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### NOTICES FROM MEMBER STATES

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NOTICES FROM MEMBER STATES


(2019/C 105/01)

Public invitation to bid for a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Rudnik-Lipiny’ area

SECTION I: LEGAL BASIS

1. Article 49h(2) of the Geological and Mining Law Act (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended)

2. Cabinet Regulation of 28 July 2015 on bidding for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171)


SECTION II: ENTITY INVITING BIDS

Name: Ministry of the Environment
Postal address: ul. Wawelska 52/54
00-922 Warszawa
POLSKA/POLAND
Tel. +48 22 3692449
Fax +48 22 3692460
Website: www.gov.pl/web/srodowisko

SECTION III: SUBJECT OF THE PROCEDURE

1. Type of activities for which the concession is to be granted
Concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Rudnik-Lipiny’ area, part of concession blocks Nos 377 and 378.

2. Area within which the activities are to be conducted
The boundaries of the area covered by this bidding procedure are defined by lines joining points with the following coordinates in the PL-1992 coordinate system:

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<td>281 231,41</td>
<td>746 174,26</td>
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3. The surface area of the vertical projection of the area covered by this bidding procedure is 480.45 km².

The area covered by the bidding procedure is located in the following:

— municipalities: Bielszowice, Biłgoraj and Potok Górny, in Lubelskie Province; and
— municipalities: Kurówka, Harasiuki, Jeżów, Krzeszów and Bojanów,
— urban/rural municipalities: Nisko, Ulanów and Rudnik nad Sanem, in Podkarpackie Province.

The aim of the works to be carried out in Miocene formations is to document and extract oil and natural gas deposits in the area described above.

3. Time limit, not less than 90 days from the date of publication of the notice, and place for the submission of bids

Bids must be submitted to the headquarters of the Ministry of the Environment no later than 12:00 CET/CEST on the last day of the 121-day period commencing on the day following the date of publication of the notice in the Official Journal of the European Union.

4. Detailed bid specifications, including the bid evaluation criteria and a specification of their weighting, ensuring that the conditions referred to in Article 49k of the Geological and Mining Law Act of 9 June 2011 are fulfilled

Bids may be submitted by entities in respect of which a decision has been issued confirming the positive outcome of a qualification procedure, as provided for in Article 49a(16)(1) of the Geological and Mining Law Act, independently, or as the operator if several entities are applying jointly for the concession.

Bids received will be evaluated by the bid evaluation committee on the basis of the following criteria:

30 % — financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;

25 % — technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 5 % for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland, and of analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);

20 % — scope and schedule of the geological works, including geological operations, or mining operations proposed;

10 % — experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;

10 % — the proposed technology for conducting geological works, including geological operations, or mining operations, using innovative elements developed for this project;

5 % — scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores.
If, following the evaluation of bids on the basis of the criteria specified above, two or more bids obtain the same score, the amount of the fee for the establishment of mining usufruct rights due during the prospection and exploration phase will be used as an additional criterion allowing a final choice to be made between the bids concerned.

5. Minimum scope of geological information

| Concession data | name of area: Rudnik-Lipiny  
location: onshore; concession blocks Nos 377 and 378 |
<table>
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<tr>
<td>Type of deposit</td>
<td>conventional oil and natural gas deposits</td>
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</table>
| Structural levels | Precambrian  
Lower Palaeozoic  
Miocene |
| Petroleum systems | 1 — conventional                                       |
| Source rocks     | 1 — fine-grained Miocene clastics                     |
| Reservoir rocks  | 1 — Miocene sands and sandstones (Upper Badenian and Sarmatian) |
| Seal rocks       | 1 — fine-grained Miocene clastics                     |
| Thickness of overburden | 1 — 240 m                                   |
| Trap type        | 1 — structural, stratigraphic, lithological            |
| Deposits identified in the vicinity (NG — natural gas; O — oil) | Biszcz (NG) - production in 2016: 6 420 000 m³ natural gas; balance sheet reserves and resources in 2016: 116 930 000 m³ natural gas; industrial resources in 2016: 83 860 000 m³ natural gas  
Jeżów NW (NG) - production in 2016: 750 000 m³ natural gas; balance sheet reserves and resources in 2016: 13 840 000 m³ natural gas; industrial resources in 2016: 10 150 000 m³ natural gas  
Księżpol (NG) - production in 2016: 4 060 000 m³ natural gas; balance sheet reserves and resources in 2016: 222 180 000 m³ natural gas; industrial resources in 2016: 13 030 000 m³ natural gas  
Żołynia-Leżajsk (NG) - production in 2016: 32 640 000 m³ natural gas; balance sheet reserves and resources in 2016: 554 110 000 m³ natural gas; industrial resources in 2016: 60 300 000 m³ natural gas  
Jeżów NW (NG) - production in 2016: 750 000 m³ natural gas; balance sheet reserves and resources in 2016: 13 840 000 m³ natural gas; industrial resources in 2016: 10 150 000 m³ natural gas  
Księżpol (NG) - production in 2016: 4 060 000 m³ natural gas; balance sheet reserves and resources in 2016: 222 180 000 m³ natural gas; industrial resources in 2016: 13 030 000 m³ natural gas  
Żołynia-Leżajsk (NG) - production in 2016: 32 640 000 m³ natural gas; balance sheet reserves and resources in 2016: 554 110 000 m³ natural gas; industrial resources in 2016: 60 300 000 m³ natural gas |
| Seismic surveys completed (rightholder) | 1975 — Tarnogród-Lubaczów, 1 profile (State Treasury)  
1979 — Sokolów-Leżajsk-Przeworsk, 1 profile (State Treasury)  
1984 — Krzeszów-Biłgoraj, 10 profiles (State Treasury)  
1985 — Sokolów, 9 profiles (State Treasury)  
1989 — Krzeszów-Lubaczów-Kalników, 4 profiles (PKNiG S.A.)  
1995 — Sieniawa-Tarnogród-Wielkie Oczy, 1 profile (PKNiG S.A.)  
2000 — Krzeszów-Bystre, 16 profiles (PKNiG S.A.)  
2003 — Nowa Dęba-Kamięń, 16 profiles (State Treasury)  
2006 — Nowosielec-Jata-Chałupki-Tryńcza, 22 profiles (State Treasury) |
| Benchmark wells (MD) | 19.3.2019 C 105/3 Official Journal of the European Union |
| Bystre 1 (1 214,0 m)  
Bystre 2 (1 148,0 m)  
Kończyce 1 (738,0 m)  
Krzeszów 1 (1 048,0 m)  
Krzeszów 3 (871,7 m)  
Krzeszów 4 (797,0 m)  
Lipiny 1 (1 137,0 m)  
Lipiny 2 (1 143,0 m) |
6. Commencement date of activities

The activities covered by the concession will commence within 14 days from the date on which the decision granting the concession becomes final.

7. Minimum scope of geological works, including geological operations, or mining operations

The minimum programme of geological works proposed for the prospection and exploration phase comprises:

— Phase I (12 months): analysing and interpreting archival geological data;
— Phase II (12 months): geophysical surveys — 2D seismic test (50 km excitation line) or 3D seismic test (25 km² excitation area);
— Phase III (24 months): drilling 1 (one) prospective borehole with a maximum depth of 1 300 m, with mandatory coring of intervals;
— Phase IV (12 months): analysing the geological data obtained.

8. Period for which the concession is to be granted

The concession period is 30 years, including:

— a prospection and exploration phase of five years’ duration, starting from the date on which the concession is granted;
— an extraction phase of 25 years’ duration, starting from the date on which an investment decision is obtained.

9. Specific conditions for carrying out the activities and for ensuring public safety, public health, environmental protection and rational management of deposits

Implementation of the concession work programme must not infringe landowners’ rights and does not eliminate the need to comply with other requirements laid down in legislation, in particular the Geological and Mining Law Act, and requirements regarding spatial planning, environmental protection, agricultural land and forests, nature, waters and waste.

10. Model agreement on the establishment of mining usufruct rights

The model agreement is attached as an annex hereto.

11. Information concerning the amount of the fee for establishing mining usufruct rights

The minimum amount of the fee for establishing mining usufruct rights for the ‘Rudnik-Lipiny’ area during the five-year base period is PLN 105 194.53 (in words: one hundred and five thousand, one hundred and ninety-four zlotys and fifty-three grosz) per annum. The annual fee for establishing mining usufruct rights for the purpose of the prospection and exploration of minerals is indexed to average annual consumer price indices set cumulatively for the period from the conclusion of the agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (Monitor Polski) (Article 49h(3)(12) of the Geological and Mining Law Act).
12. Information concerning requirements to be met by bids and documents required from bidders

1. Bids should specify:

1) the name (business name) and the registered office of the bidder;

2) the subject of the bid, together with a description specifying the area within which the concession is to be granted and mining usufruct rights are to be established;

3) the period for which the concession is to be granted, the duration of the prospection and exploration phase and the commencement date of the activities;

4) the aim, scope and nature of geological works, including geological operations, or mining operations, and information about the works to be carried out to achieve the intended objective and the technologies to be used;

5) a schedule, broken down into years, for geological works, including geological operations, and the scope of such works;

6) the scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores, as referred to in Article 82(2)(2) of the Geological and Mining Law Act;

7) rights held by the bidder to the real property (area) within which the intended activities are to be carried out, or the right for the establishment of which that entity is applying;

8) a list of areas covered by nature conservation schemes; this requirement does not concern projects for which a decision on environmental conditions is required;

9) the way in which the adverse environmental impacts of the intended activities are to be counteracted;

10) the scope of the geological information available to the bidder;

11) experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;

12) technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons and, in particular, the availability of appropriate technical, organisational, logistical and human resources potential;

13) financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;

14) the proposed technology for conducting geological works, including geological operations, or mining operations;

15) the proposed amount of the fee for establishing mining usufruct rights, this being not less than the amount specified in the notice launching the bidding procedure;

16) the proposed form of providing security, as referred to in Article 49x(4) of the Geological and Mining Law Act;

17) if a bid is submitted jointly by several entities, it must additionally specify:

   a) the names (business names) and the registered offices of all the entities submitting the bid;

   b) the operator;

   c) the percentage shares in the costs of geological works, including geological operations, proposed in the cooperation agreement.

