

## Round 3.1 Results

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March 29, 2018

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

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On March 27, 2018 Mexico's National Hydrocarbons Commission ("CNH") awarded 16 of the 35 Production Sharing Contracts ("PSC") for shallow water blocks in "Round 3.1."

Pemex was the biggest winner of this bidding procedure by winning one block as an individual bidder and six blocks in several consortiums with companies such as DEA, Compañía Española de Petroleos (CEPSA), Total and Shell.

CNH expects production from the awarded blocks to start in 2022, with oil production peaking at 235,000 BOPD by 2025, and natural gas output peaking at 220 MMCFPD.

Highlights:

- Sixteen PSCs were awarded, representing a total area of 11,020 km<sup>2</sup>
- The Southeast Basin was awarded more PSCs than any other area
- Tiebreaker payments totaled US\$124 million
- Expected investment totaled US\$3.8 billion
- The Mexican government will receive between 72 percent and 78 percent of profits generated under the awarded contracts
- The Mexican government has awarded 107 E&P contracts since Round 1.1 for shallow water exploration blocks

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

[Round\\_3.1\\_Results.PDF](#)

Should you have any questions or comments please contact any of the lawyers listed below.