

PETROLEUM IN COSTA RICA 2001

1. PETROLEUM EXPLORATION DETAINED IN TALAMANCA

The Ministry of Environment and Energy (MINA E) will not continue with bidding processes for petroleum exploration in the country until the constitutional court gives the complete verdict, which left investigations into hydrocarbons in the Atlantic ineffective.

According to the Viceminister of the branch, the institution is in limbo on the matter of petroleum exploration.

This state will continue until the Fourth Court determines what was the possible error into which the Ministry fell during the assignment of search rights of four blocks for hydrocarbon exploration in Limón to the United States Company MKJ Exploration, Inc.

The principal argument given relates to the noncompletion on the part of the ministry of article 15 of Agreement 169 of the OIT.

This regulation obligates the state and corporations to consult indigenous groups on economic projects that could effect them.

In Talamanca, where the two exploration blocks are located, this procedure did not take place.

However, in the appeal by the Minister of the Environment, Elizabeth Odio, at the beginning of this month, it was argued that the MINA E did not have to comply with this protocol.

The reasoning for this is that, because the investigations were conducted in the maritime zone of Moín in Puerto Limón, "a block which clearly does not include any indigenous territory."

For its part, the corporation charged with the verdict of the Fourth Court assured that its intentions to invest in the country continue to be in the works.

Harken Energy is now the proprietor of 80% of the actions of MKJ Explorations, Inc.

The president of the enterprise in Costa Rica is Edwin Kettenbrink. By way of an email, it is known that the company has invested \$6 million in the project and in the analysis of seismic reflection.

Debate for the proceedings:

Criticism:

- In January of this year, more than 30 ecological organizations and tourism groups presented a constitutional appeal against the MINAE because it didn't consult indigenous communities on the possibility of searching for petroleum in Talamanca.
- The recourse was approved on 8 September of last year and annulled the rights of the United States company MKJ Explorations, Inc. to four exploration blocks.
- According to environmental groups, the search for hydrocarbons damages the terrestrial and marine ecosystems involved.
- A second appeal was present before the Fourth Court citing negligence on the part of the national technical environmental secretary's office because, supposedly, it will not restrict the seismic reflection studies that were conducted in the marine block of Moín.

Defense:

- The MINAE presented an appeal of explanation this month asking that the constitutional court explain the faults that were committed during the bidding.
- It argues that there wasn't any indigenous community to consult because the exploration took place in the ocean.
- At no time was the environmental aspect neglected. Indeed, the legislation on this point is very vast and specific in terms of the country's natural and mineral resources.
- The MINAE still has not been notified by the constitutional court in regard to the second support appeal.

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