2. Bids submitted in a bidding procedure should meet the requirements and conditions laid down in the notice launching that bidding procedure.

3. The following documents are to be enclosed with bids:

1) evidence of the existence of the circumstances described in the bid, in particular extracts from the relevant registers;

2) proof that a deposit has been lodged;

3) a copy of the decision confirming the positive outcome of a qualification procedure, as provided for in Article 49a(17) of the Geological and Mining Law Act;
4) graphical annexes prepared in accordance with the requirements relating to mining maps, indicating the country’s administrative boundaries;

5) written undertakings to make technical resources available to the entity taking part in the bidding procedure if other entities’ technical resources are used when implementing the concession;

6) two copies of the geological operations project file.

4. Bidders may, on their own initiative, provide additional information in their bids or attach additional documents thereto.

5. Documents submitted by bidders should be originals or certified true copies of originals as provided for in the Code of Administrative Procedure. This requirement does not apply to copies of documents which are to be attached to bids and were created by the concession authority.

6. Documents drawn up in a foreign language should be submitted together with a translation into Polish by a sworn translator.

7. Bids are to be submitted in a sealed envelope or a sealed package bearing the name (business name) of the bidder and indicating the subject of the bidding procedure.

8. Bids submitted after the expiry of the time limit for the submission of bids will be returned to the bidders unopened.

13. **Information concerning the manner of lodging a deposit, the amount of the deposit and the payment date**

Bidders are required to lodge a deposit of PLN 1 000 (in words: one thousand zlotys) before the expiry of the time limit for the submission of bids.

SECTION IV: ADMINISTRATIVE INFORMATION

IV.1) Bid evaluation committee

A bid evaluation committee is appointed by the concession authority for the purpose of conducting the bidding procedure and selecting the most advantageous bid. The composition and rules of procedure of the committee are specified in the Cabinet Regulation of 28 July 2015 on bidding procedures for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and for concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171). The bid evaluation committee submits a report on the bidding procedure to the concession authority for approval. Together with bids and all documents related to the bidding procedure, the report is open to other entities submitting bids.

IV.2) Further clarifications

Within 14 days from the date of publication of the notice, an interested entity may request the concession authority to provide explanations concerning the detailed bid specifications. Within 14 days from the receipt of the request, the concession authority will publish the explanations in the Public Information Bulletin (Biuletyn Informacji Publicznej), on the page of the administrative office subordinate to that authority.

IV.3) Additional information

Full information about the area covered by the bidding procedure has been compiled by the Polish Geological Service in the Geological Data Pack (Pakiet danych geologicznych), which is available on the Ministry of the Environment website (www.gov.pl/web/srodowisko) and from the Departament Geologii i Koncesji Geologicznych [Geology and Geological Concessions Department]

Ministry of the Environment
ul. Wawelska 52/54
00-922 Warszawa/Warsaw
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ANNEX

AGREEMENT

establishing mining usufruct rights for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Rudnik-Lipiny’ area, hereinafter referred to as ‘the Agreement’

concluded at Warsaw on … between:

the State Treasury, represented by the Minister for the Environment, for and on behalf of whom Mr Mariusz Orion Jędrzysek, State Secretary at the Ministry of the Environment and Chief Geologist of Poland, acts under power of attorney No 69 of 12 June 2017, hereinafter referred to as ‘the State Treasury’,

and

XXX, having its registered office at: ………………… (full address), registered ………………… under KRS (National Court Register) No …, share capital …………………, represented by …………………, hereinafter referred to as ‘the Holder of Mining Usufruct Rights’,

hereinafter each referred to singly as ‘a Party’ or jointly as ‘the Parties’,

worded as follows:

Section 1

1. The State Treasury, as exclusive owner of the substrata of the Earth's crust covering the area within the municipalities of Biszcz, Biłgoraj and Potok Górny in Lubelskie Province, and the municipalities of Kuryłówka, Harasiuki, Jeżowe, Krzeszów and Bojanów and the urban/rural municipalities of Nisko, Ulanów and Rudnik nad Sanem in Podkarpackie Province, the boundaries of which are defined by lines joining points (1) to (6) having the following coordinates in the PL-1992 coordinate system:

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<tr>
<td>3</td>
<td>290 515,93</td>
<td>731 031,84</td>
</tr>
<tr>
<td>4</td>
<td>282 871,88</td>
<td>713 244,88</td>
</tr>
<tr>
<td>5</td>
<td>296 844,62</td>
<td>712 680,85</td>
</tr>
<tr>
<td>6</td>
<td>298 901,16</td>
<td>758 424,19</td>
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hereby establishes mining usufruct rights for the Holder of Mining Usufruct Rights in the area described above, limited above by the lower boundary of surface land properties and below at a depth of 1 300 m, provided that the Holder of Mining Usufruct Rights obtains a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Rudnik-Lipiny’ area within one year from the date of the Agreement being concluded.

2. If the condition of obtaining the concession referred to in paragraph 1 is not met, the obligations arising under the Agreement shall expire.

3. Within the rock mass area specified in paragraph 1, the Holder of Mining Usufruct Rights may:

1) in Miocene formations, carry out activities relating to the prospection and exploration of oil and natural gas deposits;

2) in the rest of the area, carry out any operations and activities that are necessary in order to gain access to the Miocene formations.
4. The surface area of the vertical projection of the area described above is 480.45 km².

5. The mining usufruct rights shall entitle the Holder of MiningUsufruct Rights to use the area specified in paragraph 1 on an exclusive basis for the prospection and exploration of oil and natural gas deposits, as well as for carrying out all operations and activities necessary for this purpose within that area in accordance with the legislation in force, in particular the Geological and Mining Law Act of 9 June 2011 (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended), and decisions issued pursuant thereto.

Section 2

The Holder of MiningUsufruct Rights declares that it raises no objections to the factual and legal status of the subject of the mining usufruct rights.

Section 3

1. The Agreement shall take effect on the date on which the concession is obtained.

2. The mining usufruct rights shall be established for a period of 30 years, including five years for the prospection and exploration phase and 25 years for the extraction phase, subject to Sections 8(2) and 10.

3. The mining usufruct rights shall expire if the concession expires, is withdrawn or becomes invalid, irrespective of the reason.

Section 4

The Holder of MiningUsufruct Rights undertakes to notify the State Treasury in writing of any changes resulting in a change of name, registered office and address or organisational form, changes in registration and identification numbers, the transfer of the concession to another entity by operation of law, the filing of a bankruptcy petition, the declaration of bankruptcy or the initiation of restructuring proceedings. The State Treasury may require that the necessary explanations be provided in such cases. Notification shall take place within 30 days from the date on which the circumstances referred to above occur.

Section 5

The Agreement shall be without prejudice to the rights of third parties, in particular owners of land, and shall not release the Holder of MiningUsufruct Rights from the need to comply with the requirements provided for by law, in particular those relating to the prospection and exploration of minerals and the protection and use of environmental resources.

Section 6

The State Treasury reserves the right to establish within the area referred to in Section 1(1) mining usufruct rights for the purpose of carrying out activities other than those specified in the Agreement, in a manner which does not infringe the rights of the Holder of MiningUsufruct Rights.

Section 7

1. The Holder of MiningUsufruct Rights shall pay the State Treasury the following fee for the mining usufruct rights in the area specified in Section 1(1) for each year of the prospection and exploration phase of mining usufruct (counted as 12 consecutive months):

   (a) PLN .................... (amount) (in words: ... zlotys) for the .................. (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   (b) PLN .................... (amount) (in words: ... zlotys) for the .................. (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   (c) PLN .................... (amount) (in words: ... zlotys) for the .................. (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   (d) PLN .................... (amount) (in words: ... zlotys) for the .................. (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   (e) PLN .................... (amount) (in words: ... zlotys) for the .................. (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

subject to the provisions of paragraph 2.
2. If the date for payment of the fee due for a given year of mining usufruct falls between 1 January and 1 March, the Holder of Mining Usufruct Rights shall pay the fee by 1 March. However, if the fee is subject to indexation in accordance with paragraphs 3 to 5, the Holder of Mining Usufruct Rights shall pay it no earlier than the date on which the index referred to in paragraph 3 is announced, after taking that index into account.

3. The fee specified in paragraph 1 shall be indexed to the average annual consumer price indices set for the period from the conclusion of the Agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (Monitor Polski). If this index for a given year is less than or equal to zero, there shall be no indexation for that year.

4. If the date for payment of the fee falls in the same calendar year as that in which the Agreement was concluded, the fee shall not be indexed.

5. If the Agreement was concluded and took effect in the year preceding the year in which the date for payment of the fee falls, the fee shall not be indexed if the Holder of Mining Usufruct Rights pays it by the end of the calendar year in which the Agreement is concluded and takes effect.

6. If the Holder of Mining Usufruct Rights loses the mining usufruct rights established under the Agreement before the time limit specified in Section 3(2) expires, the Holder of Mining Usufruct Rights shall be required to pay the fee for the entire year of usufruct in which these rights were lost. If, however, the mining usufruct rights are lost as a result of the concession being withdrawn or for the reasons specified in Section 10(1), (3) or (4), the Holder of Mining Usufruct Rights shall pay the fee for the entire usufruct period specified in Section 3(1) and (2), indexed in accordance with paragraph 3 and without prejudice to the contractual penalty referred to in Section 10(2). The fee shall be paid within 30 days from the date on which the mining usufruct rights were lost. The loss of usufruct rights shall not release the Holder of Mining Usufruct Rights from environmental obligations relating to the subject of the mining usufruct rights, in particular obligations relating to the protection of deposits.

7. The Holder of Mining Usufruct Rights shall pay the fee for the mining usufruct rights into the bank account of the Ministry of the Environment at the Warsaw branch of the National Bank of Poland, No 07 1010 1010 0006 3522 3100 0000, including the following communication on the transfer order: ‘Establishment of mining usufruct rights in connection with the granting of a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Rudnik-Lipiny’ area’.

