

**MENDOZA  
GOBIERNO**



**Ministerio de Economía,  
Infraestructura y Energía**  
Subsecretaría de Energía y Minería

**MENDOZA OIL&GAS AUTHORITY**

**OIL & GAS SITUATION IN  
MENDOZA AND  
OPPORTUNITIES**

ING. SANTIAGO FERNÁNDEZ HERRERO - 2019

# AGENDA



Mendoza Oil & Gas Authority



Mendoza Production



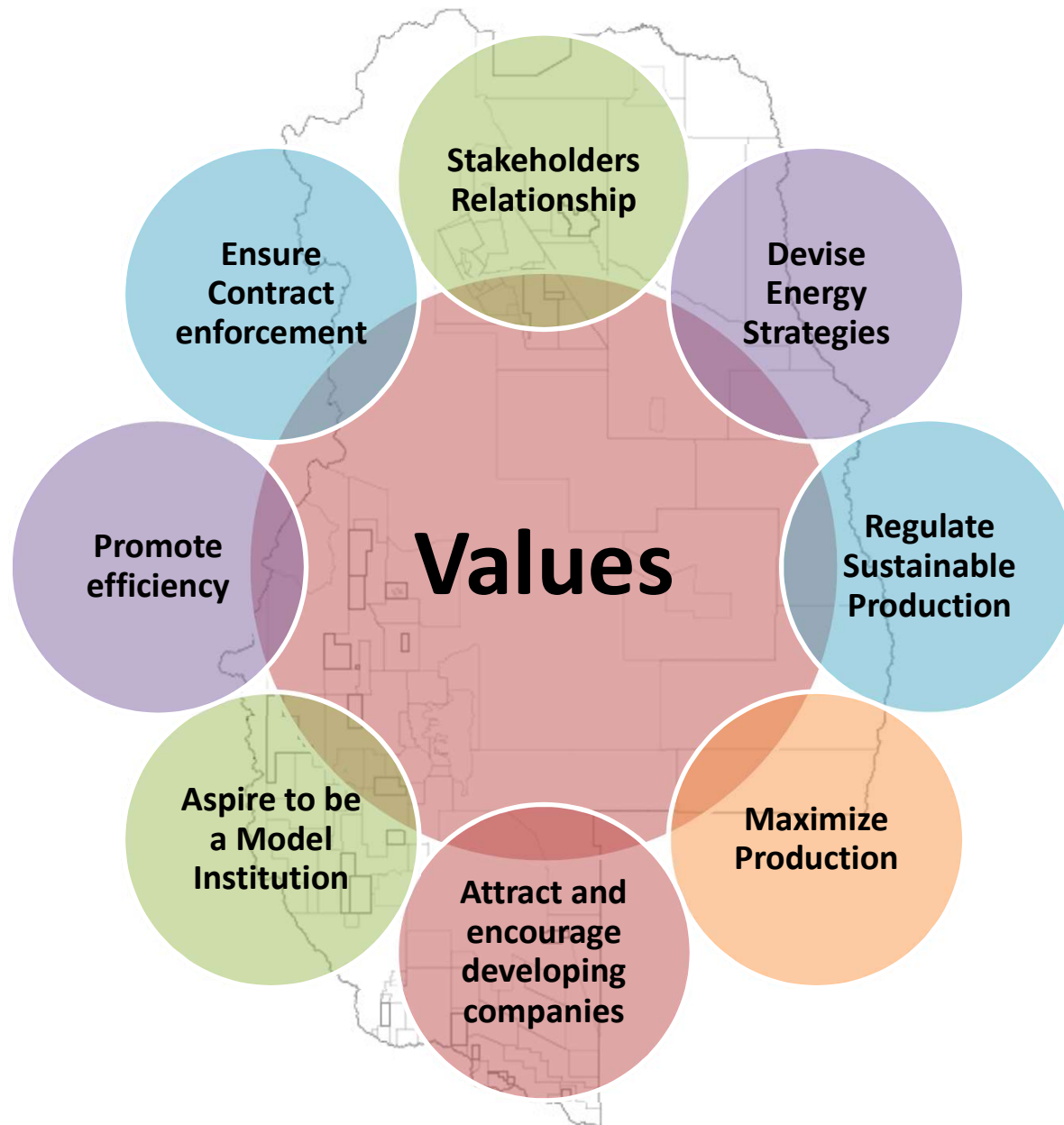
2018 Bid Round Results



Next Bid Rounds

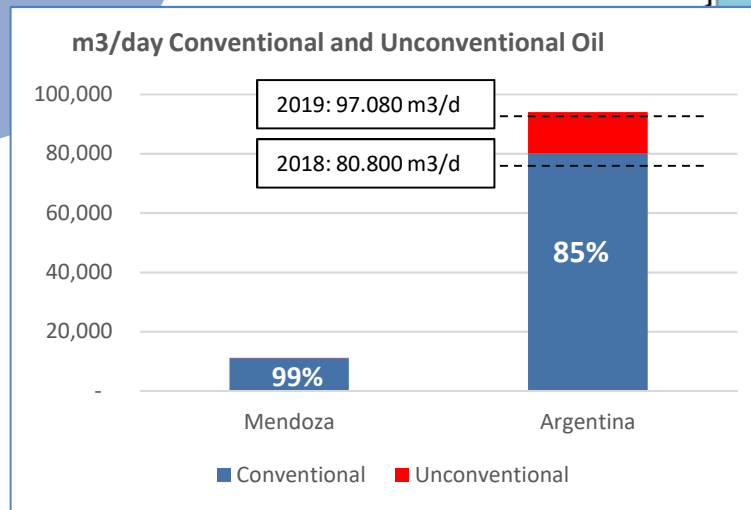
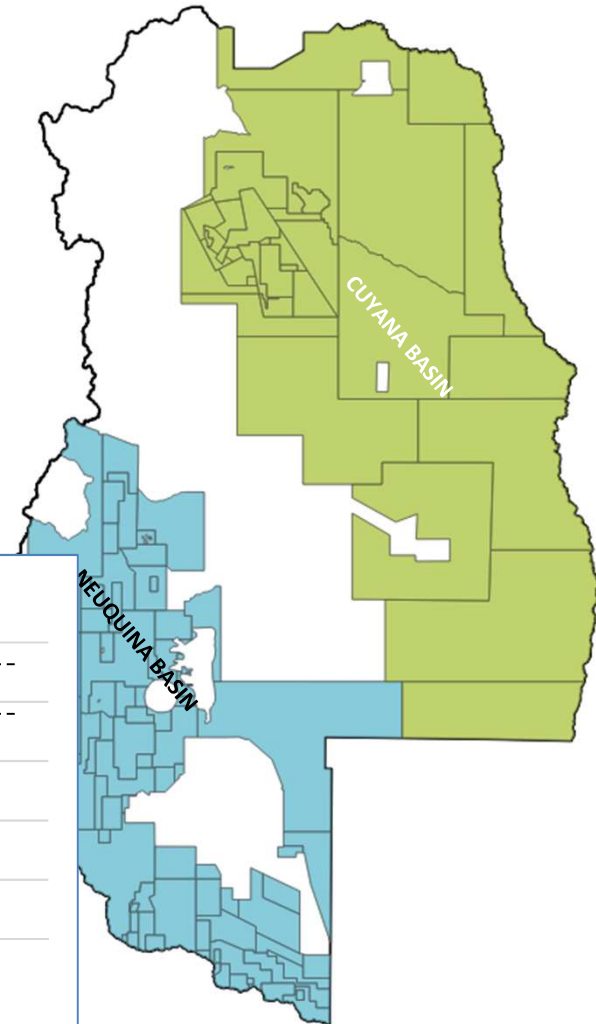
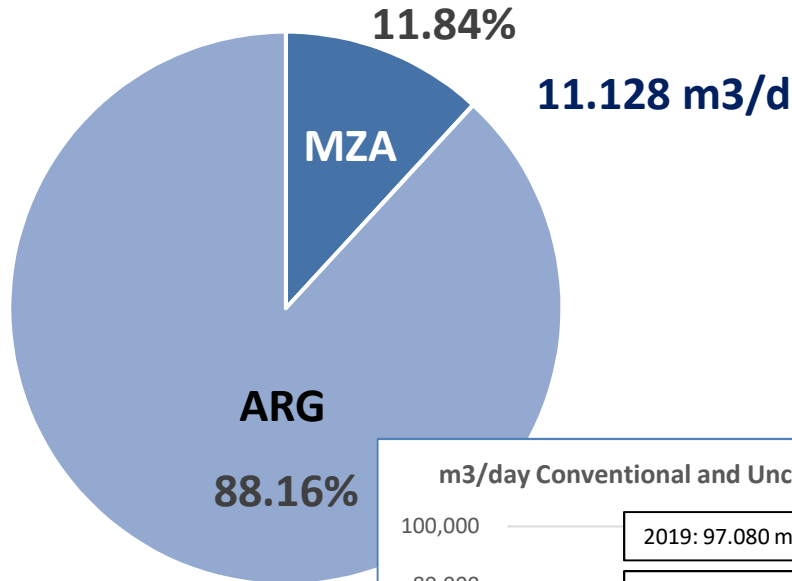


