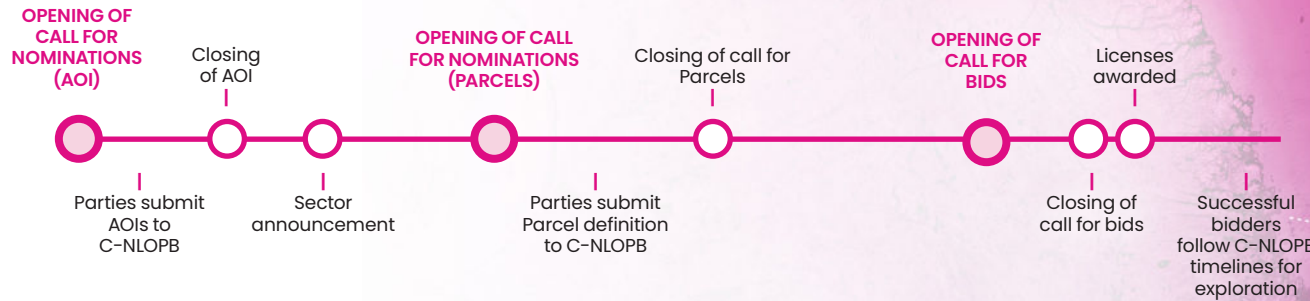


# Offshore Newfoundland and Labrador's LAND TENURE SYSTEM



The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) is responsible, on behalf of the Governments of Canada and Newfoundland and Labrador, for petroleum resource management in offshore Newfoundland and Labrador (NL).\*

## Scheduled Land Tenure

In 2013, the C-NLOPB implemented a scheduled Land Tenure System and divided offshore NL into eight regions with each region categorized as low, high, or mature activity based on the level of oil and exploration and development activities.

A timing cycle was established for each region—low activity (four year cycle), high activity (two year cycle), and, mature activity (one year cycle).

## Step-by-Step Process

The rights issuance cycle begins with a call for nominations in a region (called an Area of Interest or AOI). Interested parties submit an AOI and the C-NLOPB considers all nominations to define a sector; thereby setting the area for future call for bids.

Once a sector is identified and announced, a call for nominations (called Parcels) is issued and interested parties may submit recommendations for Parcels in the defined sectors. After reviewing the nominations, the C-NLOPB designs the final parcel layout and opens the call for bids. Call for bids normally starts in March and typically closes in November.

## Bidding and Awarding Process

The criterion for awarding Parcels is the highest work commitment bid submitted by parties. The minimum acceptable bid is \$10 million CAD.

Bidders submit a work expenditure bid, which is the amount of money the bidder commits to spend on exploration within the first period of the exploration license term, which is six years. The successful bidder must post a deposit of 25% of the work expenditure bid. This amount is fully recoverable against allowable expenditures related to drilling, geophysical, geological, and other surveys/studies.

The exploration license gives the holder the right to explore, drill, and test for hydrocarbons. The term of an exploration license is defined by the C-NLOPB. This term consists of two consecutive periods, referred to as Period I (six years) and Period II (an additional three years), with increasing drilling deposits over Period II.

Learn more about the land tenure system in NL, including the significant discovery and production license process by visiting the C-NLOPB's website at [cnlopb.ca](http://cnlopb.ca).

Labrador North  
Low Activity

Labrador South  
Low Activity

North Eastern  
Newfoundland  
Low Activity

Eastern  
Newfoundland  
High Activity

Jeanne d'Arc  
Basin  
Mature Activity

Southern  
Newfoundland  
Low Activity

South Eastern  
Newfoundland  
Low Activity



\*The C-NLOPB has discretion to change the process and timeline noted above.