The date of payment shall be the date on which the State Treasury's account is credited.

8. The fee specified in paragraph 1 shall not be subject to tax on goods and services (VAT). If legislation is amended with the result that the activities which are the subject of the Agreement are subject to taxation, or if the interpretation of legislation changes with the result that those activities are subject to VAT, the amount of the fee shall be increased by the amount of tax due.

9. The State Treasury shall notify the Holder of Mining Usufruct Rights in writing of changes in the number of the account referred to in paragraph 7.

10. The fee for the establishment of mining usufruct rights shall be payable to the State Treasury irrespective of the income which the Holder of Mining Usufruct Rights earns from using those rights.

11. The Holder of Mining Usufruct Rights shall send the State Treasury, within seven days from the payment date, copies of proof of payment of the fee referred to in paragraph 1 for the establishment of the mining usufruct rights.

Section 8

1. After the Holder of Mining Usufruct Rights obtains an investment decision specifying the conditions for the extraction of oil or natural gas, the Parties shall, within 30 days from the date of that decision, sign an addendum to the Agreement specifying the conditions for the implementation of the Agreement during the extraction phase and the amount of the fee for mining usufruct rights in the area specified in Section 1(1) for each year of mining usufruct during the extraction phase.

2. If, within 30 days of the date of the investment decision specifying the conditions for the extraction of oil or natural gas the addendum referred to in paragraph 1 has not been concluded, the mining usufruct rights shall expire.
Section 9

The Holder of Mining Usufruct Rights may exercise the mining usufruct rights established in Section 1(1) only after obtaining written consent from the State Treasury.

Section 10

1. If the Holder of Mining Usufruct Rights infringes obligations laid down in the Agreement, the State Treasury may, subject to the provisions of paragraphs 3 and 4, terminate the Agreement with immediate effect, without the Holder of Mining Usufruct Rights being entitled to make any property claims. However, the Agreement may not be terminated if the Holder of Mining Usufruct Rights has infringed obligations under the Agreement owing to force majeure.

2. If the Agreement is terminated for the reasons specified in paragraphs 1 or 4, the Holder of Mining Usufruct Rights shall pay the State Treasury a contractual penalty of 25 % of the fee for the entire prospection and exploration phase of mining usufruct, as specified in Section 3(1) and (2), indexed in accordance with Section 7(3).

3. If the Holder of Mining Usufruct Rights delays payment of the fee by more than seven days beyond the deadlines specified in Section 7(1) or (2), the State Treasury shall request the Holder of Mining Usufruct Rights to pay the outstanding fee within seven days from the receipt of the request, failing which the Agreement will be terminated with immediate effect.

4. If the Holder of Mining Usufruct Rights fails to inform the State Treasury of the events referred to in Section 4 within 30 days of their occurrence, the State Treasury may impose on the Holder of Mining Usufruct Rights a contractual penalty of 5 % of the fee for the entire prospection and exploration phase of mining usufruct for each instance of failure to provide information, or terminate the Agreement in whole or in part, subject to 30 days' notice effective at the end of the calendar month.

5. The Holder of Mining Usufruct Rights shall be bound by the Agreement until the date of expiry, withdrawal or invalidity of the concession and may not terminate the Agreement.

6. The Agreement shall be terminated in writing, failing which the termination will be invalid.

7. The Parties agree that if the State Treasury terminates the Agreement, the fee paid for the mining usufruct rights referred to in Section 7(1) shall not be reimbursed.

8. The State Treasury reserves the right to seek compensation in excess of the amount of contractual penalties on general terms if the amount of damage incurred by the State Treasury exceeds the contractual penalties.

Section 11

1. The Parties have provided the following contact details for any correspondence:

   1. State Treasury:
      Ministerstwo Środowiska [Ministry of the Environment], ul. Wawelska 52/54, 00-922 Warsaw, Poland;

   2. Holder of Mining Usufruct Rights:
      (address).

2. The Parties are obliged to inform each other in writing without delay of any change to the contact details indicated in paragraph 1. Such a change shall not require an addendum to the Agreement. Correspondence sent to a Party's most recently provided contact details shall be deemed to have been effectively served on the other Party.

3. Each of the Parties shall serve correspondence on the other Party in person, by courier or by registered letter using the contact details most recently provided by the Party.

4. Registered letters sent to the most recently provided address of a Party and returned by the post office or courier company owing to the addressee not having collected it on time shall be treated as having been effectively served once fourteen days have passed from the first delivery attempt.
Section 12

1. Section 12 The Parties shall not be liable for failure to comply with obligations under the Agreement resulting from *force majeure* if it can be proven that damage caused by *force majeure* influenced the failure to comply with the obligations. *Force majeure* shall mean an external event that the Parties could not have predicted or prevented that makes it impossible for the Agreement to be implemented in whole or in part, permanently or for a given period, which a Party could not have counteracted by exercising due diligence and which did not result from errors or negligence on the part of the Party affected by it.

2. In the event of *force majeure*, the Parties shall immediately make every effort to agree on a course of action.

Section 13

The Holder of Mining Usufruct Rights may apply for extension of the Agreement, in whole or in part, and must do so in writing, failing which the application will be invalid.

Section 14

If the Agreement is terminated, the Holder of Mining Usufruct Rights shall not be entitled to make any claims against the State Treasury for an increase in the value of the subject of the mining usufruct rights.

Section 15

Any disputes arising out of the Agreement shall be resolved by the ordinary court having geographical jurisdiction over the seat of the State Treasury.

Section 16

This Agreement shall be governed by Polish law, in particular the provisions of the Geological and Mining Law Act and of the Civil Code.

Section 17

The Holder of Mining Usufruct Rights shall bear the costs of concluding the Agreement.

Section 18

Amendments to the Agreement shall be made in writing, failing which they will be invalid.

Section 19

Section 19 The Agreement has been drawn up in three identical copies (one copy for the Holder of Mining Usufruct Rights and two copies for the Minister for the Environment).

State Treasury

Holder of Mining Usufruct Rights

________________________

(2019/C 105/02)

Public invitation to bid for a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Proszowice W’ area

SECTION I: LEGAL BASIS

1. Article 49h(2) of the Geological and Mining Law Act (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended)

2. Cabinet Regulation of 28 July 2015 on bidding for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171)


SECTION II: ENTITY INVITING BIDS

Name: Ministry of the Environment
Postal address: ul. Wawelska 52/54, 00-922 Warsaw, Poland
Tel. +48 223692449
fax +48 223692460
Website: www.gov.pl/web/srodowisko

SECTION III: SUBJECT OF THE PROCEDURE

1) Type of activities for which the concession is to be granted

Concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Proszowice W’ area, part of concession blocks Nos 373 and 393.

2) Area within which the activities are to be conducted

The boundaries of the area covered by this bidding procedure are defined by lines joining points with the following coordinates in the PL-1992 coordinate system:

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The surface area of the vertical projection of the area covered by this bidding procedure is \(1,103,50 \text{ km}^2\).

The area covered by the bidding procedure is located in the following:

— municipalities: Racławice, Słaboszów, Koszyce, Pałęcznica, Radziemice, Koniusza, Bochnia, Drwina, Igłomia-Wawrzeńczyce, Kocmyrzów-Luborzyca and Michałowice;

— urban/rural municipalities: Miechów, Proszowice, Nowe Brzesko, Niepolomice, Kłaj, Wieliczka and Słomniki, and the city of Kraków in Małopolskie Province, and in the following:

— municipalities: Czarnocin, Michałów and Złota;

— urban/rural municipalities: Skalbmierz, Kazimierz Wielka, Pinczów and Działoszyce in Świętokrzyskie Province.

The aim of the works to be carried out in Jurassic and Cretaceous formations is to document and extract oil and natural gas deposits in the area described above.

3) **Time limit, not less than 90 days from the date of publication of the notice, and place for the submission of bids**

Bids must be submitted to the headquarters of the Ministry of the Environment no later than 12:00 CET/CEST on the last day of the 121-day period commencing on the day following the date of publication of the notice in the *Official Journal of the European Union*.

4) **Detailed bid specifications, including the bid evaluation criteria and a specification of their weighting, ensuring that the conditions referred to in Article 49k of the Geological and Mining Law Act of 9 June 2011 are fulfilled**

Bids may be submitted by entities in respect of which a decision has been issued confirming the positive outcome of a qualification procedure, as provided for in Article 49a(16)(1) of the Geological and Mining Law Act, independently, or as the operator if several entities are applying jointly for the concession.

Bids received will be evaluated by the bid evaluation committee on the basis of the following criteria:

30 % — financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;

25 % — technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 5 % for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland, and of analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);
20% — scope and schedule of the geological works, including geological operations, or mining operations proposed;

10% — experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;

10% — the proposed technology for conducting geological works, including geological operations, or mining operations, using innovative elements developed for this project;

5% — scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores.

If, following the evaluation of bids on the basis of the criteria specified above, two or more bids obtain the same score, the amount of the fee for the establishment of mining usufruct rights due during the prospection and exploration phase will be used as an additional criterion allowing a final choice to be made between the bids concerned.

