

CALL FOR NOMINATIONS NL13-01LS (Areas of Interest – Scheduled Lands)

1. Call for Nominations (Areas of Interest)

The Canada-Newfoundland and Labrador Offshore Petroleum Board (the Board) hereby calls for the submission of nominations of areas of interest for Crown reserve lands¹ located in the Labrador South Region (LS) of the Newfoundland and Labrador Offshore Area.

The Labrador South Region is that part of the offshore area portrayed in the **Map** annexed hereto.

The Board will consider any nomination of an area of interest received in this region and then decide what sector will be posted for further exploration from which a future request for nominations of parcels will be made in respect of Call for Bids NL17-01LS.

This Call for Nominations NL13-01LS (Areas of Interest) is in accordance with the 4 – year cycle model of Scheduled Land Tenure for the Newfoundland and Labrador Offshore Area and is in accordance with the following timeline:

- December 2013 – Call for Nominations (Areas of Interest) – Call open until March 15, 2014
- April/May 2014 – Sector Identification
- September 2016 – Call for Nominations (Parcels) – Call open for 6 weeks
- February/March 2017 – Call for Bids – Close November 15, 2017
- November 15, 2017 – Close Call for Bids
- **Issuance** of licences – January 15, 2018

2. Content of Nominations for Areas of Interest

As described in the annexed Map, any nominee shall reference one or more areas of interest in the Labrador Newfoundland Region for nomination. A nominated area of interest shall be no greater than two million hectares (ha) or 20 000 km².

3. Resulting Call for Bids

The traditional terms and conditions can be found in the sample exploration licences offered in the Calls for Bids 2013 on the C-NLOPB website.

The Terms and Conditions of all future Exploration Licences will contain a provision that allowable expenditures will be defined to provide that any allowable expenditures respecting an exploration licence incurred from the date of the initial announcement of the call for nominations (areas of interest) for that scheduled round up to and including the effective date of an exploration licence issued from that round may be claimed. This is in addition to the traditional terms and conditions for allowable expenditures to be claimed during the licence term.

¹ The Crown reserve lands available for nomination may change prior to the close of nominations from those shown in Schedule I. Parties interested in nominating lands may contact Susan Gover at (709) 778-1408 with inquiries on the status of Crown reserve lands in the Newfoundland and Labrador Offshore Area.

In addition to the above, nominees should anticipate any exploration licence issued from a resulting call for bids will also have the following terms and conditions, subject to Ministerial approval, at the time the resulting Call for Bids NL17-01LS is issued.

- The minimum work expenditure bid will be **\$10 million** for all parcels offered in a Call for Bids.
- Period I (obligation to drill a validating well) of any resulting exploration licence shall have a term of six (6) years unless otherwise extended by a drilling deposit. Period II shall immediately follow Period I and consist of the balance of the original nine (9) year term.
- The Interest Owner may, at its option, extend Period I for additional years to a maximum total of three (3) extensions by posting a drilling deposit with the Board before the end of Period I or any additional year extension of Period I in the following amounts:

Period I A – 1 year extension - \$5 million

Period I B – 1 year extension - \$10 million

Period I C – 1 year extension - \$15 million

If a drilling deposit is posted, it will be refunded in full if the well commitment is met during the respective period of extension. Otherwise, the drilling deposit will be forfeited upon termination of that period extension.

The final terms and conditions applicable to any call for bids resulting from this Call for Nominations NL13-01LS (Areas of Interest) are subject to Ministerial approval and are therefore subject to change. A cost recovery regime will be implemented in the terms and conditions of future exploration licences.

The Board reserves the right to change terms and conditions prior to the issuance of a Call for Bids. Terms and Conditions found in previous Calls for Bids issued by the Board can be found at www.cnlopb.nl.ca under Media Centre/“News Releases” and would be typical of terms and conditions which may also apply in a future call for bids.

4. Submission of Nominations

- (a) Sealed nominations will be received by the Board at the following address:

Canada-Newfoundland and Labrador Offshore Petroleum Board
Fifth Floor, TD Place
140 Water Street
St. John's, NL A1C 6H6
Attention: The Chair and CEO

To be considered, nominations must be received at the above address no later than the time of closing of this Call for Nominations NL13-01LS (Areas of Interest).

- (b) This Call for Nominations NL13-01LS (Areas of Interest) will close at **4:00 P.M.**, Newfoundland Standard Time, on **March 15, 2014.**
- (c) All nominations submitted in response to this Call for Nominations NL13-01LS (Areas of Interest) must be in a sealed envelope clearly marked as follows:
- “Call for Nominations NL13-01LS (Areas of Interest)”
- (d) All submissions received in response to this call for nominations will become the property of the Board and will not be returned. All information concerning nominations will remain confidential.

5. **Technical Information**

The Board may also consider any technical information or data respecting the prospectivity of nominated areas of interest. This information may be provided by the person nominating lands through a written submission or a presentation to Board Staff. Any such information or presentation MUST BE SUBMITTED OR COMPLETED PRIOR TO THE CLOSE OF THE CALL FOR NOMINATIONS (AREAS OF INTEREST). Parties interested in giving a presentation should contact Susan Gover at (709) 778-1408.

6. **Obligations of the Parties**

This Call for Nominations NL13-01LS (Areas of Interest) and any submission received in response thereto shall neither constitute nor give rise to any obligation on the part of the nominees to participate in or on the part of the Board to proceed with a Call for Bids in respect of any areas of interest nominated.

Canada-Newfoundland and Labrador Offshore Petroleum Board

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