

LEGAL NOTICE No. 124

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, 1996

WHEREAS the President has, in exercise of the powers conferred on him ^{Preamble} by section 10 of the Petroleum Act, determined that the Minister may enter into Production Sharing Contracts in respect of the public petroleum rights in the submarine area more particularly described in the First Schedule which 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:

1. This Order may be cited as the Petroleum Regulations ^{Citation} (Competitive Bidding) Order, 1996.

2. The submarine area in respect of which the President has ^{Area subject} determined that the award of Production Sharing Contracts respecting ^{to competitive} public petroleum rights shall be subject to a procedure of competitive ^{bidding} bidding is divided into nine blocks and is more particularly described in the First Schedule and illustrated in the map attached hereto as the ^{Second} Second Schedule. ^{Schedule}

3. Bids for Production Sharing Contracts in respect of the blocks ^{Bids invited} described in the First Schedule are invited for the carrying out of exploration and production operations in the submarine area referred to in paragraph 2.

Manner and period during which bids may be presented

4. (1) Bids shall be presented under confidential cover in sealed envelopes marked "Bids for Production Sharing Contracts" to the office of the Permanent Secretary, Ministry of Energy and Energy Industries 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, 1997.

(2) Bidders interested in conducting exploration and production operations in any of the blocks described in the First Schedule must submit a separate bid application in respect of each of the relevant blocks.

Data packages

5. Persons intending to bid may obtain data packages from the Ministry which include:

- (a) a Model Production Sharing Contract for Deep Water Areas; and
- (b) relevant information with respect to the areas for which bids may be presented.

Fees

6. The following fees are payable to the Permanent Secretary, Ministry of Energy and Energy Industries:

- (a) a Data Package Acquisition Fee of one hundred thousand dollars in the currency of the United States of America; and
- (b) a Bid Application Fee of twenty-five thousand dollars in the currency of the United States of America if the applicant wishes to bid on any block described in the First Schedule which fee is payable on submission of the application.

Information required

7. All bids shall be accompanied by the following information in respect of the bidder:

- (a) legal identity;
- (b) technical capacity, competence and experience in petroleum operations and related activities;
- (c) economic and financial structure and backing;
- (d) available markets for the disposal of petroleum; and
- (e) such other details as the bidder may consider relevant.

Separate contract

8. A separate contract shall be issued in respect of each block described in the First Schedule.

Bids to be in conformity with Production Sharing Contract

9. (1) Bids should conform to the provisions of the Model Production Sharing Contract for Deep Water Areas referred to in paragraph 5 and should contain but may not necessarily be limited to proposals in respect of the following:

- (a) a technical and commercial evaluation of the block which represents the applicant's interpretation of the hydrocarbon and economic potential of the area and demonstrates the technical competence of the bidder;

- (b) a commitment to a work programme which represents the applicant's best efforts to explore the contract area based on his technical evaluation of the block (hereinafter referred to as "The Minimum Work Programme");
- (c) a commitment to spend such sum of money (hereinafter referred to as "The Minimum Expenditure Obligation") as shall be necessary to complete the Minimum Work Programme;
- (d) proposals in respect of the sharing of petroleum produced from the contract area;
- (e) proposals in respect of:
 - (i) an annual contribution for the financing of training in appropriate fields of study associated with the petroleum industry;
 - (ii) an annual contribution for the financing of petroleum related research and development activity; and
- (f) optional proposals for any of the following items:
 - (i) a signature cash bonus which shall be payable within ten days of the issue of the contract;
 - (ii) production cash bonuses;
 - (iii) technical assistance/equipment bonuses;
 - (iv) scholarships for the training of nationals in appropriate fields of study associated with the petroleum industry;
 - (v) other contributions.

(2) The contributions for each proposal referred to in subparagraph (1)(e), shall be a minimum of one hundred thousand dollars in the currency of the United States of America for the first year of the contract and shall increase annually at the rate of six per cent for the unexpired term of the contract.

(3) Bids proposals shall be evaluated on the basis of the provisions outlined in the Model Production Sharing Contract for Deep Water Areas referred to in paragraph 5.