Mendoza opportunities: TEAs;  
Unconventional; Heavy oils; EOR



# Mendoza Oil Production

**Oil Production**  
1st semester 2019

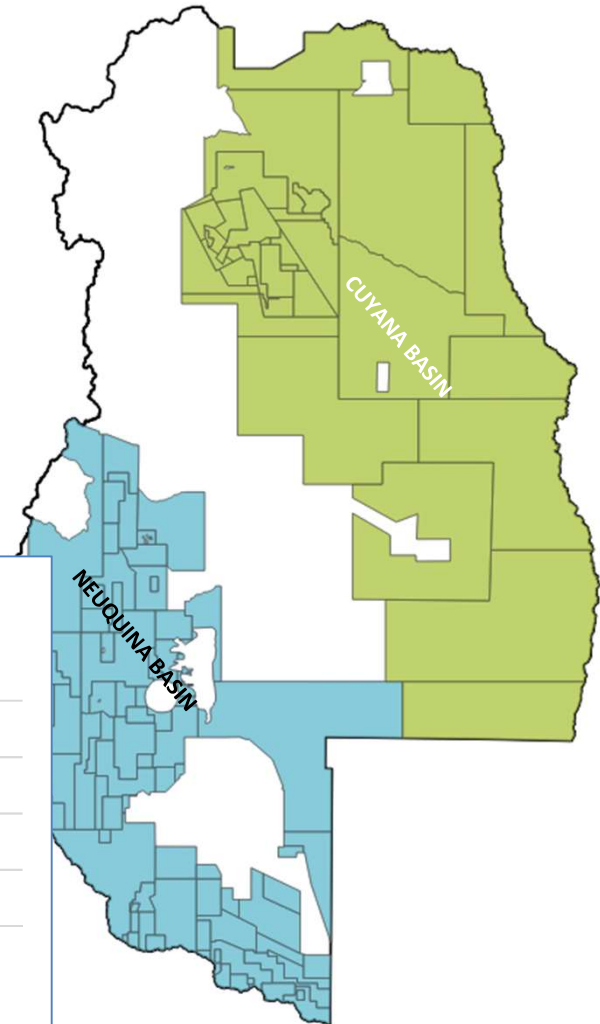
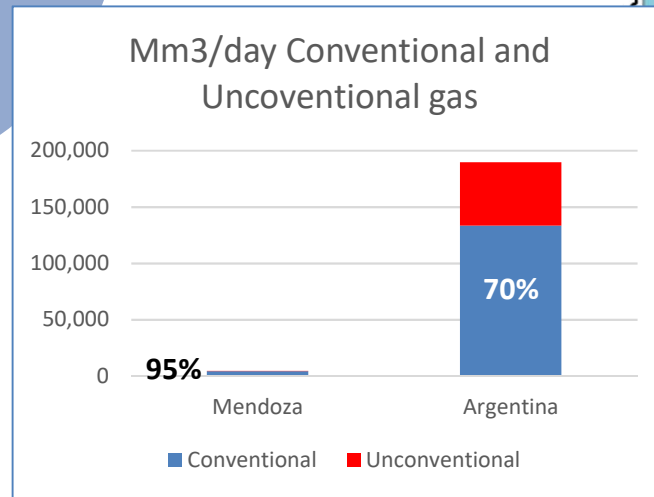
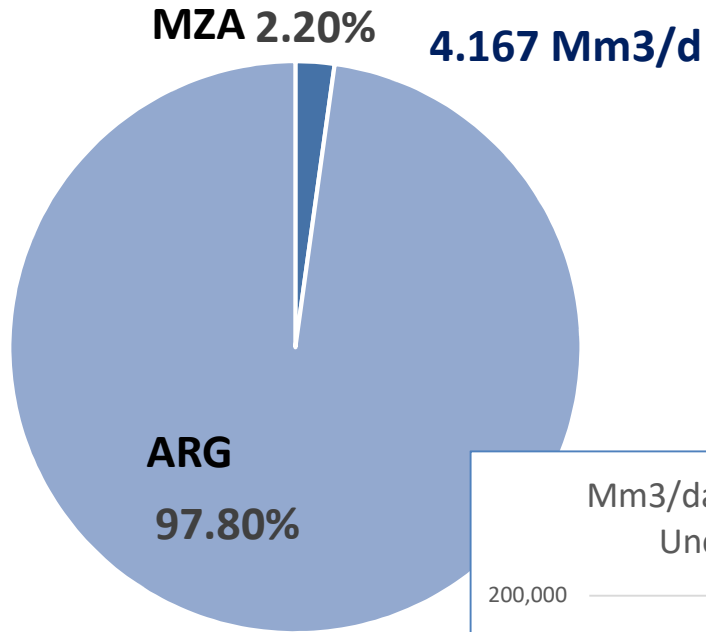


