

LEGAL NOTICE No. 168

REPUBLIC OF TRINIDAD AND TOBAGO

THE PETROLEUM REGULATIONS, CHAP. 62:01

ORDER

MADE BY THE MINISTER UNDER REGULATION 4 OF THE  
PETROLEUM REGULATIONS

THE PETROLEUM REGULATIONS (COMPETITIVE BIDDING)  
ORDER, 1989

WHEREAS, the President has, in exercise of the powers conferred on him by section 10 of the Petroleum Act, determined that the grant of Exploration and Production (Public Petroleum Rights) Licences in respect of the public petroleum rights in the submarine area more particularly described in the First Schedule shall be subject to a procedure of competitive bidding in accordance with the Petroleum Regulations:

And whereas the Minister is required under regulation 4 of the Petroleum Regulations, when the President has so determined, to make an Order to that effect, which Order shall in respect of each area declared by the President to be open for competitive bidding, specify the geographical description, the period during which the bids may be presented and any other conditions and details which the Minister may consider proper for the purpose:

Now, therefore, in exercise of the powers vested in him under regulation 4 of the Petroleum Regulations, the Minister makes the following Order:

- |   |   |
|---|---|
| <b>Citation</b>   | 1. This Order may be cited as the Petroleum Regulations (Competitive Bidding) Order, 1989.  |
| <b>Geographical description</b>                             | 2. The submarine area in respect of which the President has determined that the grant of licences respecting public petroleum rights shall be subject to a procedure of competitive bidding is divided into four blocks and is more particularly described in the First Schedule.   |
| <b>First Schedule Bids invited</b>                          | 3. Bids for Exploration and Production (Public Petroleum Rights) Licences are invited for the carrying out of exploration and production operations in the submarine area referred to in paragraph 2, on the terms and conditions specified in the Second Schedule.   |
| <b>Second Schedule</b>                                      |   |
| <b>Manner and period during which bids may be presented</b> | 4. Bids shall be presented under confidential cover in sealed envelopes marked "Bids for Exploration and Production (Public Petroleum Rights) Licences" to the office of the Permanent Secretary, Ministry of Energy, situate at Government Offices, Riverside Plaza, Level 9, Besson Street, Port-of-Spain, Republic of Trinidad and Tobago, West Indies, from the date of this Order until 4.00 p.m. on January 31, 1990. |

## FIRST SCHEDULE

## THE AREA SUBJECT TO COMPETITIVE BIDDING

The area subject to Competitive Bidding comprises four submarine blocks of various shapes and sizes located, designated and described (and sub-divided for surrender purposes into sub-blocks of approximately the same size) as specified hereunder and illustrated on the map hereto attached:

## BLOCK 89/2

Block 89/2 comprising approximately 457,812 Acres, situate off the East Coast of Trinidad and sub-divided for the purpose of surrender into four (4) sub-blocks designated (a), (b), (c) and (d) is bounded by the lines joining the points listed hereunder and shown on the attached map marked "A".