(4) The Minister is not bound to accept any bids received pursuant to this Order.

10. Successful bids shall be announced on or before April 1, 1997.

Announcement

Responsibilities
of successful
bidders

11. (1) Successful bidders wishing to be granted Production Sharing Contracts shall:

- (a) complete negotiations with the State for a Production Sharing Contract within one hundred and eighty days of the date of the notification of the successful bids;
- (b) before commencing petroleum operations in the contract area, register under the Companies Act or be incorporated thereunder;
- (c) deliver to the Minister guarantees for:
 - (i) the total amount of the Minimum Expenditure Obligation in the form of a bond or banker's guarantee or other form of guarantee acceptable to the Minister;
 - (ii) the sum of two hundred thousand dollars in the currency of the United States of America for the performance of any obligation under the contract in cash, securities or other form of guarantee acceptable to the Minister;
- (d) maintain such separate books of accounts with respect to petroleum operations in the contract area as may satisfy the Minister to whom responsibility for finance is assigned;
- (e) participate in the "National Oil Spill Contingency Plan".

(2) In respect of subparagraph (1)(a), failure to finalize negotiations within one hundred and eighty days may result in the non-issue of the contract.

Production
Sharing
Contract

12. (1) A Production Sharing Contract shall be issued initially for a period of nine 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 contract area for a term of thirty years from the effective date.

(2) Where a commercial discovery is not achieved within nine years, the contract referred to in subparagraph (1), shall be terminated automatically.

(3) An Administrative Charge of two hundred thousand dollars in the currency of the United States of America is payable by the Contractor during the first year of the contract. This fee shall increase annually at a rate of six per cent for the duration of the contract.

(4) The Model Production Sharing Contract for Deep Water Areas referred to in paragraph 5 and the applicant's bid proposal pursuant to this Order shall be the basis for negotiation of the Production Sharing Contract to be entered into between the President, the Minister and successful bidders.

Act No. 35 of
1995

FIRST SCHEDULE

GEOLOGICAL DESCRIPTION OF AREAS UNDER PHASE 3

The area subject to Competitive Bidding under Phase 3 comprises nine submarine blocks of various shapes and sizes located, designated and described as specified hereunder and illustrated on the map hereto attached:

Geographical co-ordinates of origin:

Latitude 10° 26' 30" N
 Longitude 61° 20' 00" W

Rectangular co-ordinates of origin:

Easting 430,000 links
 Northing 325,000 links

Geographical positions are based on the Clarke 1858 Spheroid.

Cassini grid co-ordinates are in links.

BLOCK 23 (a)

Block 23 (a) comprising approximately 215,808 hectares situate off the North-East Coast of Trinidad and Tobago is bounded by the lines joining the points listed hereunder and shown on the attached map.

<i>Name</i>	<i>Co-ordinates</i>
A23 1,005,051.000 lks. N. 11° 40' 21.346" N. Lat.	1,427,464.000 lks. E. 59° 29' 34.920" W. Long.
B23 1,005,051.000 lks. N. 11° 40' 39.082" N. Lat.	834,508.000 lks. E. 60° 35' 13.257" W. Long.
C23 915,111.000 lks. N. 11° 30' 50.279" N. Lat.	834,508.000 lks. E. 60° 35' 14.820" W. Long.
D23 915,106.844 lks. N. 11° 30' 32.761" N. Lat.	1,427,695.113 lks. E. 59° 29' 37.238" W. Long.

BLOCK 23 (b)

Block 23 (b) comprising approximately 216,240 hectares situate off the North-East Coast of Trinidad and Tobago is bounded by the lines joining the points listed hereunder and shown on the attached map.

<i>Name</i>	<i>Co-ordinates</i>
D23 915,106.844 lks. N. 11° 30' 32.761" N. Lat.	1,427,695.113 lks. E. 59° 29' 37.238" W. Long.
C23 915,111.000 lks. N. 11° 30' 50.279" N. Lat.	834,508.000 lks. E. 60° 35' 14.820" W. Long.
E23 835,740.000 lks. N. 11° 22' 10.662" N. Lat.	834,508.000 lks. E. 60° 35' 16.180" W. Long.