5) **Minimum scope of geological information**

| Concession data | name of area: Proszowice W
|                 | location: onshore; concession blocks Nos 373 and 393 |
| Type of deposit | conventional oil and natural gas deposits |
| Structural levels | Cenozoic
|                  | Mesozoic
|                  | Palaeozoic |
| Petroleum systems | I — palaeozoic-mesozoic |
| Source rocks | I — rocks of the Ordovician, Silurian, Devonian, Carboniferous and Middle Jurassic |
| Reservoir rocks | I — Cenomanian glauconitic sandstones (Upper Cretaceous) and litho-Rauracian detrital limestone (Upper Jurassic, lower division of Upper Oxfordian) |
| Seal rocks | I — Senonian marl (upper division of Upper Cretaceous) and formations of the Carpathian Foredeep (Cracovian strata) |
| Thickness of overburden | 1 — 350-750 m |
| Trap type | structural |

**Deposits identified in the vicinity (NG — natural gas; O — oil)**

- Pławowice (O) — production in 2016: 4 760 tonnes; balance-sheet reserves and resources in 2016: 82 640 tonnes; industrial reserves in 2016: 15 080 tonnes
- Grohla (O) — production in 2016: 4 280 tonnes; reserves and resources in 2016: 39 600 tonnes; industrial reserves in 2016: 14 450 tonnes
- Mniszów (O) — not exploited
- Dąbrówka (NG) — production in 2016: 2 680 000 m³; balance-sheet reserves and resources in 2016: 25 880 000 m³; industrial reserves in 2016: 4 830 000 m³
- Grądy Bocheńskie (NG) - production in 2016: —; balance-sheet reserves and resources in 2016: —; industrial reserves in 2016: —
- Rajska (NG) — production in 2016: 6 240 000 m³; balance-sheet reserves and resources in 2016: 129 410 000 m³; industrial reserves in 2016: 41 410 000 m³
- Rylowa (NG) — production in 2016: 26 420 000 m³; balance-sheet reserves and resources in 2016: 424 320 000 m³; industrial reserves in 2016: 120 940 000 m³
- Rysie (NG) — production in 2016: 450 000 m³; balance-sheet reserves and resources in 2016: 15 010 000 m³; industrial reserves in 2016: 101 080 000 m³
- Szczepanów (NG) — production in 2016: 5 880 000 m³; balance-sheet reserves and resources in 2016: 191 420 000 m³; industrial reserves in 2016: 101 080 000 m³
6) **Commencement date of activities**

The activities covered by the concession will commence within 14 days from the date on which the decision granting the concession becomes final.

7) **Minimum scope of geological works, including geological operations, or mining operations**

The minimum programme of geological works proposed for the prospection and exploration phase comprises:

- Phase I (12 months): interpreting and analysing archival geological data;
- Phase II (12 months): geophysical surveys – 2D seismic test (70 km excitation line) or 3D seismic test (35 km² excitation area);
- Phase III (24 months): drilling 1 (one) prospection well to a maximum depth of 1 500 m, with mandatory coring of prospective intervals;
- Phase IV (12 months): analysing the geological data obtained.

8) **Period for which the concession is to be granted**

The concession period is 30 years, including:

- a prospection and exploration phase of five years' duration, starting from the date on which the concession is granted;
- an extraction phase of 25 years' duration, starting from the date on which an investment decision is obtained.

9) **Specific conditions for carrying out the activities and for ensuring public safety, public health, environmental protection and rational management of deposits**

Implementation of the concession work programme must not infringe landowners' rights and does not eliminate the need to comply with other requirements laid down in legislation, in particular the Geological and Mining Law Act, and requirements regarding spatial planning, environmental protection, agricultural land and forests, nature, waters and waste.

10) **Model agreement on the establishment of mining usufruct rights**

The model agreement is attached as an annex hereto.

11) **Information concerning the amount of the fee for establishing mining usufruct rights**

The minimum amount of the fee for establishing mining usufruct rights for the 'Proszołów W' area during the five-year base period is PLN 241 611,33 (in words: two hundred and forty-one thousand, six hundred and eleven zlotys and thirty-three grosz) per annum. The annual fee for establishing mining usufruct rights for the purpose of the prospection and exploration of minerals is indexed to average annual consumer price indices set cumulatively for the period from the conclusion of the agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (Monitor Polski) (Article 49h(3)(12) of the Geological and Mining Law Act).
12) Information concerning requirements to be met by bids and documents required from bidders

1. Bids should specify:

1) the name (business name) and the registered office of the bidder;
2) the subject of the bid, together with a description specifying the area within which the concession is to be granted and mining usufruct rights are to be established;
3) the period for which the concession is to be granted, the duration of the prospection and exploration phase and the commencement date of the activities;
4) the aim, scope and nature of geological works, including geological operations, or mining operations, and information about the works to be carried out to achieve the intended objective and the technologies to be used;
5) a schedule, broken down into years, for geological works, including geological operations, and the scope of such works;
6) the scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores, as referred to in Article 82(2)(2) of the Geological and Mining Law Act;
7) rights held by the bidder to the real property (area) within which the intended activities are to be carried out, or the right for the establishment of which that entity is applying;
8) a list of areas covered by nature conservation schemes; this requirement does not concern projects for which a decision on environmental conditions is required;
9) the way in which the adverse environmental impacts of the intended activities are to be counteracted;
10) the scope of the geological information available to the bidder;
11) experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;
12) technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons and, in particular, the availability of appropriate technical, organisational, logistical and human resources potential;
13) financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;
14) the proposed technology for conducting geological works, including geological operations, or mining operations;
15) the proposed amount of the fee for establishing mining usufruct rights, this being not less than the amount specified in the notice launching the bidding procedure;
16) the proposed form of providing security, as referred to in Article 49x(4) of the Geological and Mining Law Act;
17) if a bid is submitted jointly by several entities, it must additionally specify:

(a) the names (business names) and the registered offices of all the entities submitting the bid;
(b) the operator;
(c) the percentage shares in the costs of geological works, including geological operations, proposed in the cooperation agreement.

2. Bids submitted in a bidding procedure should meet the requirements and conditions laid down in the notice launching that bidding procedure.

3. The following documents are to be enclosed with bids:

1) evidence of the existence of the circumstances described in the bid, in particular extracts from the relevant registers;
2) proof that a deposit has been lodged;
3) a copy of the decision confirming the positive outcome of a qualification procedure, as provided for in Article 49a(17) of the Geological and Mining Law Act;
4) graphical annexes prepared in accordance with the requirements relating to mining maps, indicating the country’s administrative boundaries;

5) written undertakings to make technical resources available to the entity taking part in the bidding procedure if other entities’ technical resources are used when implementing the concession;

6) two copies of the geological operations project file.

4. Bidders may, on their own initiative, provide additional information in their bids or attach additional documents thereto.

5. Documents submitted by bidders should be originals or certified true copies of originals as provided for in the Code of Administrative Procedure. This requirement does not apply to copies of documents which are to be attached to bids and were created by the concession authority.

6. Documents drawn up in a foreign language should be submitted together with a translation into Polish by a sworn translator.

7. Bids are to be submitted in a sealed envelope or a sealed package bearing the name (business name) of the bidder and indicating the subject of the bidding procedure.

8. Bids submitted after the expiry of the time limit for the submission of bids will be returned to the bidders unopened.

13) **Information concerning the manner of lodging a deposit, the amount of the deposit and the payment date**

Bidders are required to lodge a deposit of PLN 1,000 (in words: one thousand zlotys) before the expiry of the time limit for the submission of bids.

**SECTION IV: ADMINISTRATIVE INFORMATION**

**IV.1) Bid evaluation committee**

A bid evaluation committee is appointed by the concession authority for the purpose of conducting the bidding procedure and selecting the most advantageous bid. The composition and rules of procedure of the committee are specified in the Cabinet Regulation of 28 July 2015 on bidding procedures for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and for concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171). The bid evaluation committee submits a report on the bidding procedure to the concession authority for approval. Together with bids and all documents related to the bidding procedure, the report is open to other entities submitting bids.

**IV.2) Further clarifications**

Within 14 days from the date of publication of the notice, an interested entity may request the concession authority to provide explanations concerning the detailed bid specifications. Within 14 days from the receipt of the request, the concession authority will publish the explanations in the Public Information Bulletin (Biuletyn Informacji Publicznej), on the page of the administrative office subordinate to that authority.

**IV.3) Additional information**

Full information about the area covered by the bidding procedure has been compiled by the Polish Geological Service in the Geological Data Pack (Pakiet danych geologicznych), which is available on the Ministry of the Environment (www.gov.pl/web/srodowisko) and from:

Departament Geologii i Koncesji Geologicznych (Geology and Geological Concessions Department)
Ministerstwo Środowiska (Ministry of the Environment)
ul. Wawelska 52/54
00-922 Warszawa/Warsaw
POLSKA/POLAND
Tel. +48 223692449
fax +48 223692460
ANNEX

AGREEMENT

establishing mining usufruct rights for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Proszowice W’ area, hereinafter referred to as ‘the Agreement’

concluded at Warsaw on … between:

the State Treasury, represented by the Minister for the Environment, for and on behalf of whom Mr Mariusz Orion Jędrzysek, State Secretary at the Ministry of the Environment and Chief Geologist of Poland, acts under power of attorney No 69 of 12 June 2017, hereinafter referred to as ‘the State Treasury’,

and

XXX, having its registered office at: ............................ (full address), registered ............................ under KRS (National Court Register) No ..., share capital ............................, represented by ............................, hereinafter referred to as ‘the Holder of Mining Usufruct Rights’,

hereinafter each referred to singly as ‘a Party’ or jointly as ‘the Parties’,

worded as follows:

Section 1

1. The State Treasury, as exclusive owner of the substrata of the Earth’s crust covering the area within the municipalities of Racławice, Słaboszów, Koszycy, Pałczynica, Radziemipe, Koniusza, Bochnia, Drwinia, Igołomia-Wawrzeńczyce, Koczmyrzów-Luborzycy and Michałowice, the urban/rural municipalities of Miechów, Proszowice, Nowe Brzesko, Niepołomicz, Kłaj, Wieliczka and Słomniki and the city of Kraków in Małopolskie province, and the municipalities of Czarnocin, Złota and Michałów and the urban/rural municipalities of Skalbmierz, Kazimierz Wielka, Pińczów and Działoszyce in Świętokrzyskie Province, the boundaries of which are defined by lines joining points (1) to (19) having the following coordinates in the PL-1992 coordinate system:

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Section 2

The Holder of Mining Usufruct Rights declares that it raises no objections to the factual and legal status of the subject of the mining usufruct rights.

