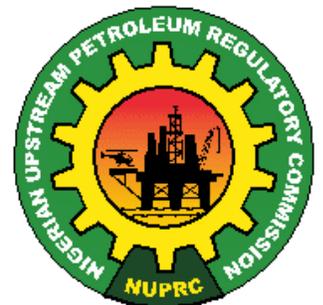




2022 Mini Bid Licensing Round Plan

Pursuant to Section 4 of the Petroleum
Licensing Round Regulations, 2022



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Licensing Round Plan

A. Government Policies in the long-term management of petroleum resources:

A.1 Reserves and Production

Government aspiration is to achieve 50 billion bbls of 2P oil Reserves and 250Tscf of 2P gas Reserves and a national production target of 3MMbopd and 12Bscf/d of gas in the mid- term, based on six (6) cardinal pillars as follows:

- I. Reserves Maturation and Production Optimization;
- II. Exploration and Resources Maturation;
- III. Improved Oil Recovery and Enhanced Oil Recovery (IOR/EOR) Implementation;
- IV. Good Asset Stewardship;
- V. Performance Evaluation and Rewards; and
- VI. Risk Management.

Strategic action areas for national hydrocarbon reserves growth include:

- 1 Deep play exploration/drilling;
- 2 Targeting by-passed accumulation in existing fields and Drilling of prospects proximal to existing fields or field extensions (Short to medium term);
- 3 Delineation of fields and reservoirs (Fields with fluid contacts not yet established: Ensuring that additional work is done to fully



appraise such fields by using available technology to establish the contacts and establish the full resource potentials of such fields;

- 4 Field revisions and studies to enhance recovery;
- 5 Improved Oil Recovery (IOR): Exploring various improved oil recovery techniques within the context of Maximum Economic Recovery (MER);
- 6 Development of stranded resources and marginal recoveries using modern technologies where necessary, such as adopting co-mingling technologies, etc. to ensure that stranded resources are developed; and
- 7 Frontier exploration in ultra-deep waters and inland basins.

A.2 Gas Utilization Objectives

The policy objective of the FGN is to eliminate gas flares and ensure developmental outcomes for Nigeria through sustainable gas utilization projects, aimed at attaining zero routine flaring within this decade. This development can be achieved under the auspices of the flare commercialisation programme. The programme allows flare gas capture at designated flare sites by competent third-party investors through competitive and transparent bid processes.

A.3 Indigenous Participation

One of the core policy objectives of the FGN, as captured in the Petroleum Industry Act 2021 (PIA), is the deepening of local content practice in the Nigerian oil and gas industry. Accordingly, it is required that every oil and gas development should be valorized in line with the requirements provided in the Nigerian Oil and Gas Industry Content Development Act.



The Nigerian content policy is geared towards transforming the oil and gas industry into the economic driver for job creation and national growth through the development of indigenous capacities and capabilities. The Nigerian Content not only seeks to promote a framework that guarantees active participation of Nigerians in oil and gas activities but also focuses on the promotion of value addition through the utilization of local raw materials, products, and services in order to stimulate growth of indigenous capacity. Thus, Government encourages that a greater proportion of the oil and gas project activities are carried out in Nigeria with active participation of Nigerians.

A.4 Carbon Capture Infrastructure and Decarbonization Strategy

Nigerian Energy Transition Plan (NETP) recognises that emissions from the oil and gas sector are attributable to fugitives, fuel utilization in oil and gas facilities, venting and flaring. As part of the Commission's mandate to ensure healthy, safe, efficient, and effective conduct of upstream petroleum operations in an environmentally acceptable and sustainable manner, "Guidelines for Management of Fugitive Methane and Greenhouse Gases Emissions in the Upstream Oil and Gas Operations in Nigeria" was issued by the Commission on November 5, 2022. The guidelines can be accessed on the NUPRC website via the link <https://www.nuprc.gov.ng/nuprc-guidelines/#hse>.

Government desires that the emissions from operations of oil and gas companies should be abated using levers encapsulated in the guidelines such as:

- i. Leak detection and repair programme;
- ii. Actualisation of zero cold venting;
- iii. Adoption of good maintenance practices and technologies;
- iv. Attaining high flare efficiency through proper equipment inspection and maintenance;
- v. Exporting/repurposing gas; and



vi. Reporting and monitoring of Greenhouse Gas inventories.

Emissions from oil and gas operations can also be abated by deploying Carbon Capture Utilization and Storage technologies.

With the emission mitigation strategies and policies of the government on gas flare elimination, utilization and monetization, the oil and gas sector pathway for net-zero emission targets has been formulated to achieve 100% reduction of flaring emissions by 2030 and 95% reduction of fugitive emissions by 2050. This is in line with the Nationally Determined Commitments to the global climate change policies.