Name		Co-ordinates
A	540,285.6833 lks N. 10°.49'.58.56829" N. Lat	658,845.9560 lks E. 60°.54'.44.42847" W. Long.
ba	540,422.7839 lks N. 10°.49'.59.02851" N. Lat.	702,948.7915 lks E. 60°.49'.52.34840" W. Long.
ca	540,611.8316 lks N. 10°.49'.59.53653" N. Lat.	763,794,1013 lks E. 60°.43'.09.38706" W. Long.
B	540,864.0111 lks N. 10°.49'.59.98670" N. Lat.	E.844,934.2713 lks E. 60°.34'.12.01715" W. Long.
C	397,899.4404 lks N. 10°.34'.23.99458" N. Lat.	845,288.0086 lks E. 60°.34'.12.01737" W. Long.
cb	397,723.1682 lks N. 10°.34'.24.01184" N. Lat.	764,236.7700 lks E. 60°.43'.08.33998" W. Long.
D	397,704.8749 lks N. 10°.34'.23.99911" N. Lat.	755,825.6157 lks E. 60°.44'.03.99721" W. Long.
E	347,528.5043 lks N. 10°.28'.55.47908" N. Lat.	755,925.4336 lks E. 60°.44'.03.97084" W. Long.
F	346,200.0008 lks N. 10°.28'.47.15911" N. Lat.	723,999.9915 lks E. 60°.47'.35.17598" W. Long.
bb	335,386.2063 lks N. 10°.27'.36.57685" N. Lat.	703,583.9876 lks E. 60°.49'.50.34411" W. Long.
G	316,750.0242 lks N. 10°.25'.34.90158" N. Lat.	668,399.9962 lks E. 60°.53'.43.24274" W. Long.
H	301,999.9820 lks N. 10°.23'.58.21454" N. Lat.	680,400.0238 lks E. 60°.52'.24.01714" W. Long.
I	283,749,9981 lks N. 10°.21'.58.98693" N. Lat.	650,750.0136 lks E. 60°.55'.40.25697" W. Long.
J	290,000.0042 lks N. 10°.22'.39.95644" N. Lat.	644,999.9921 lks E. 60°.56'.18.22857" W. Long.
K	296,300.0186 lks N. 10°.23'.21.32400" N. Lat.	630,000.0073 lks N. 60°.57'.57.37368" W. Long.
L	326,000,000 lks N. 10°.26'.35.86033" N. Lat.	620,000.000 lks E. 60°.59'.03.28856" W. Long.
M	292,000.0000 lks N. 10°.22'.53.30079" N. Lat.	611,799.982 lks E. 60°.59'.57.76271" W. Long.
N	292,000.0000 lks N. 10°.22'.53.36571" N. Lat.	602,107.9465 lks E. 61°.01'.01.86865" W. Long.

aa— A point on the high water mark on the Eastern Coastline of Trinidad where the line 1A intersects the said coastline.

Sub-block (a) comprising approximately 117,110 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "aa", "I", "J", "K", "L", "M", "N", and the Eastern Coastline of Trinidad.

Sub-block (b) comprising approximately 110,014 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "A", "ba", "bb", "G", "H", "I", "aa" and the Eastern Coastline of Trinidad.

Sub-block (c) comprising approximately 114,780 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "ba", "ca", "cb", "D", "E", "F" and "bb".

Sub-block (d) comprising approximately 115,908 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "ca", "B", "C" and "cb".

**Block 89/3**

Block 89/3 comprising approximately 311,187 Acres situate off the East Coast of Trinidad and sub-divided for the purpose of surrender into four (4) sub-blocks designated (a), (b), (c) and (d) is bounded by the straight lines joining the points listed hereunder and shown on the attached map marked "A".

Name	Co-ordinates
B	540,864.0111 lks N. 10°49'59.98670" N. Lat. 844,934.2713 lks E. 60°34'12.01715" W. Long.
O	541,473.7557 lks N. 10°49'59.99658" N. Lat. 1,041,232.105 lks E. 60°12'31.98169" W. Long.
ab	507,407.3973 lks N. 10°46'16.98659" N. Lat. 1,041,354.590 lks E. 60°12'32.00051" W. Long.
P	471,357.2067 lks N. 10°42'20.98879" N. Lat. 1,041,484.185 lks E. 60°12'32.01545" W. Long.
cb	439,568.2189 lks N. 10°38'51.98839" N. Lat. 1,078,264.369 lks E. 60°08'29.34426" W. Long.
Q	398,813.5104 lks N. 10°34'23.97898" N. Lat. 1,125,418.015 lks E. 60°03'18.35759" W. Long.
C	397,899.4404 lks N. 10°34'23.99458" N. Lat. 845,288.0086 lks E. 60°34'12.01737" W. Long.
ca	438,843.8924 lks N. 10°38'52.06039" N. Lat. 845,186.7491 lks E. 60°34'12.02272" W. Long.
ba	470,746.9153 lks N. 10°42'20.93052" N. Lat. 845,107.9088 lks E. 60°34'12.02331" W. Long.
aa	506,797.2550 lks N. 10°46'16.95234" N. Lat. 845,018.7288 lks E. 60°34'12.02120" W. Long.

