

## DPR GRANTS TWO (2) WEEKS EXTENSION FOR THE 2020 MARGINAL OILFIELDS BID

The Federal Government of Nigeria, through the Department of Petroleum Resources (DPR) in order to accommodate more prospective bidders for the marginal oilfields, has extended the bids by two (2) weeks. The deadline for the bid was earlier set for June 14, 2020, but it is now extended to close on June 21, 2020.

It is instructive to note that this is the first marginal field award round by DPR eighteen (18) years after the first one was conducted in 2002. The bid round exercise is open to indigenous companies and investors that are interested in participating in exploration and production business in Nigeria. It comprises of fifty-seven (57) fields that are located on land, swamp and shallow offshore terrains.

The exercise which will be conducted electronically will include expression of interest/registration, pre-qualification, technical and commercial bid submission and bid evaluation. The DPR guidelines on the 2020 oil bid round exercise and payment by interested bidders shall attract non-refundable chargeable fees as follows:

1. Application fee of ₦2 million per field;
2. Bid Processing Fee of ₦3 million per field;
3. Data Prying Fee of \$15,000 per field;
4. Data Leasing Fee of \$25,000 per field; and
5. Competent Persons Report of \$50,000 and \$25,000 for Fields Specific Report

The import of these is that interested bidders will pay a total of \$115,000 in statutory fees and another ₦5 million in local currency per field, amounting to ₦46, 400, 000 at ₦360/\$1 exchange rate. The entire 57 oil fields on offer will generate the sum of ₦2,364,800,000.

Applicants are expected to show evidence of technical and managerial capability and demonstrate ability to fully meet the objective of undertaking expeditious and efficient development of a Marginal Field.

Kindly contact us for further clarifications, guidance, information or legal advice.

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### **Disclaimer**

The write-up is meant for general information purposes only. It is not a fully comprehensive work or legal advice on this area of law. In any event, if more clarifications, questions or our assistance is required, kindly, contact us at J-K Gadzama LLP, J-K Gadzama Court, Plot 1805, Damaturu Crescent by Kabo Way, P.O.Box 20304, Garki, Off Ahmadu Bello Way, Garki 2, Abuja, FCT. Tel: +234(0)96233600, E-mail: info@j-kgadzamallp.com, website: j-kgadzamallp.com.