

LEGAL NOTICE NO. 201

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, 1999

WHEREAS the President has, in exercise of the powers conferred on him by section 10 of the Petroleum Act, determined that the grant of a licence in respect of public petroleum rights to the submarine area described in the First Schedule shall be subject to a procedure of competitive bidding in accordance with the Petroleum Regulations:

Preamble

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:

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| Citation | 1. This Order may be cited as the Petroleum Regulations (Competitive Bidding) Order, 1999. |
| Area subject to competitive bidding | 2. The submarine area in respect of which the President has determined that the award of Production Sharing Contracts respecting public petroleum rights shall be subject to a procedure of competitive bidding is divided into five blocks and is more particularly described in the First Schedule and illustrated in the map attached hereto as the Second Schedule. |
| First and Second Schedule | |
| Bids invited | 3. Bids for Production Sharing Contracts in respect of the blocks 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 of bid presentation
4. (1) Bids shall be presented, in duplicate under confidential cover in sealed envelopes marked "Bids for Production Sharing Contracts" with the block applied for clearly marked, 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 31st January, 2000.
- (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 must purchase data packages for the relevant blocks from the Ministry of Energy and Energy Industries which include:
- (a) a Model Production Sharing Contract; and
 - (b) relevant information with respect to the area(s) for which bid(s) 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:
 - (i) sixty thousand dollars in the currency of the United States of America for the Blocks 1(a) and 1(b) data package;
 - (ii) sixty thousand dollars in the currency of the United States of America for the Blocks 3(a) and 3(b) data packages;
 - (iii) thirty thousand dollars in the currency of the United States of America for the Block Modified "U"(b) data package; and
 - (b) a Bid Application Fee of thirty thousand dollars in the currency of the United States of America per block 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 conform with Production Sharing Contract

9. (1) Bids should conform to the provisions of the Model production Sharing Contract referred to in paragraph 5 and should contain but may not necessary 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 are a 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) a signature cash bonus which shall be payable within ten days of the issue of the contract;
 - (ii) an annual contribution to the national Energy Skills Centre for the financing of training in appropriate fields of study associated with the energy sector;
 - (iii) an annual contribution for the financing of petroleum related research and development activity; and
- (f) optional proposals for any of the following items:
 - (i) production cash bonuses;

- (ii) technical assistance/equipment bonuses;
- (iii) scholarships for the training of nationals in appropriate fields of study associated with the petroleum industry;
- (iv) other contributions.

(2) The contributions for each proposal referred to in subparagraphs (1)(e)(ii) and (1)(e)(iii) 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) Bidders will be required to make a technical presentation in support of their technical and commercial evaluations referred to in subparagraph (1)(a).

(4) Bids proposals shall be evaluated on the basis of the provisions outline in the Model Production Sharing Contract referred to in paragraph 5.

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

Announce-
ment

10. Successful bids shall be announced on or before 30th March, 2000.

Responsi-
bilities 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 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 contract area for a term or nineteen years from the effective date.

(2) Where a commercial discovery is not achieved within six 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 percent for the duration of the contract.

(4) The Model Production Sharing Contract 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.

FIRST SCHEDULE

(Paragraph 2)

THE AREAS SUBJECT TO COMPETITIVE BIDDING

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

GEOGRAPHICAL DESCRIPTION OF AREAS

BLOCK 1(A)

Block 1(a) comprising approximately 58,586 hectares situate in the Gulf of Paria, west Coast of Trinidad is bounded by the points listed hereunder and shown on the attached map.