B. Schedule of proposed activities and time frame

SCHEDULE FOR 2022 MINI BID ROUND			
S/N	Description of Activities	Start Date	End Date
1	Announcement/Portal Launch/Advertisement	-	-
1.1	Announcement of Bid Round	21/12/22	21/12/22
1.2	Launch of Bid Round Portal	03/01/23	03/01/23
1.3	Advertisement	03/01/23	03/01/23
2	Registration/Prequalification	-	-
2.1	Registration/Submission of Pre-Qualification Documents	03/01/23	31/01/23
2.2	Pre-Bid Conference	16/01/23	16/01/23
2.3	Evaluation of Submissions/Publication of Prequalified Applicants	01/02/23	10/02/23
3	Technical and Commercial Bid Submission	-	-
3.1	Data Access/Data Purchase/Evaluation/Bid Preparation and Submission	13/02/23	07/04/23
3.2	Bid Evaluation/Results Publication	10/04/23	14/04/23
3.3	Commercial Bid Conference/Announcement of Winner	19/04/23	19/04/23
4	Ministerial Consent/Contracting	-	-
4.1	Ministerial Consent	24/04/23	28/04/23
4.2	Contract Negotiation & Signing	02/05/23	05/05/23

C. The Strategic Acreage Allocation Plan

The Mini Bid Licensing Round has been designed in cognisance of the objectives of the Nigerian Upstream Petroleum Regulatory Commission (the Commission) pursuant to Section 6 of the PIA. The



Commission is responsible for the technical and commercial regulation of upstream petroleum operations in Nigeria. This is achieved by ensuring compliance with the Applicable Laws. The objectives of the Commission, among others, include the following:

- i. Supervising all petroleum industry operations being carried out under licences and leases in the Territory;
- ii. Monitoring the petroleum industry operations to ensure that they are in line with national goals and aspirations;
- iii. Implementing government policies for upstream petroleum operations as directed by the Minister in accordance with the provisions of the PIA;
- iv. Promoting an enabling environment for the inflow of investments in upstream petroleum operations; and
- v. Advising Government and relevant Government agencies on public policies that may have an impact on the administration of petroleum activities on technical and commercial matters relating to the Nigerian upstream petroleum sector.

C.1 Mandate for Licensing Rounds

- i. Under the PIA, all the petroleum in the Territory vest in the Government of the Federation of Nigeria, whose responsibility is to control the resources and only permit their exploitation under a licence or lease.
- ii. The Government allocates licences to operators in areas within the Territory deemed to have the potential for petroleum accumulation, using an open, transparent and competitive bidding process, in compliance with Applicable Laws and licensing round guidelines issued by the Commission for each licensing round. The allocations will be based on a set of criteria



that would be made known to interested companies at the time such licences are open for bidding.

- iii. The Minister may, on the recommendation of the Commission, grant a PPL to a winning bidder provided that the winning bidder has complied with the requirements of the bid invitation. The Commission has discretion in deciding whether to issue a licence and, if so, to whom and on what conditions. All applications will be determined in accordance with the Applicable Laws and guidelines.

C.2 Objectives of the 2022 Licensing Round

The major objective of the Licensing Round is to achieve government aspiration in accordance with prevailing policies for the Nigerian petroleum industry. Accordingly, the broad objectives of the Licensing Round are:

- i. To grow oil and gas reserves through aggressive exploration and development efforts;
- ii. To increase Nigeria's production capacity;
- iii. To expand opportunities for gas utilization and development in Nigeria, in view of the energy transition;
- iv. To provide the opportunity to gainfully engage the pool of competent companies in the oil & gas sector, resulting in employment opportunities for Nigerians;
- v. To use the opportunity of the Licensing Round to reinforce Nigeria's commitment to openness and transparency in line with the principles of the Extractive Industry Transparency Initiative (EITI);
- vi. To attract value to Government for its petroleum assets in the Territory;



- vii. Provide an opportunity to gainfully engage the pool of high-level technically competent Nigerians in the oil and gas sector;
- viii. To contribute to long-term global energy sufficiency; and
- ix. To attract new international oil and gas operators whose entry will bring foreign direct investment, transfer of technology and competitive commercial arrangements.

D. Framework for the Implementation of the Licensing Round and the Projected Outcome.

The bid round shall be conducted as follows:

- i. A formal announcement for the commencement of the Licensing Round;
- ii. Launch of Licensing Round portal;
- iii. Pre-Bid Conference;
- iv. Registration by Applicants;
- v. Prequalification of interested Applicants;
- vi. Announcement of Prequalified Applicants;
- vii. Data Prying/ Leasing;
- viii. Submission of Bids by Bidders;
- ix. Evaluation of Technical Bids;
- x. Announcement of results of Technical Bids; and
- xi. Commercial Bid Conference/Announcement of winning Bids.

The Procedure is as follows:

- a. The Commission has adopted a two-stage bidding process (collectively referred to as the “Bidding Process”) for the



selection of the Bidder for the award of Blocks. The first stage (the “Qualification Stage”) of the process involves the qualification (the “Qualification”) of interested parties/consortia who submit Applications in accordance with the provisions of the Regulation and these Guidelines. At the end of the Qualification Stage, the Commission expects to announce a short-list of suitable qualified Applicants who shall be eligible for participation in the second stage of the Bidding Process (the “Bid Stage”).

- b. In the Qualification Stage, Applicants would be required to furnish all the information specified in these Guidelines for that stage. Only those Applicants that are qualified and short-listed by the Commission shall be invited to submit their Bids. Those who are shortlisted must execute a Confidentiality Agreement.
- c. In the Bid Stage, the shortlisted Bidders will be called upon to submit their Technical and Commercial Bid proposals in accordance with the Regulations, these Guidelines and other documents to be provided by the Commission (collectively the “Bidding Documents”).