Source: Sesco Web SEN June 2019

Note: % indicate Conventional production

# Mendoza Gas Production

Gas Production  
1st semester 2019



Fuente: Sesco Web SEN june 2019

Note: % indicate Conventional production

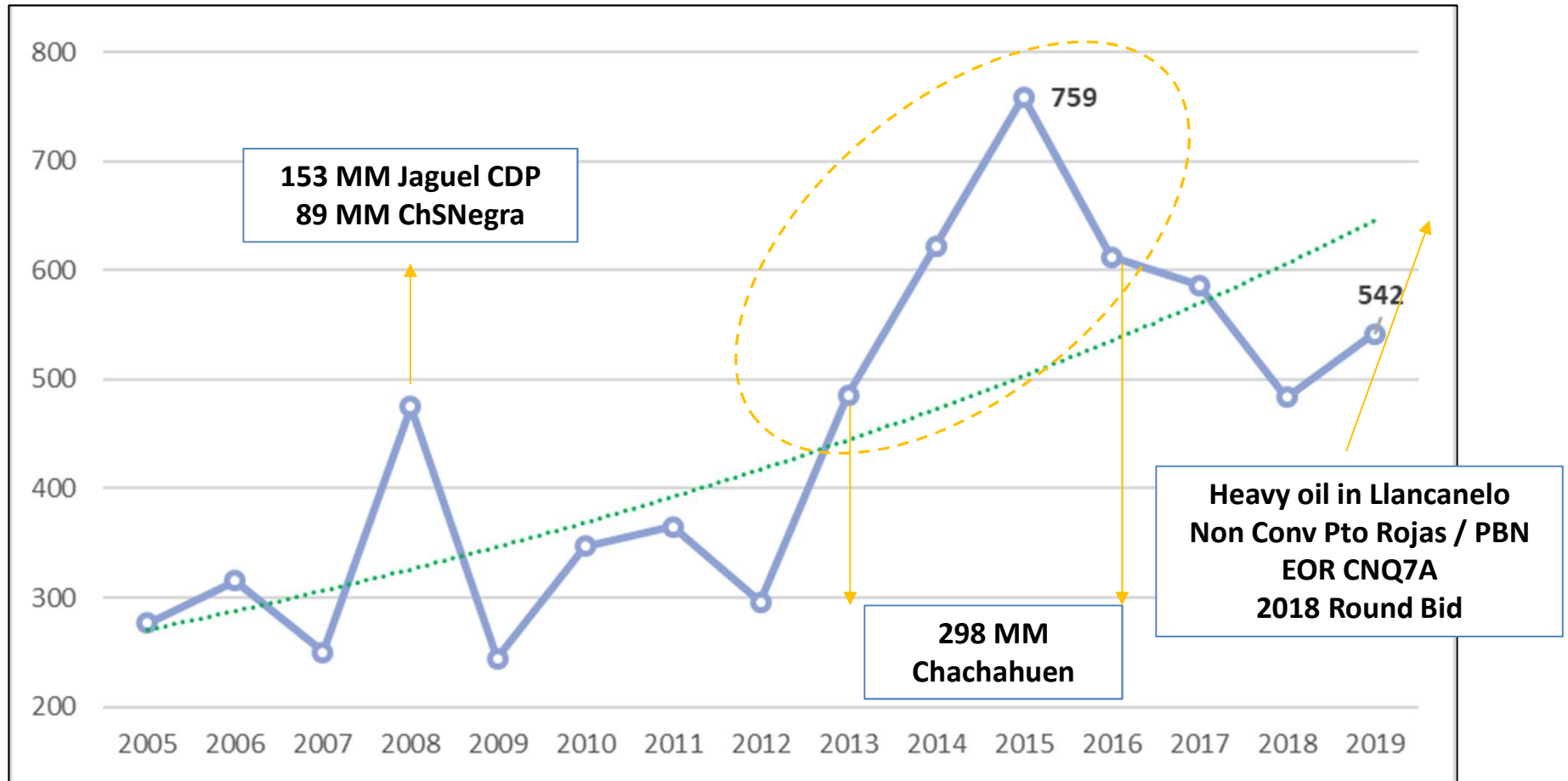
## Oil&Gas equities and operators in Mendoza

Type	Number
Exploration	17
Production	45
Available blocks	39
<b>TOTAL</b>	<b>101</b>