<i>Name</i>	<i>Co-ordinates</i>	<i>Remarks</i>
A 402,220.0172 lks. N 10' 34' 54" N Lat.	140,756.8296 lks. E 61' 51' 54" W Long.	A fixed point on the Trinidad/Venezuela International boundary
S 402,220.0172 lks. N	179,396.5385 lks. E	
B 430,000 lks. N	179,165.2674 lks. E	
P 430,000 lks. N	222,000 lks. E	
Q 250,000 lks. N	222,000 lks. E	
M 250,000 lks. N	100,000 lks. E	
N 220,000 lks. N	100,000 lks. E	
R 220,000 lks. N	66,854.9310 lks. E	A point on the Trinidad/ Venezuela International boundary

Excluding Block Y

<i>Name</i>	<i>Co-ordinates</i>	<i>Remarks</i>
A 312,500 lks. N	130,000 lks. E	
B 312,500 lks. N	150,000 lks. E	
C 306,000 lks. N	150,000 lks. E	
D 306,000 lks. N	130,000 lks. E	

Excluding Block Z

<i>Name</i>	<i>Co-ordinates</i>	<i>Remarks</i>
A 290,200 lks. N	130,000 lks. E	
B 290,200 lks. N	188,000 lks. E	
C 275,000 lks. N	188,000 lks. E	
D 275,000 lks. N	130,000 lks. E	

BLOCK 1(B)

Block 1(b) comprising approximately 89,400 hectares situate off the West Coast of Trinidad—Gulf of Paria is bounded by the points listed hereunder and shown on the attached map.

<i>Name</i>	<i>Co-ordinates</i>	<i>Remarks</i>
P 430,000 lks. N	222,000 lks. E	
C 430,000 lks. N		The point of intersection on the high-water mark—West Coast of Trinidad and 430,000 lks. N
D 300,000 lks. N		The point of intersection on the highwater mark—West Coast of Trinidad and 300,000 lks. N
E 300,000 lks. N	316,000 lks. E	
F 285,100 lks. N	319,050 lks. E	
G 267,000 lks. N	327,500 lks. E	
H 267,000 lks. N	310,000 lks. E	
J 250,000 lks. N	310,000 lks. E	
Q 250,000 lks. N	222,000 lks. E	

BLOCK 1(B)—CONTINUED

Excluding Block X

Name	Co-ordinates	Remarks
1. 346,500 lks. N	301,500 lks. E	
2. 346,500 lks. N	322,350 lks. E	
3. 321,350 lks. N	322,350 lks. E	
4. 321,350 lks. N	301,500 lks. E	

BLOCK 3(A)

Block 3(a) comprising approximately 61,409.8 hectares situate off the East Coast of Trinidad is bounded by the points listed hereunder and shown on the attached map.

Name	Co-ordinates
A 540,864.0111 lks. N	844,934.2713 lks. E
10° 49' 59.9867" N Lat	60° 34' 12.0172" W Long.
F 541,193.4467 lks. N	950,941.6600 lks. E
G 398,191.9845 lks. N	951,376.6039 lks. E
10° 34' 23.993" N Lat	60° 22' 30.0178" W Long.
E 397,899.4404 lks. N	845,288.0086 lks. E
10° 34' 23.9946" N Lat	60° 34' 12.0174" W Long.

BLOCK 3(B)

Block 3(b) comprising approximately 64,662 hectares situate off the East Coast of Trinidad is bounded by the points listed hereunder and shown on the attached map.

Name	Co-ordinates
F 541,193.4467 lks. N	950,941.660 lks. E
B 541,473.7557 lks. N	1,041,232.105 lks. E
10° 49' 59.9966" N Lat.	60° 12' 31.9817" W Long.
C 471,357.2067 lks. N	1,041,484.185 lks. E
10° 42' 20.9888" N Lat.	60° 12' 32.0155" W Long.
D 398,813.5104 lks. N	1,125,418.015 lks. E
10° 34' 23.9790" N Lat	60° 03' 18.3576" W Long.
G 398,191.9845 lks. N	951,376.6039 lks. E
10° 34' 23.993" N Lat.	60° 22' 30.0178" W Long.