Sub-block (a) comprising approximately 66,879 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "B", "O", "ab" and "aa".

Sub-block (b) comprising approximately 70,788 is bounded as shown on the map marked "A" by the straight lines joining the points "aa", "ab", "P" and "ba".

Sub-block (c) comprising approximately 68,505 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "ba", "P", "cb" and "ca".

Sub-block (d) comprising approximately 105,015 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "ca", "cb", "Q" and "C".

## BLOCK 89/4

Block 89/4 comprising approximately 299,154 Acres, situate off the East Coast of Trinidad and sub-divided for the purpose of surrender into four (4) sub-blocks designated (a), (b), (c) and (d) is bounded by the straight lines joining the points listed hereunder and shown on the attached map marked "A".

<i>Name</i>	<i>Co-ordinates</i>
R 398,191.9845 lks N. 10°.34'.23.99300" N. Lat.	951,376.6039 lks E. 60°.22'.30.01780" W. Long.
Q 398,813.5104 lks N. 10°.34'.23.97889" N. Lat.	1,125,418.015 lks E. 60°.03'.18.35759" W. Long.
ab 361,074.3681 lks N. 10°.30'.15.73891" N. Lat.	1,169,082.606 lks N. 50°.58'.30.50813" W. Long.
S 337,401.5050 lks N. 10°.27'.39.99435" N. Lat.	1,196,472.395 lks E. 59°.55'.30.00818" W. Long.
bb 332,360.1513 lks N. 10°.27'.06.99463" N. Lat.	1,196,494.367 lks E. 59°.55'.30.01165" W. Long.
eb 304556.3757 lks N. 10°.24'.04.99620" N. Lat.	1,196,615.511 lks E. 59°.55'.30.02868" W. Long.
T 267,128.4188 lks N. 10°.19'.59.99876" N. Lat.	1,196,778.610 lks E. 59°.55'.30.04526" W. Long.
U 266,323.3134 lks N. 10°.20'.00.28064" N. Lat.	971,458.0585 lks E. 60°.20'.19.88561" W. Long.
V 288,215.5096 lks N. 10°.22'.23.99969" N. Lat.	951,710.9543 lks E. 60°.22'.30.01806" W. Long.
ca 303,681.1292 lks N. 10°.24'.05.25057" N. Lat.	951,663.8788 lks E. 60°.22'.30.02089" W. Long.
ba 331,485.0540 lks N. 10°.27'.07.27788" N. Lat.	951,579.3716 lks E. 60°.22'.30.02309" W. Long.
aa 360,296.9015 lks N. 10°.30'.15.90326" N. Lat.	951,491.7823 lks E. 60°.22'.30.02267" W. Long.

Sub-block (a) comprising approximately 74,205 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "R", "Q", "ab" and "aa".

Sub-block (b) comprising approximately 67,317 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "aa", "ab", "S", "bb" and "ba".

Sub-block (c) comprising approximately 68,102 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "ba", "bb", "cb" and "ca".

Sub-block (d) comprising approximately 89,530 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "ca", "cb", "T", "U" and "V".

Block 89/5

Block 89/5 comprising approximately 282,839 Acres situate off the East Coast of Trinidad and sub-divided for the purpose of surrender into four (4) sub-blocks designated (a), (b), (c) and (d) is bounded by the straight lines joining the points listed hereunder and shown on the map marked "A".