Section 3

1. The Agreement shall take effect on the date on which the concession is obtained.

2. The mining usufruct rights shall be established for a period of 30 years, including five years for the prospection and exploration phase and 25 years for the extraction phase, subject to Sections 8(2) and 10.

3. The mining usufruct rights shall expire if the concession expires, is withdrawn or becomes invalid, irrespective of the reason.

Section 4

The Holder of Mining Usufruct Rights undertakes to notify the State Treasury in writing of any changes resulting in a change of name, registered office and address or organisational form, changes in registration and identification numbers, the transfer of the concession to another entity by operation of law, the filing of a bankruptcy petition, the declaration of bankruptcy or the initiation of restructuring proceedings. The State Treasury may require that the necessary explanations be provided in such cases. Notification shall take place within 30 days from the date on which the circumstances referred to above occur.

Section 5

The Agreement shall be without prejudice to the rights of third parties, in particular owners of land, and shall not release the Holder of Mining Usufruct Rights from the need to comply with the requirements provided for by law, in particular those relating to the prospection and exploration of minerals and the protection and use of environmental resources.

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Section 6

The State Treasury reserves the right to establish within the area referred to in Section 1(1) mining usufruct rights for the purpose of carrying out activities other than those specified in the Agreement, in a manner which does not infringe the rights of the Holder of Mining Usufruct Rights.

Section 7

1. The Holder of Mining Usufruct Rights shall pay the State Treasury the following fee for the mining usufruct rights in the area specified in Section 1(1) for each year of the prospection and exploration phase of mining usufruct (counted as 12 consecutive months):

   a) PLN ................ (amount) (in words: … zlotys) for the ................ (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   b) PLN ................ (amount) (in words: … zlotys) for the ................ (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   c) PLN ................ (amount) (in words: … zlotys) for the ................ (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   d) PLN ................ (amount) (in words: … zlotys) for the ................ (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   e) PLN ................ (amount) (in words: … zlotys) for the ................ (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

subject to the provisions of paragraph 2.

2. If the date for payment of the fee due for a given year of mining usufruct falls between 1 January and 1 March, the Holder of Mining Usufruct Rights shall pay the fee by 1 March. However, if the fee is subject to indexation in accordance with paragraphs 3 to 5, the Holder of Mining Usufruct Rights shall pay it no earlier than the date on which the index referred to in paragraph 3 is announced, after taking that index into account.

3. The fee specified in paragraph 1 shall be indexed to the average annual consumer price indices set for the period from the conclusion of the Agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (Monitor Polski). If this index for a given year is less than or equal to zero, there shall be no indexation for that year.

4. If the date for payment of the fee falls in the same calendar year as that in which the Agreement was concluded, the fee shall not be indexed.

5. If the Agreement was concluded and took effect in the year preceding the year in which the date for payment of the fee falls, the fee shall not be indexed if the Holder of Mining Usufruct Rights pays it by the end of the calendar year in which the Agreement is concluded and takes effect.

6. If the Holder of Mining Usufruct Rights loses the mining usufruct rights established under the Agreement before the time limit specified in Section 3(2) expires, the Holder of Mining Usufruct Rights shall be required to pay the fee for the entire year of usufruct in which these rights were lost. If, however, the mining usufruct rights are lost as a result of the concession being withdrawn or for the reasons specified in Section 10(1), (3) or (4), the Holder of Mining Usufruct Rights shall pay the fee for the entire usufruct period specified in Section 3(1) and (2), indexed in accordance with paragraph 3 and without prejudice to the contractual penalty referred to in Section 10(2). The fee shall be paid within 30 days from the date on which the mining usufruct rights were lost. The loss of usufruct rights shall not release the Holder of Mining Usufruct Rights from environmental obligations relating to the subject of the mining usufruct rights, in particular obligations relating to the protection of deposits.
7. The Holder of Mining Usufruct Rights shall pay the fee for the mining usufruct rights into the bank account of the Ministry of the Environment at the Warsaw branch of the National Bank of Poland, No 07 1010 1010 0006 3522 3100 0000, including the following communication on the transfer order: 'Establishment of mining usufruct rights in connection with the granting of a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'ProszowiceW' area'.

The date of payment shall be the date on which the State Treasury’s account is credited.

8. The fee specified in paragraph 1 shall not be subject to tax on goods and services (VAT). If legislation is amended with the result that the activities which are the subject of the Agreement are subject to taxation, or if the interpretation of legislation changes with the result that those activities are subject to VAT, the amount of the fee shall be increased by the amount of tax due.

9. The State Treasury shall notify the Holder of Mining Usufruct Rights in writing of changes in the number of the account referred to in paragraph 7.

10. The fee for the establishment of mining usufruct rights shall be payable to the State Treasury irrespective of the income which the Holder of Mining Usufruct Rights earns from using those rights.

11. The Holder of Mining Usufruct Rights shall send the State Treasury, within seven days from the payment date, copies of proof of payment of the fee referred to in paragraph 1 for the establishment of the mining usufruct rights.

Section 8

1. After the Holder of Mining Usufruct Rights obtains an investment decision specifying the conditions for the extraction of oil or natural gas, the Parties shall, within 30 days from the date of that decision, sign an addendum to the Agreement specifying the conditions for the implementation of the Agreement during the extraction phase and the amount of the fee for mining usufruct rights in the area specified in Section 1(1) for each year of mining usufruct during the extraction phase.

2. If, within 30 days of the date of the investment decision specifying the conditions for the extraction of oil or natural gas, the addendum referred to in paragraph 1 has not been concluded, the mining usufruct rights shall expire.

Section 9

The Holder of Mining Usufruct Rights may exercise the mining usufruct rights established in Section 1(1) only after obtaining written consent from the State Treasury.

Section 10

1. If the Holder of Mining Usufruct Rights infringes obligations laid down in the Agreement, the State Treasury may, subject to the provisions of paragraphs 3 and 4, terminate the Agreement with immediate effect, without the Holder of Mining Usufruct Rights being entitled to make any property claims. However, the Agreement may not be terminated if the Holder of Mining Usufruct Rights has infringed obligations under the Agreement owing to force majeure.

2. If the Agreement is terminated for the reasons specified in paragraphs 1 or 4, the Holder of Mining Usufruct Rights shall pay the State Treasury a contractual penalty of 25 % of the fee for the entire prospection and exploration phase of mining usufruct, as specified in Section 3(1) and (2), indexed in accordance with Section 7(3).

3. If the Holder of Mining Usufruct Rights delays payment of the fee by more than seven days beyond the deadlines specified in Section 7(1) or (2), the State Treasury shall request the Holder of Mining Usufruct Rights to pay the outstanding fee within seven days from the receipt of the request, failing which the Agreement will be terminated with immediate effect.

4. If the Holder of Mining Usufruct Rights fails to inform the State Treasury of the events referred to in Section 4 within 30 days of their occurrence, the State Treasury may impose on the Holder of Mining Usufruct Rights a contractual penalty of 5 % of the fee for the entire prospection and exploration phase of mining usufruct for each instance of failure to provide information, or terminate the Agreement in whole or in part, subject to 30 days’ notice effective at the end of the calendar month.
5. The Holder of Mining Usufruct Rights shall be bound by the Agreement until the date of expiry, withdrawal or invalidity of the concession and may not terminate the Agreement.

6. The Agreement shall be terminated in writing, failing which the termination will be invalid.

7. The Parties agree that if the State Treasury terminates the Agreement, the fee paid for the mining usufruct rights referred to in Section 7(1) shall not be reimbursed.

8. The State Treasury reserves the right to seek compensation in excess of the amount of contractual penalties on general terms if the amount of damage incurred by the State Treasury exceeds the contractual penalties.

Section 11

1. The Parties have provided the following contact details for correspondence:

1) State Treasury:
   Ministerstwo Środowiska (Ministry of the Environment), ul. Wawelska 52/54, 00-922 Warsaw, Poland,

2) Holder of Mining Usufruct Rights:
   (address).

2. The Parties are obliged to inform each other in writing without delay of any change to the contact details indicated in paragraph 1. Such a change shall not require an addendum to the Agreement. Correspondence sent to a Party's most recently provided contact details shall be deemed to have been effectively served on the other Party.

3. Each of the Parties shall serve correspondence on the other Party in person, by courier or by registered letter using the contact details most recently provided by the Party.

4. Registered letters sent to the most recently provided address of a Party and returned by the post office or courier company owing to the addressee not having collected it on time shall be treated as having been effectively served once fourteen days have passed from the first delivery attempt.

Section 12

1. Section 12 The Parties shall not be liable for failure to comply with obligations under the Agreement resulting from force majeure if it can be proven that damage caused by force majeure influenced the failure to comply with the obligations. Force majeure' shall mean an external event that the Parties could not have predicted or prevented that makes it impossible for the Agreement to be implemented in whole or in part, permanently or for a given period, which a Party could not have counteracted by exercising due diligence and which did not result from errors or negligence on the part of the Party affected by it.

2. In the event of force majeure, the Parties shall immediately make every effort to agree on a course of action.

Section 13

The Holder of Mining Usufruct Rights may apply for extension of the Agreement, in whole or in part, and must do so in writing, failing which the application will be invalid.

Section 14

If the Agreement is terminated, the Holder of Mining Usufruct Rights shall not be entitled to make any claims against the State Treasury for an increase in the value of the subject of the mining usufruct rights.

Section 15

Any disputes arising out of the Agreement shall be resolved by the ordinary court having geographical jurisdiction over the seat of the State Treasury.
Section 16

This Agreement shall be governed by Polish law, in particular the provisions of the Geological and Mining Law Act and of the Civil Code.

Section 17

The Holder of Mining Usufruct Rights shall bear the costs of concluding the Agreement.

Section 18

Amendments to the Agreement shall be made in writing, failing which they will be invalid.

Section 19

The Agreement has been drawn up in three identical copies (one copy for the Holder of Mining Usufruct Rights and two copies for the Minister for the Environment).

