

Mexico: Round Two ? Fourth Public Bid

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The Mexican government announced, on July 19, 2017, the fourth bid of Round Two. This will be the 14th upstream bid round in Mexico since passage of the energy reform in mid-2014. The new bid round (named Round 2.4) comprises 30 offshore blocks for exploration in the Perdido Belt, the Salina Basin, the Mexican Ranges (*Cordilleras Mexicanas*), and the Yucatán Platform in the Gulf of Mexico, covering collectively 70,844 km², with prospective resources of approximately 4.2 billion barrels of crude equivalent.

The National Hydrocarbons Commission (*Comisión Nacional de Hidrocarburos*) ("**CNH**") has so far organized the bid rounds into three 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," and "Ogarrio," currently in process), and Round Two, so far comprising four sub-Rounds (2.1, 2.2, 2.3, and 2.4). 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 exploration and production blocks. Rounds 2.1, 2.2, and 2.3 covered, respectively, 15 exploration blocks in shallow water, 10 onshore exploration and production blocks, and 14 onshore exploration and production blocks. Trion covered and Ayin-Batsil, Cárdenas Mora, and Ogarrio (currently in process) cover, respectively, the deepwater "Trion," the shallow-water "Ayin-Batsil," the onshore "Cárdenas Mora," and the onshore "Ogarrio" blocks.

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 and Ogarrio rounds, and production sharing contracts in the Ayin-Batsil round.

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