Name	Co-ordinates
U	266,323.3134 lks N. 10° .20 ' .00.28064" N. Lat. 971,458.0585 lks E. 60° .20 ' .19.88561" W. Long.
T	267,128.4188 lks N. 10° .19 ' .59.99843" N. Lat. 1,196,778.610 lks E. 59° .55 ' .30.04527" W. Long.
ab	234,283.5380 lks N. 10° .16 ' .25.00056" N. Lat. 1,196,921.725 lks E. 59° .55 ' .30.05403" W. Long.
bb	192,272.7040 lks N. 10° .11 ' .50.00213" N. Lat. 1,197,104.758 lks E. 59° .55 ' .30.05740" W. Long.
cb	144,762.7356 lks N. 10° .06 ' .39.00542" N. Lat. 1,197,311.801 lks E. 59° .55 ' .30.05009" W. Long.
W	63,339.31717 lks N. 9° .57 ' .46.01010" N. Lat. 1,197,666.582 lks E. 59° .55 ' .30.01127" W. Long.
X	54,953.66408 lks N. 9° .56 ' .52.08463" N. Lat. 1,162,117.867 lks E. 59° .59 ' .25.01423" W. Long.
Y	46,999.89268 lks N. 9° .56 ' .00.89137" N. Lat. 1,128,399.480 lks E. 60° .03 ' .07.89692" W. Long.
Z	92,530.1051 lks N. 10° .00 ' .58.94617" N. Lat. 1,128,223.158 lks E. 60° .03 ' .07.89648" W. Long.
ca	144,348.8490 lks N. 10° .06 ' .39.32355" N. Lat. 1,081,481.510 lks E. 60° .08 ' .15.39928" W. Long.
ba	191,706.9529 lks N. 10° .11 ' .50.34698" N. Lat. 1,038,763.549 lks E. 60° .12 ' .56.57777" W. Long.
aa	233,583.4701 lks N. 10° .16 ' .25.32626" N. Lat. 1,000,990.107 lks E. 60° .17 ' .05.32873" W. Long.

Sub-block (a) comprising approximately 69,181 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "U", "T", "ab" and "aa",

Sub-block (b) comprising approximately 74,417 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "aa", "ab", "bb" and "ba".

Sub-block (c) comprising approximately 65,130 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "ba", "bb", "cb" and "ca".

Sub-block (d) comprising approximately 74,111 Acres is bounded as shown on the map marked "A" by the straight lines joining the points "ca", "cb", "W", "X", "Y" and "Z".

## SECOND SCHEDULE

**Information and fee for competitive bidding**

1. (1) Persons intending to bid may obtain from the Ministry—
  - (a) a model Exploration and Production (Public Petroleum Rights) Licence; and
  - (b) relevant information with respect to the areas for which bids may be presented.
- (2) Bids shall be accompanied by—
  - (a) the following information about the bidder—
    - (i) legal identity;
    - (ii) technical capacity, competence and experience in petroleum operations and related activities;
    - (iii) economic and financial structure and backing;
    - (iv) available markets for the disposal of petroleum; and
    - (v) such other details as the bidder may consider relevant;
  - (b) the following fee payable to the Permanent Secretary, Ministry of Energy—
    - (i) if the applicant wishes to bid on three Blocks or less, twenty-five thousand dollars per Block in the currency of the United States of America; and
    - (ii) if the applicant wishes to bid on all four Blocks, seventy-five thousand dollars in the currency of the United States of America.
- (3) Payment of the fee referred to in subparagraph (2)(b) entitles the bidder to—
  - (i) participate in the bidding for any of the Blocks described in the First Schedule; and
  - (ii) receive a separate data package for each Block in respect of which a bid is submitted.

**Registration under the Companies Ordinance Ch. 31 No. 1 Minister not bound to accept bids**

2. Before commencing petroleum operations in the area described in the First Schedule, successful bidders shall either register under the Companies Ordinance or be incorporated thereunder.

3. The Minister is not bound to accept any bids received pursuant to this Order.

4. (1) Persons wishing to submit bids for Exploration and Production (Public Petroleum Rights) Licences shall present separate bids, on the basis of the model referred to in paragraph 1(1)(a), for any of the Blocks described in the First Schedule.

(2) A separate licence shall be issued in respect of each Block (hereinafter referred to as "the licensed area").