State Treasury

Holder of Mining Usufruct Rights

(2019/C 105/03)

Public invitation to bid for a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Leszno’ area

SECTION I: LEGAL BASIS

1. Article 49h(2) of the Geological and Mining Law Act (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended)

2. Cabinet Regulation of 28 July 2015 on bidding for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171)


SECTION II: ENTITY INVITING BIDS

Name: Ministry of the Environment
Postal address: ul. Wawelska 52/54, 00-922 Warsaw, Poland
Tel: +48 223692449
fax: +48 223692460
Website: www.gov.pl/web/srodowisko

SECTION III: SUBJECT OF THE PROCEDURE

1) Type of activities for which the concession is to be granted

Concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Leszno’ area, parts of concession blocks Nos 225, 226, 245 and 246.

2) Area within which the activities are to be conducted

The boundaries of the area covered by this bidding procedure are defined by lines joining points with the following coordinates in the PL-1992 coordinate system:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>466 689,56</td>
<td>337 158,51</td>
</tr>
<tr>
<td>2</td>
<td>466 644,39</td>
<td>337 595,47</td>
</tr>
<tr>
<td>3</td>
<td>467 081,59</td>
<td>338 410,26</td>
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<tr>
<td>4</td>
<td>466 285,50</td>
<td>338 174,75</td>
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<tr>
<td>5</td>
<td>466 127,50</td>
<td>337 330,79</td>
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<tr>
<td>6</td>
<td>465 569,17</td>
<td>337 388,84</td>
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<tr>
<td>7</td>
<td>465 510,41</td>
<td>338 244,91</td>
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<tr>
<td>8</td>
<td>464 695,80</td>
<td>338 580,80</td>
</tr>
<tr>
<td>9</td>
<td>464 592,68</td>
<td>338 901,65</td>
</tr>
<tr>
<td>----------</td>
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<td>-------------</td>
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<tr>
<td>10</td>
<td>465 144.25</td>
<td>340 978.73</td>
</tr>
<tr>
<td>11</td>
<td>464 295.40</td>
<td>342 400.98</td>
</tr>
<tr>
<td>12</td>
<td>464 475.27</td>
<td>342 578.28</td>
</tr>
<tr>
<td>13</td>
<td>465 608.94</td>
<td>342 132.35</td>
</tr>
<tr>
<td>14</td>
<td>461 815.48</td>
<td>351 708.88</td>
</tr>
<tr>
<td>15</td>
<td>460 228.57</td>
<td>355 230.04</td>
</tr>
<tr>
<td>16</td>
<td>460 036.44</td>
<td>362 017.35</td>
</tr>
<tr>
<td>17</td>
<td>458 190.40</td>
<td>361 718.22</td>
</tr>
<tr>
<td>18</td>
<td>436 498.40</td>
<td>361 368.45</td>
</tr>
<tr>
<td>19</td>
<td>436 501.63</td>
<td>361 242.93</td>
</tr>
<tr>
<td>20</td>
<td>436 769.02</td>
<td>355 921.34</td>
</tr>
<tr>
<td>21</td>
<td>436 798.34</td>
<td>355 337.82</td>
</tr>
<tr>
<td>22</td>
<td>441 243.48</td>
<td>318 392.54</td>
</tr>
<tr>
<td>23</td>
<td>459 794.18</td>
<td>322 788.02</td>
</tr>
<tr>
<td>24</td>
<td>468 260.86</td>
<td>335 437.60</td>
</tr>
<tr>
<td>25</td>
<td>467 589.23</td>
<td>337 133.13</td>
</tr>
<tr>
<td>26</td>
<td>467 407.89</td>
<td>336 934.21</td>
</tr>
</tbody>
</table>

The surface area of the vertical projection of the area covered by this bidding procedure is 1 008.78 km².

The area covered by the bidding procedure is located in the following:

— municipalities: Lipno, Włoszakowice, Święciechowa, Krzemieniewo, Przemęt and Kościan,
— the urban/rural municipalities of Rydzyna, Osiecza, Gostyń, Krobia, Poniec, Śmigiel and Krzywiń and the town of Leszno in Wielkopolskie Province and
— the urban/rural municipality of Wschowa in Lubuskie Province.

The aim of the works to be carried out in Carboniferous and Permian formations is to document and extract oil and natural gas in the area described above.

3) **Time limit, not less than 90 days from the date of publication of the notice, and place for the submission of bids**

Bids must be submitted to the headquarters of the Ministry of the Environment no later than 12:00 CET/CEST on the last day of the 121-day period commencing on the day following the date of publication of the notice in the **Official Journal of the European Union**.

4) **Detailed bid specifications, including the bid evaluation criteria and a specification of their weighting, ensuring that the conditions referred to in Article 49k of the Geological and Mining Law Act of 9 June 2011 are fulfilled**

Bids may be submitted by entities in respect of which a decision has been issued confirming the positive outcome of a qualification procedure, as provided for in Article 49a(16)(1) of the Geological and Mining Law Act, independently, or as the operator if several entities are applying jointly for the concession.
Bids received will be evaluated by the bid evaluation committee on the basis of the following criteria:

30 % — financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;

25 % — technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 5 % for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland, and of analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);

20 % — scope and schedule of the geological works, including geological operations, or mining operations proposed;

10 % — experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;

10 % — the proposed technology for conducting geological works, including geological operations, or mining operations, using innovative elements developed for this project;

5 % — scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores.

If, following the evaluation of bids on the basis of the criteria specified above, two or more bids obtain the same score, the amount of the fee for the establishment of mining usufruct rights due during the prospection and exploration phase will be used as an additional criterion allowing a final choice to be made between the bids concerned.

5) **Minimum scope of geological information**

<table>
<thead>
<tr>
<th>Concession data</th>
<th>name of area: Leszno</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>location: onshore; concession blocks 225, 226, 245 and 246</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of deposit</th>
<th>conventional natural gas deposits</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Structural levels</th>
<th>Carboniferous and Permian</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Petroleum systems</th>
<th>I — Carboniferous and Rotliegend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>II — Main Dolomite</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source rocks</th>
<th>I — Carboniferous mudstones and claystones</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>II — interlayers rich in organic matter in the Main Dolomite</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reservoir rocks</th>
<th>I — Carboniferous and Rotliegend sandstones, Zechstein limestones</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>II — Zechstein limestones and Dolomites</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Seal rocks</th>
<th>I, II — Zechstein evaporates</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Thickness of overburden</th>
<th>I — 1 800-2 400 m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>II — 1 500-1 800 m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trap type</th>
<th>Structural</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Deposits identified in the vicinity (NG — natural gas; O — oil)</th>
<th>Zakowo (NG) — discovered in 1965; unexploited; reserves and resources: 2 150 000 000 m³ (industrial: none)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kąkolewo (NG) — discovered in 1970; unexploited; reserves and resources: 240 000 000 m³ (industrial: none)</td>
</tr>
<tr>
<td></td>
<td>Brójisko (NG) — discovered in 2001; cumulative production (15 years): 8 702 450 000 m³; production in 2016: 782 100 000 m³; reserves and resources: 15 015 660 000 m³ (industrial: 13 615 730 000 m³)</td>
</tr>
<tr>
<td></td>
<td>Kościan S (NG) — discovered in 1995; cumulative production (15 years): 6 939 890 000 m³; production in 2016: 362 150 000 m³; reserves and resources: 3 419 790 000 m³ (industrial: 1 842 790 000 m³)</td>
</tr>
</tbody>
</table>
**Seismic surveys completed** (right holder)

<table>
<thead>
<tr>
<th>Year</th>
<th>Location/Profile</th>
<th>Right Holder</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975-1977</td>
<td>Kościan-Gostyń 2D (State Treasury)</td>
<td></td>
</tr>
<tr>
<td>1975-1976</td>
<td>Kościan-Śrem 2D (State Treasury)</td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>Regional profile 2D (State Treasury)</td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>Wschowa-Gostyń-Milicz 2D (State Treasury)</td>
<td></td>
</tr>
<tr>
<td>1976</td>
<td>Pre-Sudeten Monocline 2D (State Treasury)</td>
<td></td>
</tr>
<tr>
<td>1976-1979</td>
<td>Nowa Sól-Góra-Milicz 2D (State Treasury)</td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>Góra-Rawicz 2D (State Treasury)</td>
<td></td>
</tr>
<tr>
<td>1986-1988</td>
<td>Leszno-Rawicz 2D (State Treasury)</td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>Pogorzela-Krotoszyń 2D (State Treasury)</td>
<td></td>
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<tr>
<td>1988</td>
<td>Śrem-Gostyń 2D (State Treasury)</td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>Leszno-Rawicz 2D (PGNiG)</td>
<td></td>
</tr>
<tr>
<td>1989-1990</td>
<td>Nowy Tomyśl-Wolsztyn-Leszno 2D (PGNiG)</td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>Śrem-Gostyń 2D (PGNiG)</td>
<td></td>
</tr>
<tr>
<td>1990-1992</td>
<td>Sława-Leszno 2D (PGNiG)</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>Kościan-Śrem 2D (PGNiG)</td>
<td></td>
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<tr>
<td>1996</td>
<td>Zbarzowo 3D (PGNiG)</td>
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<tr>
<td>1997-1999</td>
<td>Kościan-Krobia 2D (PGNiG)</td>
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<tr>
<td>1998</td>
<td>Kościan-Krzywin 3D (PGNiG)</td>
<td></td>
</tr>
<tr>
<td>1998-1999</td>
<td>Jaraczewo-Pogorzela 2D (PGNiG)</td>
<td></td>
</tr>
<tr>
<td>2012-2013</td>
<td>Frankowo+Twarzanie 3D (State Treasury)</td>
<td></td>
</tr>
</tbody>
</table>

**Benchmark wells (MD)**

<table>
<thead>
<tr>
<th>Well Name</th>
<th>Depth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jezierzyc 1</td>
<td>2 668,0 m</td>
</tr>
<tr>
<td>Święciechowa 1</td>
<td>2 776,8 m</td>
</tr>
<tr>
<td>Święciechowa 2</td>
<td>2 200,0 m</td>
</tr>
<tr>
<td>Żakowo 6</td>
<td>2 216,0 m</td>
</tr>
<tr>
<td>Górka Duchowna 1</td>
<td>2 443,0 m, FX Energy</td>
</tr>
<tr>
<td>Offset wells:</td>
<td></td>
</tr>
<tr>
<td>Dąbcze 2</td>
<td>2 203,7 m</td>
</tr>
<tr>
<td>Śmiłowo 1</td>
<td>2 130,0 m</td>
</tr>
</tbody>
</table>

### 6) Commencement date of activities

The activities covered by the concession will commence within 14 days from the date on which the decision granting the concession becomes final.