Block 23 (b)—Continued

<i>Name</i>		<i>Co-ordinates</i>
F23	842,778.000 lks. N. 11° 22' 56.264" N. Lat.	861,774.000 lks. E. 60° 32' 15.149" W. Long.
G23	830,960.000 lks. N. 11° 21' 38.368" N. Lat.	890,303.000 lks. E. 60° 29' 06.087" W. Long.
H23	823,822.000 lks. N. 11° 20' 51.598" N. Lat.	892,442.000 lks. E. 60° 28' 52.035" W. Long.
I23	823,490.599 lks. N. 11° 20' 33.228" N. Lat.	1,427,930.523 lks. E. 59° 29' 39.542" W. Long.

BLOCK 23 (c)

Block 23 (c) comprising approximately 215,633 hectares situate off the North-East Coast of Trinidad and the East Coast of Tobago is bounded by the lines joining the points listed hereunder and shown on the attached map.

<i>Name</i>		<i>Co-ordinates</i>
I23	823,490.599 lks. N. 11° 20' 33.228" N. Lat.	1,427,930.523 lks. E. 59° 29' 39.542" W. Long.
H23	823,822.000 lks. N. 11° 20' 51.598" N. Lat.	892,442.000 lks. E. 60° 28' 52.035" W. Long.
J23	810,065.000 lks. N. 11° 19' 21.458" N. Lat.	896,563.000 lks. E. 60° 28' 24.964" W. Long.
K23	773,657.000 lks. N. 11° 15' 23.161" N. Lat.	893,901.000 lks. E. 60° 28' 43.328" W. Long.
L23	759,275.000 lks. N. 11° 13' 49.132" N. Lat.	887,330.000 lks. E. 60° 29' 27.181" W. Long.
M23	725,782.000 lks. N. 11° 10' 10.719" N. Lat.	838,991.000 lks. E. 60° 34' 48.311" W. Long.
N23	725,782.000 lks. N. 11° 10' 08.131" N. Lat.	972,422.000 lks. E. 60° 20' 03.643" W. Long.
O23	725,782.922 lks. N. 11° 09' 53.825" N. Lat.	1,428,181.584 lks. N. 59° 29' 41.935" W. Long.

BLOCK 24 (a)

Block 24 (a) comprising 171,434 hectares situate off the North-East Coast of Trinidad and the South-East Coast of Tobago is bounded by the lines joining the points listed hereunder and shown on the attached map.

<i>Name</i>	<i>Co-ordinates</i>
A24 725,782.922 lks. N. 11° 09' 53.825" N. Lat.	1,428,181.584 lks. E. 59° 29' 41.935" W. Long.
B24 725,782.000 lks. N. 11° 10' 08.131" N. Lat.	972,422.000 lks. E. 60° 20' 03.643" W. Long.
C24 633,608.022 lks. N. 11° 00' 04.723" N. Lat.	972,423.341 lks. E. 60° 20' 05.682" W. Long.
D24 632,048.231 lks. N. 10° 59' 40.414" N. Lat.	1,428,422.437 lks. E. 59° 29' 44.168" W. Long.

BLOCK 24 (b)

Block 24 (b) comprising approximately 168,599 hectares situate off the North-East Coast of Trinidad and the South-East Coast of Tobago is bounded by the lines joining the points listed hereunder and shown on the attached map.

<i>Name</i>	<i>Co-ordinates</i>
D24 632,048.231 lks. N. 10° 59' 40.414" N. Lat.	1,428,422.437 lks. E. 59° 29' 44.168" W. Long.
C24 633,608.022 lks. N. 11° 00' 04.723" N. Lat.	972,423.341 lks. E. 60° 20' 05.682" W. Long.
E24 541,260.000 lks. N. 10° 50' 00.169" N. Lat.	972,425.000 lks. E. 60° 20' 07.689" W. Long.
F24 541,473.756 lks. N. 10° 49' 59.997" N. Lat.	1,041,232.105 lks. E. 60° 12' 31.982" W. Long.
G24 541,474.530 lks. N. 10° 49' 47.682." N. Lat.	1,428,655.168 lks. E. 59° 29' 46.268" W. Long.