(3) Consideration shall not be given to any bid which does not contain the minimum proposals as follows—

- (a) a commitment to an exploration programme for each Block on the terms as outlined hereunder (hereinafter referred to as "the minimum work obligation");
- (b) a commitment to spend on the exploration programme a minimum sum (hereinafter referred to as "the expenditure obligation") within the first three years of the issue of the licence;
- (c) a commitment to spend such sum of money as shall be necessary to complete the minimum work obligation; and
- (d) in respect of Block 89/2—
  - (i) a commitment to acquire a minimum of two thousand kilometre of new two-Dimensional seismic data in consultation with the Ministry, commencing within six months of the issue of the licence;
  - (ii) a commitment to drill a minimum of three exploration wells on separate geological prospects, two of which shall be drilled to a minimum vertical drill depth of three thousand metres each. The drilling of the first well shall commence within twelve months of the issue of the licence and the drilling of the three wells shall be completed within thirty-six months of the issue of the licence. The evaluation of the three wells shall be based on a comprehensive formation evaluation programme; and

- (iii) an expenditure obligation of not less than seventeen million dollars in the currency of the United States of America;
- (e) in respect of Block 89/3—
- (i) a commitment to acquire a minimum of two thousand kilometres of new seismic data in consultation with the Ministry, commencing within six months of the issue of the licence;
  - (ii) a commitment to drill a minimum of three exploration wells on separate geological prospects, two of which shall be drilled to a minimum vertical drill depth of forty-five hundred metres each. The drilling of the first well shall commence within twelve months of the issue of the licence and the drilling of the three wells shall be completed within thirty-six months of the issue of the licence. The evaluation of the three wells shall be based on a comprehensive formation evaluation programme; and
  - (iii) an expenditure obligation of not less than twenty million dollars in the currency of the United States of America;
- (f) in respect of Block 89/4—
- (i) a commitment to reprocess a minimum of fifteen hundred kilometres of existing seismic data in consultation with the Ministry, commencing within four months of the issue of the licence;
  - (ii) a commitment to drill two exploration wells, on separate geological prospects, to a minimum vertical drill depth of forty-five hundred metres each. The drilling of the first well shall commence within twelve months of the issue of the licence and the drilling of the two wells shall be completed within thirty-six months of the issue of the licence. The evaluation of the two wells shall be based on a comprehensive formation evaluation programme;
  - (iii) an expenditure obligation of not less than nineteen million dollars in the currency of the United States of America;
- (g) in respect of Block 89/5—
- (i) a commitment to acquire a minimum of one thousand kilometres of new two-Dimensional seismic, gravity and magnetic data in consultation with the Ministry, commencing within six months of the issue of the licence;
  - (ii) a commitment to drill two exploration wells, on separate geological prospects, to a minimum vertical drill depth of forty-five hundred metres each. The drilling on the first well shall commence within twelve months of the issue of the licence and the drilling of the two wells shall be completed within thirty-six months of the issue of the licence. The evaluation of the two wells shall be based on a comprehensive formation evaluation programme; and
  - (iii) an expenditure obligation of not less than nineteen million dollars in the currency of the United States of America;
- (h) an offer of carried participation of not less than twenty-five per cent, at no cost to the State, during the exploration programme. In the event of any commercial discovery being made, the State reserves the rights to participate in the development phase of the said commercial discovery in proportion to any such percentage as may be agreed upon between the licensee and the Minister;
- (i) a technical evaluation of the area which supports the exploration programme and demonstrates the technical competence of the bidder;
- (j) proposals for—
- (i) the training of nationals of Trinidad and Tobago in appropriate fields of study associated with the petroleum industry;
  - (ii) the financing of petroleum related research and development activity; and
  - (iii) the contribution for each proposal referred to in subparagraphs (i) and (ii) shall be a minimum of fifty thousand dollars in the currency of the United States of America for the first year of the licence, and shall increase annually at the rate of six per cent for the unexpired term of the licence;

(k) optional proposals for any of the following bonuses—

- (i) a signature cash bonus which shall be payable within ten days of the issue of the licence;
- (ii) production cash bonuses; and
- (iii) technical equipment bonuses.