### 7) Minimum scope of geological works, including geological operations, or mining operations

The minimum programme of geological works proposed for the prospection and exploration phase comprises:

- **Phase I** (12 months): analysing and interpreting archival geological data;

- **Phase II** (12 months): geophysical surveys — 2D seismic test (200 km excitation line) or 3D seismic test (100 km² excitation area);

- **Phase III** (24 months): drilling one borehole to a maximum depth of 3 000 m, with mandatory coring of prospective intervals;

- **Phase IV** (12 months): analysing the geological data obtained.

### 8) Period for which the concession is to be granted

The concession period is 30 years, including:

- a prospection and exploration phase of five years' duration, starting from the date on which the concession is granted,

- an extraction phase of 25 years' duration, starting from the date on which an investment decision is obtained.
9) **Specific conditions for carrying out the activities and for ensuring public safety, public health, environmental protection and rational management of deposits**

Implementation of the concession work programme must not infringe landowners' rights and does not eliminate the need to comply with other requirements laid down in legislation, in particular the Geological and Mining Law Act, and requirements regarding spatial planning, environmental protection, agricultural land and forests, nature, waters and waste.

10) **Model agreement on the establishment of mining usufruct rights**

The model agreement is attached as an annex hereto.

11) **Information concerning the amount of the fee for establishing mining usufruct rights**

The minimum amount of the fee for establishing mining usufruct rights for the 'Leszno' area during the five-year base period is PLN 220,872.38 (in words: two hundred and twenty thousand, eight hundred and seventy-two zlotys, thirty-eight grosz) per annum. The annual fee for establishing mining usufruct rights for the purpose of the prospection and exploration of minerals is indexed to average annual consumer price indices set cumulatively for the period from the conclusion of the agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the *Monitor Polski* (Official Gazette) (Article 49h(3)(12) of the Geological and Mining Law Act).

12) **Information concerning requirements to be met by bids and documents required from bidders**

1. Bids should specify:

1) the name (business name) and the registered office of the bidder;

2) the subject of the bid, together with a description defining the area within which the concession is to be granted and mining usufruct rights are to be established;

3) the period for which the concession is to be granted, the duration of the prospection and exploration phase and the commencement date of the activities;

4) the aim, scope and nature of geological works, including geological operations, or mining operations and information about the works to be carried out to achieve the intended objective and the technologies to be used;

5) a timetable, broken down into years, for geological works, including geological operations, and the scope of such works;

6) the scope and timetable of the mandatory collection of samples obtained during geological operations, including drill cores, as referred to in Article 82(2)(2) of the Geological and Mining Law Act;

7) rights held by the bidder to the real property (area) within which the intended activities are to be carried out, or the right for the establishment of which that entity is applying;

8) a list of areas covered by nature conservation schemes; this requirement does not concern projects for which a decision on environmental conditions is required;

9) the way in which the adverse environmental impacts of the intended activities are to be combatted;

10) the scope of the geological information available to the bidder;

11) experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;

12) technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, or the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential;

13) financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, or the extraction of hydrocarbons, will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;

14) the proposed technology for conducting geological works, including geological operations, or mining operations;

15) the proposed amount of remuneration for establishing mining usufruct rights, this being not less than the amount specified in the notice launching the bidding procedure;
16) the proposed form of providing security, as referred to in Article 49x(4) of the Geological and Mining Law Act;
17) if a bid is submitted jointly by several entities, it must additionally specify:
   a) the names (business names) and the registered offices of all the entities submitting the bid;
   b) the operator;
   c) the percentage shares in the costs of geological works, including geological operations, proposed in the cooperation agreement;

2. Bids submitted in a bidding procedure should meet the requirements and conditions laid down in the notice launching that bidding procedure.

3. The following documents are to be enclosed with bids:
   1) evidence of the existence of the circumstances described in the bid, in particular extracts from the relevant registers;
   2) proof that a deposit has been lodged;
   3) a copy of the decision confirming the positive outcome of a qualification procedure, as provided for in Article 49a(17) of the Geological and Mining Law Act;
   4) graphical annexes prepared in accordance with the requirements relating to mining maps, indicating the country's administrative boundaries;
   5) written undertakings to make technical resources available to the entity taking part in the bidding procedure if other entities' technical resources are used when implementing the concession;
   6) two copies of a geological operations project.

4. Bidders may, on their own initiative, provide additional information in their bids or attach additional documents thereto.

5. Documents submitted by bidders should be originals or certified true copies of originals as provided for in the Code of Administrative Procedure. This requirement does not apply to copies of documents which are to be attached to bids and were created by the concession authority.

6. Documents drawn up in a foreign language should be submitted together with a translation into Polish by a sworn translator.

7. Bids are to be submitted in a sealed envelope or a sealed package bearing the name (business name) of the bidder and indicating the subject of the bidding procedure.

8. Bids submitted after the expiry of the time limit for the submission of bids will be returned to the bidders unopened.

13) Information concerning the manner of lodging a deposit, the amount of the deposit and the payment date

Bidders are required to lodge a deposit of PLN 1 000 (in words: one thousand zlotys) before the expiry of the time limit for the submission of bids.

SECTION IV: ADMINISTRATIVE INFORMATION

IV.1) Bid evaluation committee

A bid evaluation committee is appointed by the concession authority for the purpose of conducting the bidding procedure and selecting the most advantageous bid. The composition and rules of procedure of the committee are specified in the Cabinet Regulation of 28 July 2015 on bidding procedures for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and for concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171). The bid evaluation committee submits a report on the bidding procedure to the concession authority for approval. Together with bids and all documents related to the bidding procedure, the report is open to other entities submitting bids.

IV.2) Additional explanations

Within 14 days from the date of publication of the notice, an interested entity may request the concession authority to provide explanations concerning the detailed bid specifications. Within 14 days from the receipt of the request, the concession authority will publish the explanations in the Biuletyn Informacji Publicznej (Public Information Bulletin), on the page of the administrative office subordinate to that authority.
IV.3) **Additional information**

Full information about the area covered by the bidding procedure has been compiled by the Polish Geological Service in the *Pakiet danych geologicznych* (Geological Data Pack), which is available on the Ministry of the Environment website (www.mos.gov.pl) and from:

Departament Geologii i Koncesji Geologicznych (Geology and Geological Concessions Department)
Ministry of the Environment
ul. Wawelska 52/54
00-922 Warszawa/Warsaw
POLSKA/Poland
Tel: +48 223692449
fax: +48 223692460
ANNEX

AGREEMENT

establishing mining usufruct rights for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Leszno’ area, hereinafter referred to as ‘the Agreement’

concluded at Warsaw on … between:

the State Treasury, represented by the Minister for the Environment, for and on behalf of whom Mr Mariusz Orion Jędrýsek, State Secretary at the Ministry of the Environment and Chief Geologist of Poland, acts under power of attorney No 69 of 12 June 2017, hereinafter referred to as ‘the State Treasury’,

and

XXX, having its registered office at: ................ (full address), registered ................ under KRS (National Court Register) No …, share capital ………, represented by ………, hereinafter referred to as ‘the Holder of Mining Usufruct Rights’, hereinafter each referred to singly as ‘a Party’ or jointly as ‘the Parties’,

worded as follows:

Section 1

1. The State Treasury, as exclusive owner of the substrata of the Earth’s crust covering the area within the municipalities of Lipno, Włoszakowice, Święciechowa, Krzemieniewo, Przemęt and Kościan, the urban/rural municipalities of Rydzyna, Osieczna, Gostyń, Krobia, Poniec, Smigiel and Krzywiń, and the town of Leszno in Wielkopolskie Province, and the urban/rural municipality of Wochowa in Lubelskie Province, the boundaries of which are defined by the lines joining points (1) to (26) having the following coordinates in the PL-1992 coordinate system:

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hereby establishes mining usufruct rights for the Holder of Mining Usufruct Rights in the area described above, limited above by the lower boundary of surface land properties and below at a depth of 3 000 m, provided that the Holder of Mining Usufruct Rights obtains a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Leszno' area within one year from the date of the Agreement being concluded.

2. If the condition of obtaining the concession referred to in paragraph 1 is not met, the obligations arising under the Agreement shall expire.

3. Within the rock mass area specified in paragraph 1, the Holder of Mining Usufruct Rights may:
   1. in Carboniferous and Permian formations, carry out activities relating to the prospection and exploration of oil and natural gas deposits;
   2. in the rest of the area, carry out any operations and activities that are necessary in order to gain access to the Carboniferous and Permian formations.

4. The surface area of the vertical projection of the area described above is 1 008,78 km².

5. The mining usufruct rights shall entitle the Holder of Mining Usufruct Rights to use the area specified in paragraph 1 on an exclusive basis for the prospection and exploration of oil and natural gas deposits, as well as for carrying out all operations and activities necessary for this purpose within that area in accordance with the legislation in force, in particular the Geological and Mining Law Act of 9 June 2011 (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended), and decisions issued pursuant thereto.

Section 2

The Holder of Mining Usufruct Rights declares that it raises no objections to the factual and legal status of the subject of the mining usufruct rights.

Section 3

1. The Agreement shall take effect on the date on which the concession is obtained.

2. The mining usufruct rights shall be established for a period of 30 years, including five years for the prospection and exploration phase and 25 years for the extraction phase, subject to Sections 8(2) and 10.

