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## **New Regulations for Scout Drilling in Ecuador**

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**By: Roque Bustamante**

By means of Ministerial Agreement No. 2018-0034, signed by acting Minister of Mines Carlos Pérez on June 28<sup>th</sup>, 2018 and published in Official Gazette No. 315, of August 29<sup>th</sup>, 2018, the scout drilling in the mining concessions that are in the initial exploration phase is now allowed.

*The test or recognition boreholes "(...) are exploratory wells drilled with a variety of inclinations and dimensions that belong to the initial exploration period, carried out with portable or aerial transportable equipment on platforms with a maximum length of 10 meters per side, with the installation of a drilling water recirculation system and use of biodegradable drilling additives. "*

This Agreement allows the drilling of test or recognition boreholes in a maximum of forty (40) platforms for each mining concession. Exceptionally, in those concessions that intercept partially or totally with legally declared areas of very high fragility ecosystem by the Ministry of Environment, the scout drilling will be allowed for a maximum of twenty (20) platforms for each mining concession.

This Agreement is particularly important because it is now possible to perform drilling of test or recognition boreholes during the initial exploration stage, while before, it was required that the initial exploration stage was completed (which takes four (4) years), the obtaining of an environmental license, and an express waiver of an area of the concession or project, in order to perform this type of drilling in advanced exploration.



A major difference in the requirements is that since this agreement is in effect, it is required the granting of an environmental tab to perform scout drilling, which shall be requested on-line in SUIA webpage (Unique System for Environmental Information). This process will take approximately 15 days, and will also require the preparation of an environmental management plan. It is expected that these new requirements are regulated by a new decree issued by the Ministry of Environment.

Notwithstanding the Agreement No. 2018-0034 issued by the Ministry of Mining already allows the scout drilling in the initial exploration stage, the compliance of the previous administrative acts set forth in Art. 26 of the Mining Law are also required.

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