

## Mexico: Farmout Bidding Round 2018

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**PRACTICES** Mexico, Energy, Power and Natural Resources, Mexico Energy Reform, International

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The National Hydrocarbons Commission (“CNH”) announced on April 26, 2018, the so-called “farmout” bid process CNH-A-C6-7 Asociaciones/2018. This new bid round comprises seven onshore conventional blocks for exploration and production that are located in the states of Veracruz, Tabasco and Chiapas, covering collectively 4,580.8 km<sup>2</sup>. CNH estimates these blocks have conventional prospective resources of approximately 405.1 million barrels of crude oil equivalent. The blocks in this bid round will be awarded based on a license contract.

The contract areas are the following:

1. Artesa.
2. Bedel Gasifero.
3. Bacal Nelash.
4. Cinco Presidentes.
5. Giraldas Sunuapa.
6. Juspi Teotleco.
7. Lacamango.

Contract areas Artesa, Bedel Gasifero, Giraldas Sunuapa, and Juspi Teotleco are primarily exploration blocks and their license contracts have a maximum term of 40 years. Contract Areas Bacal Nelash and Lacamango are primarily production blocks with some potential for exploration, and their license contracts have a maximum term of 35 years. Likewise, the license contract for the Cinco Presidentes contract area foresees only production activities and has a maximum term of 35 years. In all cases, the maximum term of the license contracts includes two extensions of five years each.

The deadline to access the data room is October 30, 2018. Prequalified companies will be announced on October 2, 2018, and the final versions of the bid documents (and related license contract and joint operating agreement) will be announced on October 5, 2018. The presentation and opening of proposals is scheduled for October 31, 2018. These dates may be modified.

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