



C/2024/3850

18.6.2024

DECISION No 578

of 25 August 2023

**opening a procedure for granting authorisation for the prospection and exploration of oil and natural gas, being underground natural resources as defined in Article 2(1)(3) of the Underground Natural Resources Act, in 'Block 1-26 Khan Tervel', located in the exclusive economic zone of the Republic of Bulgaria in the Black Sea, and announcing that authorisation will be granted on the basis of a competitive bidding procedure**

(C/2024/3850)

REPUBLIC OF BULGARIA COUNCIL OF MINISTERS

On the basis of Article 5(2), Article 7(2)(8), Article 23(1) and (2), Article 23a, Article 42(1)(1) and Article 44(1) and (3) of the Underground Natural Resources Act and Article 2(1)(1), Article 6(2)(2) and Article 7(1)(2) of the Regulation on the conduct of bidding and tendering procedures under the Underground Natural Resources Act, adopted by Council of Ministers Decree No 42 of 2023, and a reasoned proposal by the Minister for Energy

THE COUNCIL OF MINISTERS HAS DECIDED AS FOLLOWS:

1. A procedure shall be opened for granting authorisation for the prospection and exploration of oil and natural gas in 'Block 1-26 Khan Tervel', located in the exclusive economic zone of the Republic of Bulgaria in the Black Sea, having an area of 4 032 km<sup>2</sup> and defined by coordinates 1 to 7 as specified in the Annex.
2. The authorisation referred to in point 1 shall be granted on the basis of a competitive bidding procedure under which bidders are not present when the bids are considered.
3. The authorisation period for prospection and exploration shall be set at five years from the date on which the prospection and exploration agreement enters into force, with a right to extend this period pursuant to Article 31(3) and (4) of the Underground Natural Resources Act.
4. The deadline for purchasing the bidding dossier shall be 17:30 on the 120th day following the publication of this Decision in the *Official Journal of the European Union*.
5. The deadline for submitting applications to take part in the competitive bidding procedure shall be 17:30 on the 140th day following the publication of this Decision in the *Official Journal of the European Union*.
6. The deadline for submitting bids in accordance with the bidding dossier shall be 17:30 on the 155th day following the publication of this Decision in the *Official Journal of the European Union*.
7. The price of the bidding dossier shall be set at BGN 10 000. The bidding dossier is to be obtained from the Ministry of Energy by the deadline specified in point 4, upon presentation of a payment order.
  - 7.1. The amount specified in point 7 shall be paid into the bank account of the Ministry of Energy:  
BIC of the BNB account for payment in Bulgarian currency (BGN) – BNBGBGSD,  
SWIFTcode of the BNB for payments in foreign currency – BNBGBGSF;

IBAN - BG94 BNBG 9661 3000 1421 01, BNB headquarters.

- 7.2. The following should be recorded on the payment order: 'For the bidding dossier for "Block 1-26 Khan Tervel" purchased on behalf of the applicant, whose name must be indicated on the payment order.'
- 7.3. The person receiving the bidding dossier shall sign a declaration on behalf of the applicant, undertaking to protect the confidentiality of the information contained therein.
8. Applicants wishing to participate in the bidding procedure must fulfil the requirements specified in Article 23a (3), (4) and (5) of the Underground Natural Resources Act and must not be subject to any grounds for exclusion under Article 23(2) of the Underground Natural Resources Act.
9. The applicant, whether a natural or legal person or a grouping thereof, must possess the minimum financial, technical and professional capacity necessary for carrying out the prospection and exploration activities.
  - 9.1. Minimal financial capacity to provide the financial resources needed to carry out the activities covered by the authorisation. The applicant must have generated a minimum of EUR 150 000 000 total net sales revenue for the three preceding financial years (depending on the date of its establishment). Proof of minimum financial capacity shall be demonstrated by means of one or more of the documents referred to in Article 23a(3) of the Underground Natural Resources Act.
  - 9.2. Minimum technical capacity – availability of assets to implement the minimum work programme – software to interpret the collected seismic data. Proof of minimum technical capacity shall be demonstrated by means of one or more of the documents referred to in Article 23a(4) of the Underground Natural Resources Act.
  - 9.3. Minimum professional capacity – availability of core expert staff responsible for carrying out the activities covered by the authorisation, which must include at least three persons qualified as a geologist, geophysicist and drilling engineer, each with professional experience – a minimum of 3 years' professional experience and participation in the management or implementation of at least one project for the deep-sea prospection and/or exploration, or extraction of mineral resources – oil and natural gas (water column height above 200 m) in the last five years. Proof of minimum professional capacity shall be demonstrated by means of the documents referred to in Article 23a(5) of the Underground Natural Resources Act.
- 9.4. Where the applicant is a grouping which is not a legal person, the requirements set out in points 9.1, 9.2 and 9.3 apply to the grouping as a whole;
- 9.5. The applicant may prove financial, technical and professional capacity by reference to the resources of a third party, provided that the applicant demonstrates that there are no grounds for exclusion under Article 23(2) of the Underground Natural Resources Act in respect of the third party, and that, when carrying out the activities under the contract for prospection and exploration, the resources of the third party will be available to the applicant.
10. Applicants' bids shall be evaluated on the basis of the proposed work programmes, resources devoted to environmental protection and bonuses, as provided for in the bidding dossier.

11. The deposit for participation in the competitive bidding procedure shall be set at BGN 15 000, payable by the deadline specified in point 5 into the bank account of the Ministry of Energy referred to in point 7.1.
12. Applicants who are not admitted to the competitive bidding procedure shall have their deposits reimbursed within 14 days from the date on which the selection board's decision not to admit them comes into effect.
13. The successful bidder's deposit shall be reimbursed within 14 days from the entry into force of the agreement, and the other bidders' deposits shall be reimbursed within 14 days from the publication in the State Gazette of the Council of Ministers' decision to grant authorisation for prospection and exploration.
14. Applications to take part in the competitive bidding procedure and bids under the competitive bidding procedure shall be submitted to the Registry of the Ministry of Energy in accordance with Article 47 of the Underground Natural Resources Act.
15. Bids shall comply with the requirements and conditions specified in the bidding dossier.
16. The competitive bidding procedure shall take place even if only one applicant is admitted to take part in it.
17. The Minister for Energy is authorised to:
  - 17.1. send this Decision for publication in the *Official Journal of the European Union*;
  - 17.2. organise and conduct the competitive bidding procedure.
18. This Decision shall be published in the State Gazette and on the Council of Ministers' website.
19. Appeals against this Decision may be addressed to the Supreme Administrative Court within 14 days of its publication in the *Official Journal of the European Union*.

Prime Minister  
Nikolay DENKOV

Secretary-General of The Council of Ministers  
Vanya STOYNEVA

## ANNEX

**Register of the boundary point coordinates describing the area 'Block 1-26 Khan Tervel'**

WGS84 coordinate system

No	Longitude E	Latitude N
1	29°07'28.85"	42°48'47.00"
2	30°34'10.00"	42°48'03.00"
3	29°58'30.00"	42°33'27.00"
4	29°49'36.00"	42°29'24.00"
5	29°34'20.00"	42°26'24.00"
6	29°20'45.00"	42°14'28.00"
7	29°07'32.31"	42°11'22.71"