

Mexico: Round Three ? First Public Bid

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PRACTICES Mexico, Energy, Power and Natural Resources, Oil and Gas

The Mexican government announced on September 28, 2017 the first bid of Round 3. This will be the sixteenth upstream bid round in Mexico since the enactment of the energy reform in mid-2014. The new bid round (named Round 3.1), comprises 35 offshore blocks for exploration and production in the Burgos Region off the coast of northern Tamaulipas, the Tampico-Misantla-Veracruz Region off the coast of Veracruz, and the Southeastern Region off the coast of Tabasco and Campeche, all in shallow water in the Gulf of Mexico, covering collectively 26,265 km², with prospective resources of approximately 1.988 billion barrels of crude equivalent.

The National Hydrocarbons Commission (*Comisión Nacional de Hidrocarburos*) (“**CNH**”) has so far organized the bid rounds into four main groups: Round 1 (four sub-rounds, Rounds 1.1 through Round 1.4); Pemex Associations (“Trion,” whose contracts were awarded in December 2016, and “Ayin-Batsil,” “Cárdenas Mora,” “Ogarrio,” and “Nobilis-Maximino,” currently in process); Round 2, so far comprising four sub-Rounds 2.1, 2.2, 2.3, and 2.4; and, Round 3, so far only comprising sub-Round 3.1. Rounds 1.1 through 1.4 (now completed) covered, respectively, 14 exploration and production blocks in shallow waters, nine production blocks in shallow waters, 26 onshore production blocks, and 10 offshore deep-water exploration and production blocks. Rounds 2.1, 2.2, 2.3, and 2.4 (the latter currently in process) covered, respectively, 15 exploration blocks in shallow water, 24 onshore exploration and production blocks (from Rounds 2.2 and 2.3), and 30 exploration blocks in deep waters. Trion covered and Ayin-Batsil, Cárdenas Mora, Ogarrio (currently in process), and Nobilis-Maximino cover, respectively, the deep-water “Trion,” the shallow-water “Ayin-Batsil,” the onshore “Cárdenas Mora,” the onshore “Ogarrio,” and the deep-water Nobilis-Maximino blocks.¹

CNH awarded production-sharing contracts in Rounds 1.1, 1.2, and 2.1, and license contracts in Rounds 1.3, 1.4, 2.2, 2.3, and Trion. CNH will award license contracts in Round 2.4 and the Cárdenas Mora, Ogarrio, and Nobilis-Maximino rounds, and production-sharing contracts in the Ayin-Batsil round and Round 3.1.

To read the full alert, click on the PDF linked below.

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