

MEXICO'S FIRST OIL & GAS AUCTION: RESULTS OF THE THIRD PHASE AND ANNOUNCEMENT OF FOURTH PHASE

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Legal Briefings

The energy reform, that Mexico introduced two years ago, allows private companies to explore for oil and gas for the first time since 1938 and continues to make progress. The third auction in the process has taken place this December and the government has recently published the terms for the fourth.

1. RESULTS OF THE THIRD PHASE

On 15 December 2015, Mexico held its third oil & gas auction of the first oil & gas Round. The tender included 25 licences to extract oil and gas from onshore fields in the states of Chiapas, Nuevo León, Tabasco, Tamaulipas and Veracruz.

The National Commission of Hydrocarbons (CNH) has awarded 100% of the blocks auctioned among the 40 participating companies, which makes this auction the most successful round of those held up till now.

This call was designed to promote the participation of local firms, that's why most of the successful companies have been Mexican consortiums or companies formed with Mexican capital.

The contractual areas were distributed as follows:

Company awarded	Contractual area
Mexican company <i>Diavaz offshore</i>	1 and 6
Consortium composed by <i>Sistemas Integrales de Compresión, Nuvoil and Constructora Marusa</i>	2
Mexican company <i>Consortio manufacturero mexicano</i>	3 and 12
Mexican company <i>Grupo Diarqco</i>	4 and 13
Mexican company <i>Strata Campos Maduros</i>	5, 8 and 20
Mexican company <i>Servicios de Extracción Petrolera Lifthing de México</i>	7
Mexican company <i>Construcciones y servicios industriales globales</i>	8
Mexican company <i>Petrolera Perseus</i>	9
Consortium composed by <i>Geo Estratos and Geo Estratos Mxoil Exploración and Producción</i>	10, 17, 19 and 24
Canadian firm <i>Renaissance Oil</i>	11, 15 and 25
Consortium composed by <i>Canamex Dutch and the Mexican American Oil Tools and Perfolat</i>	14 and 23
Consortium composed by <i>Roma Energy Holdings with GX Geoscience Corporation and Tubular Technology</i>	16
Mexican company <i>Sarreal</i>	21
Consortium composed by <i>Grupo R Exploración y Producción with Constructora y Arrendadora México</i>	22

The auction winners were published on the official website ronda1.gob.mx and the most recent consultation was on 17 December.

2. FOURTH PHASE OF THE OIL AND GAS AUCTION

The Mexican government has announced the fourth auction of the first oil & gas round

The CNH has published the bidding rules of the fourth phase of the auction which will include 10 contractual areas in deep-water and non-conventional areas in the Gulf of Mexico, six exploration blocks in the Salina Basin and four exploration blocks in the Cinturon Plegado Perdido basin. This auction will take place on the second half of 2016.

According to the rules, will be awarded licence contracts and the operators must provide evidence that they have guarantees of US\$2 billion or total assets of US\$10 billion dollars whereas the non-operating companies must certify guarantees for US\$250 million.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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