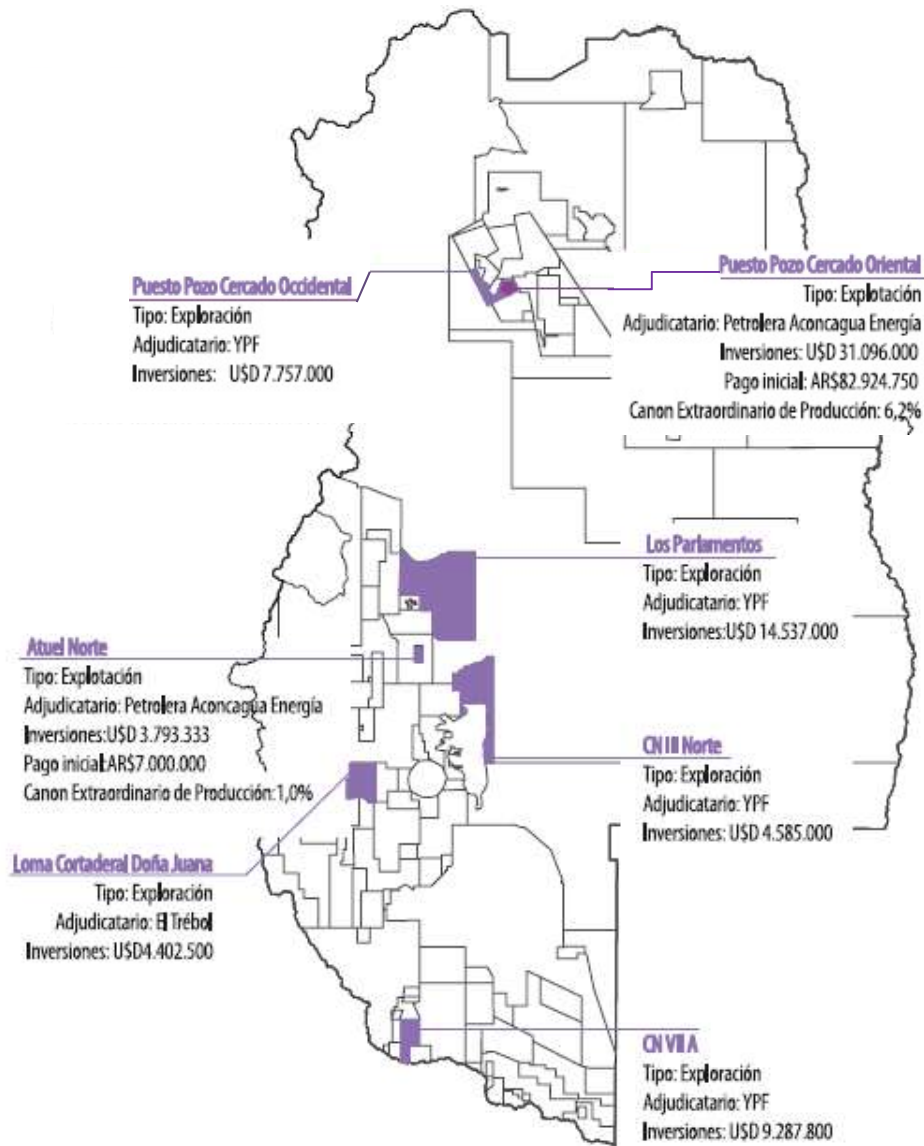
**Operators**

**14**

# Oil&Gas Investments in Mendoza (MMUSD)



# 2018 BID ROUND RESULTS

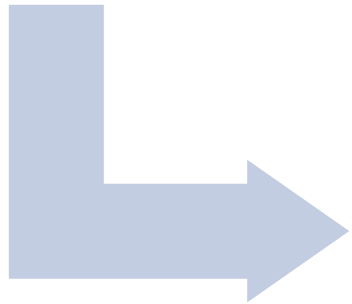


	EXPLORAT.	PRODUCT.
Allocated areas	5	2
Investments	40,5 MMUSD	34,9 MMUSD
Downpayment	N/A	4,4 MMUSD

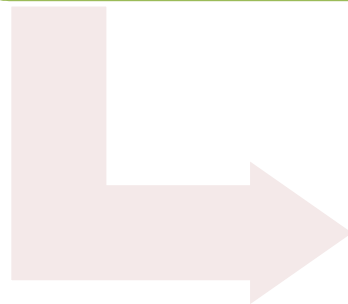


# NEXT BID ROUNDS

**Bidding document:** Mza O&G Authority defines target (UNCONVENTIONAL, heavy oils, EOR) and minimal investments.



**Requirements (Sobre A):** technical capacity, economic and financial capacity, corporate documentation



**Sobre B:** investments proposal (Schedule, activities)

# CHAÑARES HERRADOS 2019



Bid Round Date: September 2019



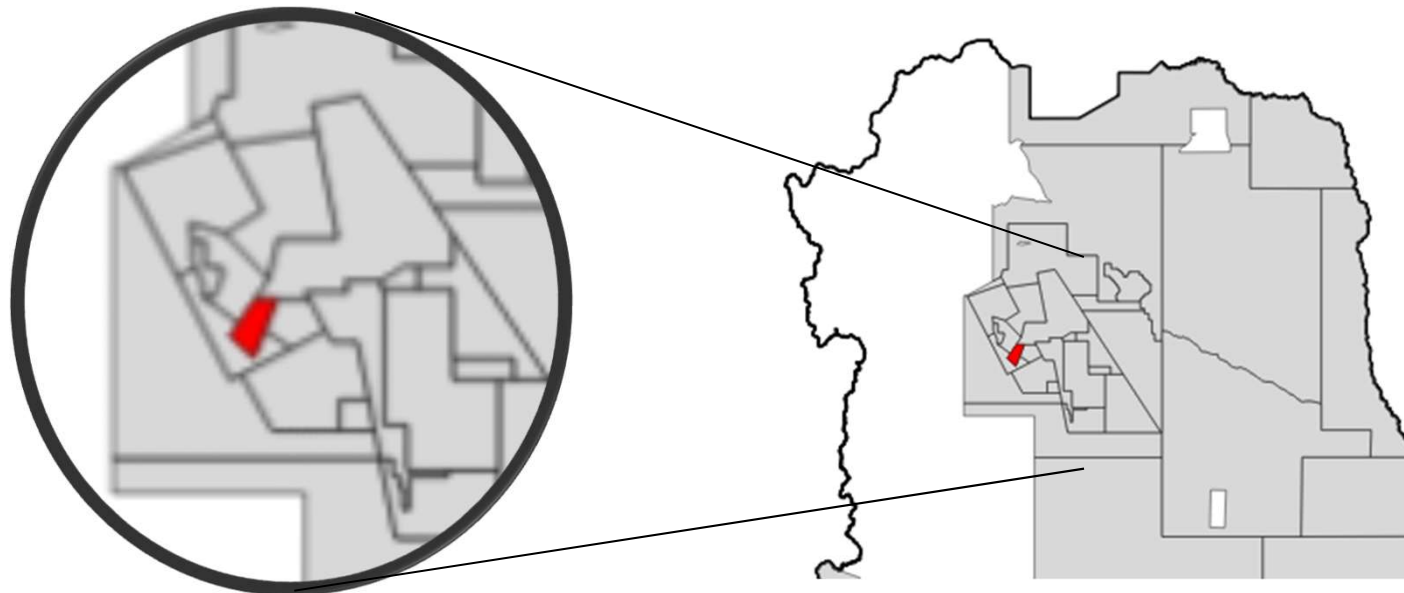
Type: Concession (25 years)