BLOCK 25 (a)

Block 25 (a) comprising approximately 138,811 hectares situate off the East Coast of Trinidad and the South-East Coast of Tobago is bounded by the lines joining the points listed hereunder and shown on the attached map.

<i>Name</i>	<i>Co-ordinates</i>
A25 541,474.530 lks. N. 10° 49' 47.682" N. Lat.	1,428,655.168 lks. E. 59° 29' 46.268" W. Long.
B25 541,473.756 lks. N. 10° 49' 59.997" N. Lat.	1,041,232.105 lks. E. 60° 12' 31.982" W. Long.
C25 471,357.207 lks. N. 10° 42' 20.989" N. Lat.	1,041,484.185 lks. E. 60° 12' 32.015 W. Long.
D25 452,358.753 lks. N. 10° 40' 16.090." N. Lat.	1,063,465.651 lks. E. 60° 10' 06.994" W. Long.
E25 452,359.825 lks. N. 10° 40' 04.492" N. Lat.	1,428,884.150 lks. E. 59° 29' 48.279" W. Long.

BLOCK 25 (b)

Block 25 (b) comprising approximately 139,076 hectares situate off the East Coast of Trinidad and the South-East Coast of Tobago is bounded by the lines joining the points listed hereunder and shown on the attached map.

<i>Name</i>	<i>Co-ordinates</i>
E25 452,359.825 lks. N. 10° 40' 04.492" N. Lat.	1,428,884.150 lks. E. 59° 29' 48.279" W. Long.
D25 452,358.753 lks. N. 10° 40' 16.090" N. Lat.	1,0634,465.651 lks. E. 60° 10' 06.994" W. Long.
F25 398,813.510 lks. N. 10° 34' 23.979" N. Lat.	1,125,418.015 lks. E. 60° 03' 18.358" W. Long.
G25 337,401.505 lks. N. 10° 27' 39.994" N. Lat.	1,196,472.395 lks. E. 59° 55' 30.008" W. Long.
H25 337,403.204 lks. N. 10° 27' 32.177" N. Lat.	1,429,179.533 lks. E. 59° 29' 50.793" W. Long.

BLOCK 26

Block 26 comprising approximately 119,520 hectares situate off the East Coast of Trinidad and the South-East Coast of Tobago is bounded by the lines joining the points listed hereunder and shown on the attached map.

<i>Name</i>	<i>Co-ordinates</i>
A26 337,403.204 lks. N. 10° 27' 32.177" N. Lat.	1,429,179.533 lks. E. 59° 29' 50.793" W. Long.
B26 337,401.505 lks. N. 10° 27' 39.994" N. Lat.	119,6472.395 lks. E. 59° 55' 30.008" W. Long.
C26 267,128.419 lks. N. 10° 19' 59.999" N. Lat.	119,6778.610 lks. E. 59° 55' 30.045" W. Long.
D26 210,373.004 lks. N. 10° 13' 48.490" N. Lat.	1,197,025.979 lks. E. 59° 55' 30.089" W. Long.
E26 210,375.623 lks. N. 10° 13' 40.853" N. Lat.	1,429,505.933 lks. E. 59° 29' 53.465" W. Long.