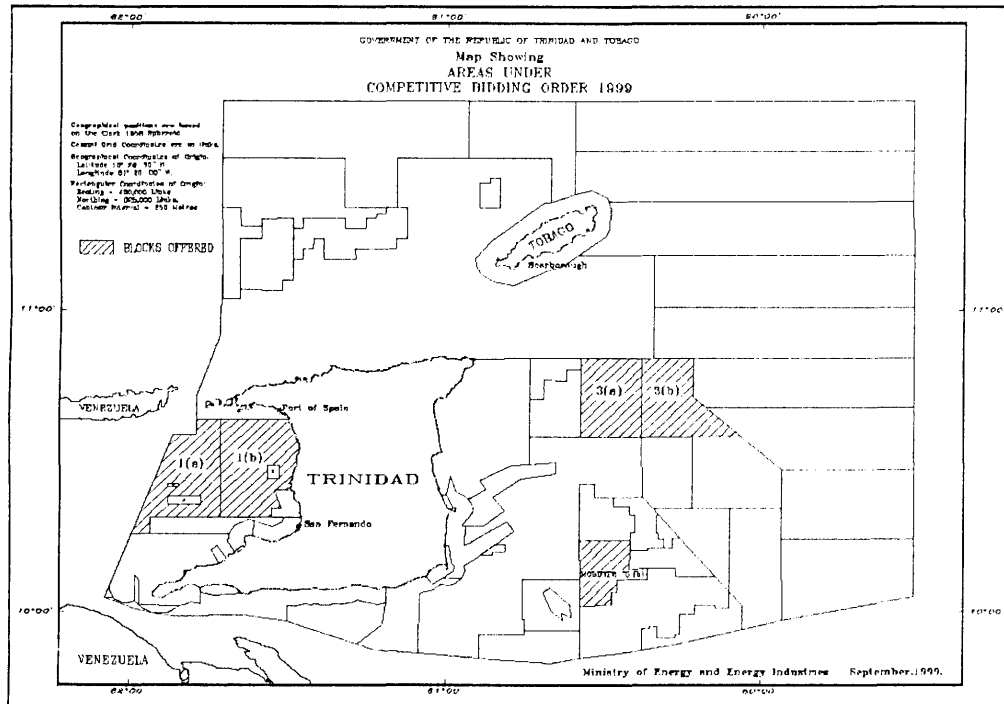
MODIFIED U SHAPED BLOCK (B)

Block Modified U(b) comprising approximately 38,928 hectares situate off the East Coast of Trinidad is bounded by the lines joining the points listed hereunder and shown on the attached map.

Name	Co-ordinates
WU 208,755.972 lks. N	843,928.907 lks. E
10° 13' 45.674" N Lat	60° 34' 24.013" W Long
LU 208,962.3129 lks. N	931,283.6624 lks. E
10° 13' 45.535" N Lat	60° 24' 46.615" W Long
MU 192,472.6 lks. N	931,330.7 lks. E
10° 11' 57.578" N Lat.	60° 24' 46.614" W Long.
NU 158,080.00 lks. N	930,707.39 lks. E
10° 08' 18.970" W Lat	60° 24' 57.359" W Long.
OU 159,172.18 lks. N	962,345.lks. E
10° 08' 18.970" N Lat	60° 21' 22.295" W Long.
PU 138,864.12 lks. N	962,406.49 lks. E
10° 06' 06.015" N Lat.	60° 21' 22.295" W Long.
QU 138,714.21 lks. N	909,691.99 lks. E
10° 06' 06.015" N Lat.	60° 27' 10.591" W Long.
RU 116,351.16 lks. N	909,752.14 lks. E
13° 03' 39.602" N Lat.	60° 27' 10.590" W Long
SU 116,325.91 lks. N	900,255.24 lks. E
10° 03' 39.602" N Lat.	60° 28' 13.330" W Long.
TU 91,032.12 lks. N	900,321.64 lks. E
10° 00' 54.000" N Lat.	60° 28' 13.330" W Long.
UU 90,893.880 lks. N	844,205,670 lks. E
10° 00' 54.000" N Lat.	60° 34' 24" W Long.

SECOND SCHEDULE

(Paragraph 2)



Made this 15th day of October, 1999.

F. GANGA
*Minister of Energy and
Energy Industries*