Surface: 40,87 km<sup>2</sup>



Average production 2019: 183 m<sup>3</sup>/day



# 2020 ROUND BID



Available areas: 10



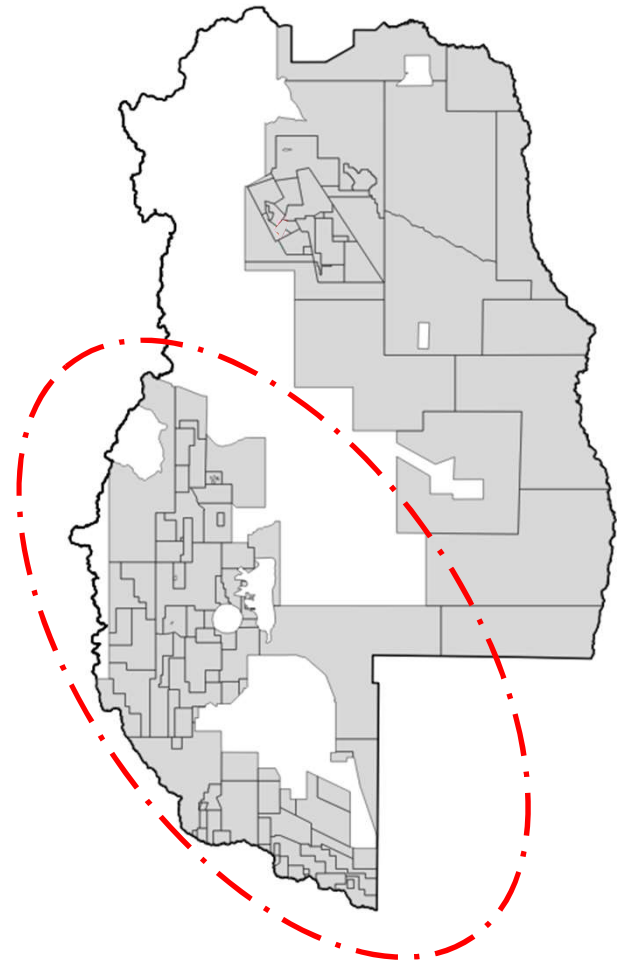
Location: Neuquina Basin



Estimated surface: 5.500 km<sup>2</sup>



Target: Unconventional



# TEA'S: TECHNICAL EXPLORATION AGREEMENTS

Goal: acquire enhanced information to establish Oil&Gas potential

In AVAILABLE areas

Schedule

Proposal

Assessment and approval

Schedule execution

Request the bidding process for the area

First Refusal Right

Unsuccessful bidders – refund 75% investment

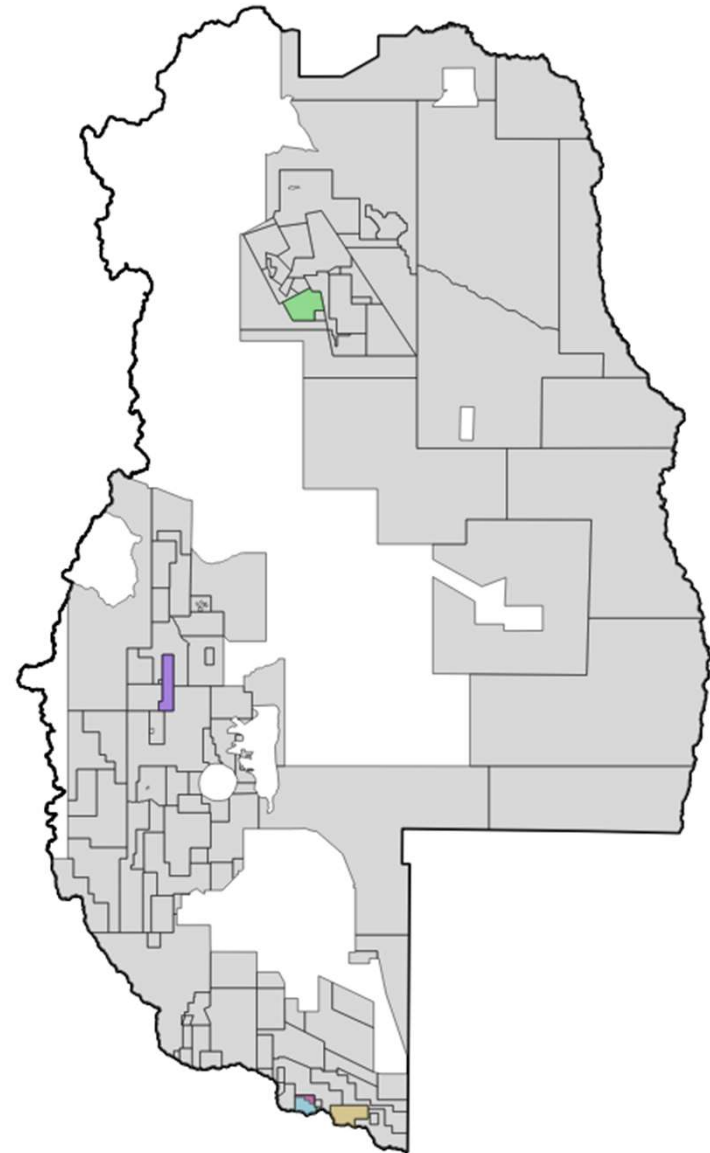
# ALLOCATED PRODUCTION AREAS

Mesa verde  
Operator: YPF  
Investments: 48 MMUSD

Puesto Rojas (First Unconventional Concession in Mendoza)  
Operator: Petrolera El Trébol  
Pilot Project (3 years): investment 70 MM USD. Estimated investments during the contract: more than 1.000 MM USD

Cerro Redondo (Chachahuen Sur extended surface)  
