liability”: if a contractor commits negligence due to a lack of maintenance, the principal cannot be held harmless; it must demonstrate active supervision, joint audits, and cross-checks. In practice, this means that PDVSA and its private partners must integrate their contractors into their environmental management systems—not as external entities, but rather as operational extensions of their own responsibility.

In addition, liability for dependents (Section 17 of the same law) extends to executives, managers, and middle managers who, despite having the knowledge and ability to prevent an environmental crime committed by their subordinates, fail to act. This legal concept is based on the principle of “culpa in vigilando” and the duty of care: the executive is liable not only for what he or she did, but also for what he or she failed to supervise. The professional standards required by the new LOH 2026 make it virtually impossible to claim technical ignorance before judicial authorities. The “corporate veil” does not protect senior management; under the law, an operator who opens a valve is treated the same as an executive who authorized postponing its maintenance for reasons of cost or productivity.

PETROMACA, a Strategic Partner in Compliance and Comprehensive Environmental Management

Under this new legislative framework, the Venezuelan oil industry needs partners who can carry out technical tasks, foster a culture of environmental compliance, and provide legal protection for the entire value chain. PETROMACA is precisely positioned in this space. As an engineering and services company specializing in environmental management for the hydrocarbons sector, our value proposition is no longer measured solely by operational efficiency or equipment availability, but by our ability to integrate predictive environmental management systems that protect both PDVSA and its private partners and contractors.

For PETROMACA, this legislative reality does not represent an operational barrier, but rather a strategic opportunity to establish itself as a leader in oil services with standards of environmental excellence, aligned with the requirements of PDVSA, its subsidiaries, and the new private partners in the energy ecosystem. The legal certainty sought by the new regulations is not a blank check to

operate without restrictions. The message is clear: technological modernization must go hand in hand with environmental responsibility.

PETROMACA has developed hazardous waste management protocols that exceed legal requirements, implementing source separation systems, real-time traceability through digital platforms, and final disposal exclusively at authorized and externally audited facilities. Our field teams operate in accordance with compliance manuals that are updated to reflect current regulations, and they receive ongoing training in environmental risk management and emergency response drills that prioritize immediate containment, timely regulatory notification, and impact mitigation.

Our corporate structure embodies the principle of hierarchical accountability: every supervisor, coordinator, and project manager serves as a steward of environmental compliance within their sphere of influence, reporting through early-warning systems, cross-functional internal audits, and periodic reviews of sustainability KPIs. For companies that hire our services, this translates into three tangible benefits:

Mitigation of legal liability: Evidence of compliance (records, logs, disposal certificates, training records) serves as the first line of defense in the event of any regulatory investigation.

Guaranteed business continuity: Incident prevention helps avoid unscheduled downtime, temporary shutdowns, and penalties that impact production and corporate reputation.

Alignment with the LOH 2026: Our protocols are designed to comply with and anticipate the guiding principles of the new law, facilitating PETROMACA's integration into mixed investment schemes, joint venture arrangements and service contracts in accordance with international standards of environmental governance.

PETROMACA not only complies with the law but incorporates it in every technical decision, every waste transport route, every field inspection and every management report. We understand that joint liability and the duty of guarantor are not burdens, but rather tools for boosting the sector's competitiveness. That is why we offer PDVSA and the private sector a service model in which operational excellence and environmental compliance are inseparable.

Exploring The New Regulatory Landscape For 2026: Environmental Compliance And Strategic Management In The Hydrocarbons Industry

Venezuela is undergoing a structural transformation in its energy sector. The enactment of the Law Amending the Organic Law on Hydrocarbons (2026) further opens the sector to private investment and strengthens commercial arbitration mechanisms, while redefining the operational framework under an unwavering principle: environmental protection and the energy transition as guiding principles. In this context, the oil industry is no longer measured solely by extraction volumes, logistical efficiency, or equipment availability, but rather by companies' ability to operate within a framework of strict compliance, document traceability, and preventive risk management.

The 2026 Regulatory Framework: Trade Opening with Immovable Environmental Shielding

The LOH 2026 establishes a deliberate balance between trade liberalization and strengthening government oversight of the ecosystem. Its first article establishes environmental protection and

alignment with the energy transition as guiding principles for all stages of the value chain: from exploration and extraction to transportation, storage, processing, upgrading, refining, industrialization, marketing, conservation, and the comprehensive utilization of hydrocarbons. This provision eliminates any regulatory ambiguity: private investment, strategic partnerships, and the procurement of specialized services are not a license to lower standards; rather, they are a mandate to raise them.

The Environmental Criminal Law (2012) serves as the necessary enforcement mechanism to put these principles into practice, transforming the State's "ius puniendi" into a tool for prevention rather than subsequent punishment. In practice, this means that the oil industry's business model must incorporate environmental considerations from the project design phase onward—not as an afterthought, but as a crosscutting operational pillar. The law does not wait for the ecosystem to collapse before taking action; it requires protocols, audits, and prior controls to safeguard the constitutional right to a safe, healthy, and ecologically balanced environment.

Conclusion: Toward a Sustainable and Legally Sound Oil Operation

The legal certainty sought by the LOH 2026 is a call for professionalism, transparency, and shared responsibility. Venezuela's hydrocarbon sector is poised for change: it is no longer enough to simply extract, transport, and refine; these activities must now be carried out with environmental traceability, circular waste management, and strong corporate governance. Penalties against legal entities, joint and several liability among contractors and operators, and direct liability for executives due to failure to supervise are mechanisms designed to raise industry standards, not to stifle the industry.

The future of the hydrocarbon industry in Venezuela will not be built on improvisation or the outsourcing of risk; rather, it will be built on the certainty of compliance, a culture of prevention, and responsible technical collaboration. In that future, PETROMACA is already up and running: with validated protocols, trained staff, early warning systems, and an unwavering commitment to environmental protection and business sustainability. Because in the modern oil industry, compliance isn't just a requirement—it's the strongest competitive advantage.

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