

Mexico auctions six of nine major deep-water oil blocks

31 January 2018



Experts believe there some 4.2 billion barrels of oil in the blocks being auctioned, all located off Mexico's northeastern coast

Mexico on Wednesday auctioned off six deep-water oil blocks located in the Gulf of Mexico, the largest such auction since the country's government opened the sector to private industry.

Royal Dutch Shell won five of the blocks—four in a consortium with Qatar Petroleum, and one in association with the state oil giant Petroleos de Mexico (Pemex), Mexican officials said.

One block was won by Pemex, while the other three were not awarded because there were no bids.

The blocks are all located off the state of Tamaulipas, on Mexico's northeastern coast.

The fields on the [auction](#) block are estimated to contain the equivalent of 4.2 billion barrels of oil.

US heavyweights Exxon and Chevron, as well as France's Total, are among the companies qualified to participate in the auction, according to Mexico's

oil regulator.

Mexico is competing with Brazil to attract investment from the big oil companies for deepwater oil drilling, said Alejandra Leon with the firm IHS Markit.

The auction follows a controversial energy reform in 2013 that saw Pemex lose its seven-decade-old monopoly on hydrocarbon production.

With the landmark change, President Enrique Pena Nieto cleared the path for auctions in a bid to inject foreign capital into the politically sensitive oil industry.

© 2018 AFP

APA citation: Mexico auctions six of nine major deep-water oil blocks (2018, January 31) retrieved 22 May 2019 from <https://phys.org/news/2018-01-mexico-auctions-major-deep-water-oil.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.