Operator: YPF  
Investments 23 MMUSD

Cerro Morado Este  
Operator: YPF  
Investments 57 MMUSD



# UNCONVENTIONAL DEVELOPMENT IN MENDOZA

Vaca Muerta in Mendoza → 8.700 km<sup>2</sup>.

Oil-prone source rock

Resources (OIP) → 8 billions m<sup>3</sup> of oil. Potential reserve (3%) equal to 240 millones de m<sup>3</sup>

Sweet spot = 2.183 km<sup>2</sup>.

Estimated investment: more than 20 billion dollars.



# HEAVY AND EXTRA HEAVY OIL

## Lindero de Piedra (evaluation area)

Operator: **Hattrick SAS**

Oil discovery under study

Average production 2019: **15,4 m3/d**

Investment during evaluation: **7 MMUSD**  
(2019-2021)

## Llancanelo

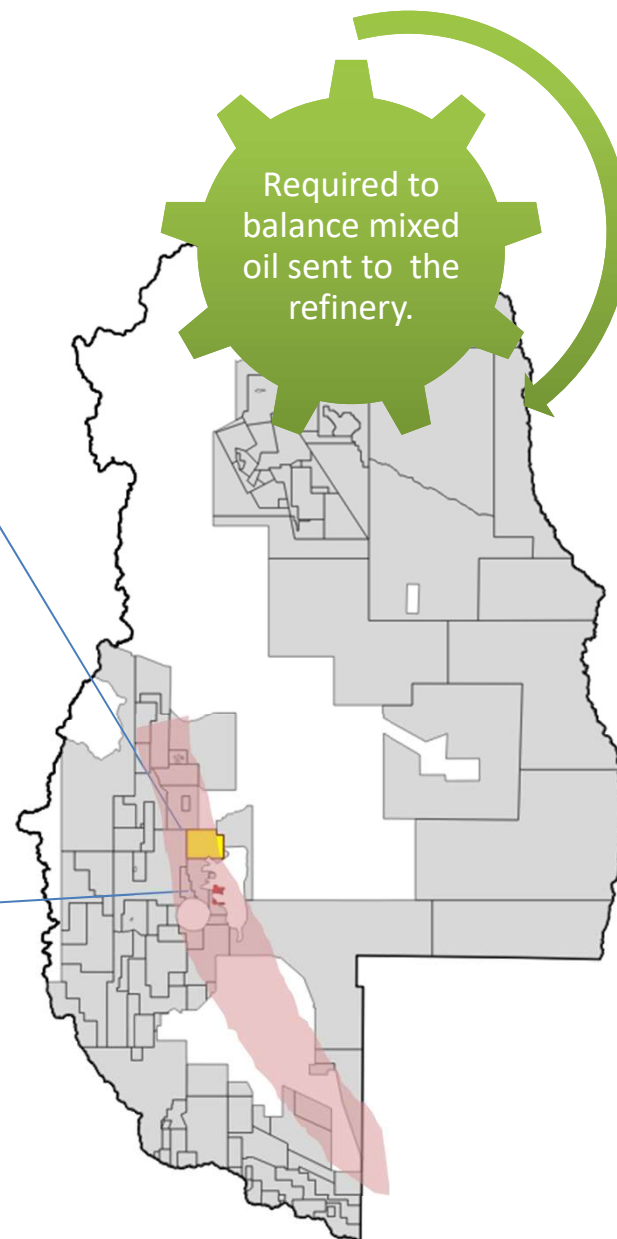
Operator: **YPF**

Royalties reduction **50%**

Average production 2019: **163,5 m3/d**

**OIP: 950.000 Bbl**

Investment in heavy oil project: **102 MMUSD**  
(2019-2022) → 34 wells, 17 WO, reservoir electrification and bottom heaters.