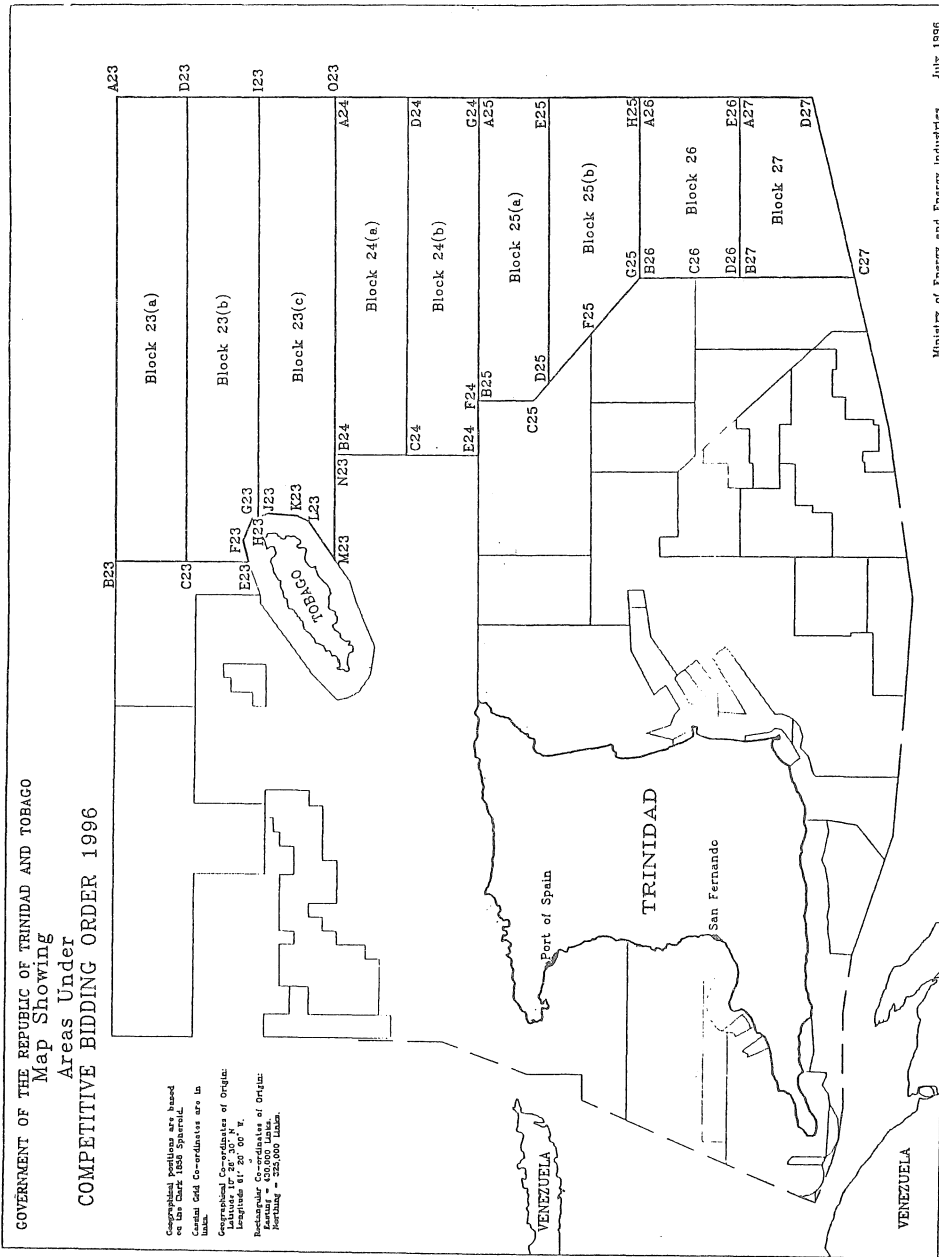
BLOCK 27

Block 27 comprising approximately 117,880 hectares situate off the East Coast of Trinidad and the South-East Coast of Tobago is bounded by the lines joining the points listed hereunder and shown on the attached map.

<i>Name</i>	<i>Co-ordinates</i>
A27 210,375.623 lks. N. 10° 13' 40.853" N. Lat.	1,429,505.933 lks. E. 59° 29' 53.465" W. Long.
B27 210,373.004 lks. N. 10° 13' 48.490" N. Lat.	1,197,025.979 lks. E. 59° 55' 30.089" W. Long.
C27 63,339.317 lks. N. 09° 57' 46.010" N. Lat.	1,197,666.582 lks. E. 59° 55' 30.011" W. Long.
D27 106,601.107 lks. N. 10° 02' 21.699" N. Lat.	1,429,773.530 lks. E. 59° 29' 55.560" W. Long.

SECOND SCHEDULE

Regulation 2



Ministry of Energy and Energy Industries July, 1996

Made this 16th day of August, 1996.

F. K. GANGAR
Minister of Energy and
Energy Industries

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