**Termination of licence**

5. Where the work obligations in respect of each Block are not fulfilled, the licensee is liable to have his licence terminated at the discretion of the Minister.

**Forfeit of unexpended balance**

6. Where the expenditure obligation in respect of each Block is not fulfilled, one-half of the unexpended balance of the expenditure obligation shall be forfeited to the State.

**Requirements of successful bidders**

7. Successful bidders wishing to be granted Exploration and Production (Public Petroleum Rights) Licences shall be required to—

- (a) negotiate with the State for an Exploration and Production (Public Petroleum Rights) Licence which shall be issued within one hundred and eighty days of the date of the notification of the successful bids. Failure to finalise negotiations may result in the non-issue of the licence;
- (b) surrender fifty per cent of the licensed area (specified in the First Schedule) not later than the end of the sixth year if commercial discovery is established, and the portion of the original licensed area that is not surrendered shall be referred to as "the retained area";
- (c) in respect of Blocks 89/2 and 89/3, surrender fifty per cent of the retained area not later than the end of the twelfth year of the licence or, where there has been implemented an exploration programme agreed upon between the successful bidder and the State, not later than the fifteenth year of the licence;
- (d) in respect of Blocks 89/4 and 89/5, surrender fifty per cent of the retained area not later than the end of the fifteenth year of the licence, or where there has been implemented an exploration programme to be agreed upon between the successful bidder and the State, not later than the eighteenth year of the licence;
- (e) deliver to the Minister guarantees for—
  - (i) the total amount of the expenditure obligation in the form of a bond or banker's guarantee or other form of guarantee acceptable to the Minister; and
  - (ii) the sum of one hundred thousand dollars in the currency of the United States of America for the performance of obligation under the licence in cash, securities or other form of guarantee acceptable to the Comptroller of Accounts;
- (f) maintain such separate books of account with respect to petroleum operations in the licensed area as may satisfy the Minister responsible for finance; and
- (g) participate in the "National Oil Spill Contingency Plan".

**Royalty rates**

8. (1) All Exploration and Production (Public Petroleum Rights) Licences shall be subject to royalty rates of twelve and one-half per cent for all petroleum won and saved.

(2) Minimum payments of one dollar and twenty-five cents in the currency of the United States of America per hectare shall be payable during the first year of the licence. Minimum payments for the next five years of the licence shall be payable at the following respective rates, in the currency of the United States of America: one dollar and fifty cents, one dollar and seventy-five cents, two dollars, two dollars and twenty-five cents, and two dollars and fifty cents per hectare. Thereafter, minimum payments shall increase annually at the rate of six per cent for the unexpired term of the licence.

**Terms and conditions of licence**

9. (1) An Exploration and Production (Petroleum Rights) Licence shall be issued for a period of six years in respect of each Block but upon the achievement of a commercial discovery, it may be renewed as to a part only of the licensed area for a term of nineteen years for Blocks 89/2 and 89/3 and for a term of twenty-five years for Blocks 89/4 and 89/5.

(2) Where commercial discovery is not achieved within six years, the licence referred to in paragraph (1) shall be automatically terminated.

(3) The provisions of the model Exploration and Production (Public Petroleum Rights) Licence or such other terms and conditions as may be agreed between the Minister

and the successful bidders pursuant to this Order shall be incorporated into any Exploration and Production (Public Petroleum Rights) Licence entered into between the President, the Minister and successful bidders.

(4) Such provisions of the Petroleum Act and the Petroleum Regulations as are deemed appropriate by the Minister and not specifically excluded by the Exploration and Production (Public Petroleum Rights) Licence shall apply to and be incorporated into the licence. Without prejudice to any other provision of the Act or the Regulations which may be applicable to the licence, section 23 of the Act and regulations 18, 42, 43, 45(1), 46 and 50 shall apply.

Made this 29th day of September, 1989.

H. ATWELL  
*Minister of Energy*