# EOR PROJECTS

## Chihuido de la Sierra Negra

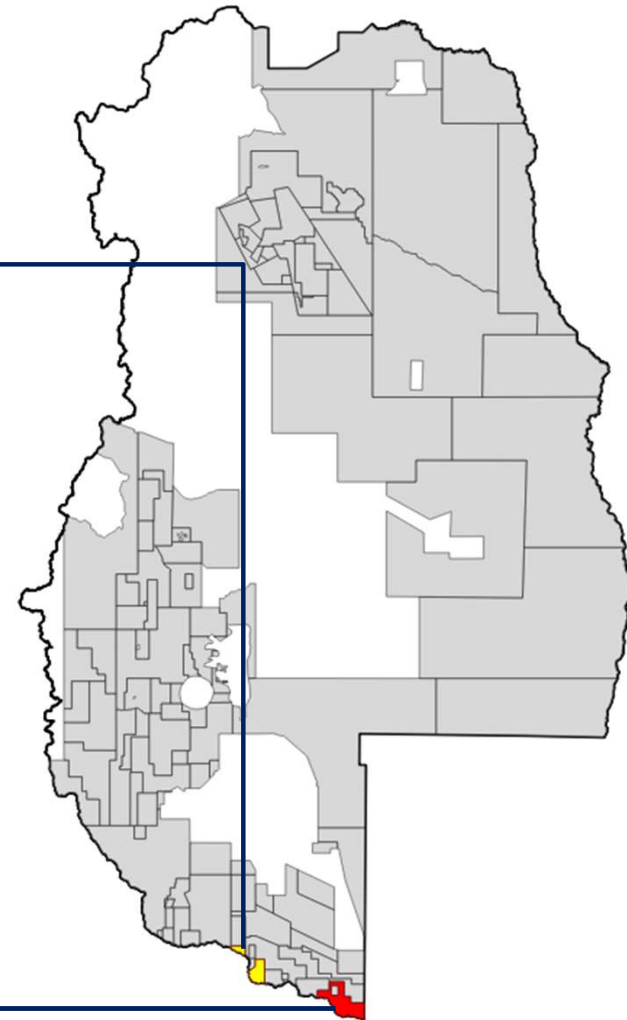
Operator: **YPF**

Project developed on **Desfiladero Bayo** oilfield.  
In expansion stage.

## CN Q 7 A

Operator: **Pluspetrol**

EOR pilots, polymer injection





# DEVELOPMENT OF AND INDUSTRIAL, OIL AND MINING POLE IN PATA MORA

Location near “Potasio Río Colorado” and Chachahuén.

Strategic location next to the Bioceanic Corridor (Paso Pehuenche) and the North-South axis (Route 40).

Construction of an industrial area.

Development of new economical activities (competitiveness and sustainability)

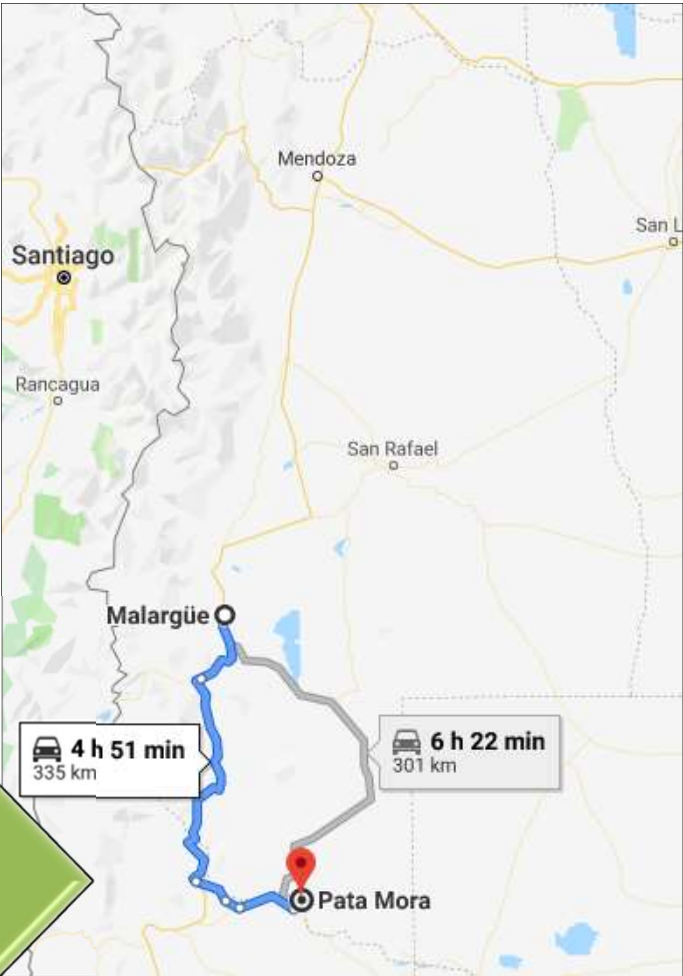
Infrastructure Investment

Lack of roads, electricity supply and services

Strong dependence in the area with the oil industry

Union problems with Neuquen

In execution pre-feasibility study (through CFI): location, soil and alluvial, urban studies, etc.



**QUESTIONS ?**

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**THANK YOU VERY MUCH!**