3. The mining usufruct rights shall expire if the concession expires, is withdrawn or becomes invalid, irrespective of the reason.
Section 4

The Holder of Mining Usufruct Rights undertakes to notify the State Treasury in writing of any changes resulting in a change of name, registered office and address or organisational form, changes in registration and identification numbers, the transfer of the concession to another entity by operation of law, the filing of a bankruptcy petition, the declaration of bankruptcy or the initiation of restructuring proceedings. The State Treasury may require that the necessary explanations be provided in such cases. Notification shall take place within 30 days from the date on which the circumstances referred to above occur.

Section 5

The Agreement shall be without prejudice to the rights of third parties, in particular owners of land, and the Holder of Mining Usufruct Rights shall not be exempt from the need to comply with the requirements provided for by law, in particular those relating to the prospection and exploration of minerals and the protection and use of environmental resources.

Section 6

The State Treasury reserves the right to establish within the area referred to in Section 1(1) mining usufruct rights for the purpose of carrying out activities other than those specified in the Agreement, in a manner which does not infringe the rights of the Holder of Mining Usufruct Rights.

Section 7

1. The Holder of Mining Usufruct Rights shall pay the State Treasury the following fee for the mining usufruct rights in the area specified in Section 1(1) for each year of the prospection and exploration phase of mining usufruct (counted as 12 consecutive months):

(a) PLN .................... (amount) (in words: … zlotys) for the ................... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

(b) PLN .................... (amount) (in words: … zlotys) for the ................... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

(c) PLN .................... (amount) (in words: … zlotys) for the ................... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

(d) PLN .................... (amount) (in words: … zlotys) for the ................... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

(e) PLN .................... (amount) (in words: … zlotys) for the ................... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

subject to the provisions of paragraph 2.

2. If the date for payment of the fee due for a given year of mining usufruct falls between 1 January and 1 March, the Holder of Mining Usufruct Rights shall pay the fee by 1 March. However, if the fee is subject to indexation in accordance with paragraphs 3 to 5, the Holder of Mining Usufruct Rights shall pay it no earlier than the date on which the index referred to in paragraph 3 is announced, after taking that index into account.

3. The fee specified in paragraph 1 shall be indexed to the average annual consumer price indices set for the period from the conclusion of the Agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (Monitor Polski). If this index for a given year is less than or equal to zero, there shall be no indexation for that year.

4. If the date for payment of the fee falls in the same calendar year as that in which the Agreement was concluded, the fee shall not be indexed.

5. If the Agreement was concluded and took effect in the year preceding the year in which the date for payment of the fee falls, the fee shall not be indexed if the Holder of Mining Usufruct Rights pays it by the end of the calendar year in which the Agreement is concluded and takes effect.
6. If the Holder of Mining Usufruct Rights loses the mining usufruct rights established under the Agreement before the time limit specified in Section 3(2) expires, the Holder of Mining Usufruct Rights shall be required to pay the fee for the entire year of usufruct in which these rights were lost. If, however, the mining usufruct rights are lost as a result of the concession being withdrawn or for the reasons specified in Section 10(1), (3) or (4), the Holder of Mining Usufruct Rights shall pay the fee for the entire usufruct period specified in Section 3(1) and (2), indexed in accordance with paragraph 3 and without prejudice to the contractual penalty referred to in Section 10(2). The fee shall be paid within 30 days from the date on which the mining usufruct rights were lost. The loss of usufruct rights shall not release the Holder of Mining Usufruct Rights from environmental obligations relating to the subject of the mining usufruct rights, in particular obligations relating to the protection of deposits.

7. The Holder of Mining Usufruct Rights shall pay the fee for the mining usufruct rights into the bank account of the Ministry of the Environment at the Warsaw branch of the National Bank of Poland, No 07 1010 1010 0006 3522 3100 0000, including the following communication on the transfer order: 'Establishment of mining usufruct rights in connection with the granting of a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Leszno’ area’.

The date of payment shall be the date on which the State Treasury’s account is credited.

8. The fee specified in paragraph 1 shall not be subject to tax on goods and services (VAT). If legislation is amended with the result that the activities which are the subject of the Agreement are subject to taxation, or if the interpretation of legislation changes with the result that those activities are subject to VAT, the amount of the fee shall be increased by the amount of tax due.

9. The State Treasury shall notify the Holder of Mining Usufruct Rights in writing of changes in the number of the account referred to in paragraph 7.

10. The fee for the establishment of mining usufruct rights shall be payable to the State Treasury irrespective of the income which the Holder of Mining Usufruct Rights earns from using those rights.

11. The Holder of Mining Usufruct Rights shall send the State Treasury, within seven days from the payment date, copies of proof of payment of the fee referred to in paragraph 1 for the establishment of the mining usufruct rights.

Section 8

1. After the Holder of Mining Usufruct Rights obtains an investment decision specifying the conditions for the extraction of oil or natural gas, the Parties shall, within 30 days from the date of that decision, sign an addendum to the Agreement specifying the conditions for the implementation of the Agreement during the extraction phase and the amount of the fee for mining usufruct rights in the area specified in Section 1(1) for each year of mining usufruct during the extraction phase.

2. If, within 30 days of the date of the investment decision specifying the conditions for the extraction of oil or natural gas the addendum referred to in paragraph 1 has not been concluded, the mining usufruct rights shall expire.

Section 9

The Holder of Mining Usufruct Rights may exercise the mining usufruct rights established in Section 1(1) only after obtaining written consent from the State Treasury.

Section 10

1. If the Holder of Mining Usufruct Rights infringes obligations laid down in the Agreement, the State Treasury may, subject to the provisions of paragraphs 3 and 4, terminate the Agreement with immediate effect, without the Holder of Mining Usufruct Rights being entitled to make any property claims. However, the Agreement may not be terminated if the Holder of Mining Usufruct Rights has infringed obligations under the Agreement owing to force majeure.

2. If the Agreement is terminated for the reasons specified in paragraphs 1 or 4, the Holder of Mining Usufruct Rights shall pay the State Treasury a contractual penalty of 25 % of the fee for the entire prospection and exploration phase of mining usufruct, as specified in Section 3(1) and (2), indexed in accordance with Section 7(3).
3. If the Holder of Mining Usufruct Rights delays payment of the fee by more than seven days beyond the deadlines specified in Section 7(1) or (2), the State Treasury shall request the Holder of Mining Usufruct Rights to pay the outstanding fee within seven days from the receipt of the request, failing which the Agreement will be terminated with immediate effect.

4. If the Holder of Mining Usufruct Rights fails to inform the State Treasury of the events referred to in Section 4 within 30 days of their occurrence, the State Treasury may impose on the Holder of Mining Usufruct Rights a contractual penalty of 5% of the fee for the entire prospecting and exploration phase of mining usufruct for each instance of failure to provide information, or terminate the Agreement in whole or in part, subject to 30 days' notice effective at the end of the calendar month.

5. The Holder of Mining Usufruct Rights shall be bound by the Agreement until the date of expiry, withdrawal or invalidity of the concession and may not terminate the Agreement.

6. The Agreement shall be terminated in writing, failing which the termination will be invalid.

7. The Parties agree that if the State Treasury terminates the Agreement, the fee paid for the mining usufruct rights referred to in Section 7(1) shall not be reimbursed.

8. The State Treasury reserves the right to seek compensation in excess of the amount of contractual penalties on general terms if the amount of damage incurred by the State Treasury exceeds the contractual penalties.

Section 11

1. The Parties have provided the following contact details for correspondence:
   1) State Treasury:
      Ministerstwo Środowiska (Ministry of the Environment), ul. Wawelska 52/54, 00-922 Warsaw, Poland;
   2) Holder of Mining Usufruct Rights:
      (address).

2. The Parties are obliged to inform each other in writing without delay of any change to the contact details indicated in paragraph 1. Such a change shall not require an addendum to the Agreement. Correspondence sent to a Party's most recently provided contact details shall be deemed to have been effectively served on the other Party.

3. Each of the Parties shall serve correspondence on the other Party in person, by courier or by registered letter using the contact details most recently provided by the Party.

4. Registered letters sent to the most recently provided address of a Party and returned by the post office or courier company owing to the addressee not having collected it on time shall be treated as having been effectively served once fourteen days have passed from the first delivery attempt.

Section 12

1. The parties shall not be liable for failure to comply with obligations under the Agreement resulting from force majeure if it can be proven that damage caused by force majeure influenced the failure to comply with the obligations. 'Force majeure' shall mean an external event that the Parties could not have predicted or prevented that makes it impossible for the Agreement to be implemented in whole or in part, permanently or for a given period, which a Party could not have counteracted by exercising due diligence and which did not result from errors or negligence on the part of the Party affected by it.

2. In the event of force majeure, the Parties shall immediately make every effort to agree on a course of action.

Section 13

The Holder of Mining Usufruct Rights may apply for extension of the Agreement, in whole or in part, and must do so in writing, failing which the application will be invalid.

Section 14

If the Agreement is terminated, the Holder of Mining Usufruct Rights shall not be entitled to make any claims against the State Treasury for an increase in the value of the subject of the mining usufruct rights.
Section 15

Any disputes arising out of the Agreement shall be resolved by the ordinary court having geographical jurisdiction over the seat of the State Treasury.

Section 16

This Agreement shall be governed by Polish law, in particular the provisions of the Geological and Mining Law Act and of the Civil Code.

Section 17

The Holder of Mining Usufruct Rights shall bear the costs of concluding the Agreement.

Section 18

Amendments to the Agreement shall be made in writing, failing which they will be invalid.

Section 19

The Agreement has been drawn up in three identical copies (one copy for the Holder of Mining Usufruct Rights and two copies for the Minister for the Environment).

State Treasury

Holder of Mining Usufruct Rights

________________________

(2019/C 105/04)

Public invitation to bid for a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Konin’ area

SECTION I: LEGAL BASIS

1. Article 49h(2) of the Geological and Mining Law Act (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended)

2. Cabinet Regulation of 28 July 2015 on bidding for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171)


SECTION II: ENTITY INVITING BIDS

Name: Ministry of the Environment

Postal address: ul. Wawelska 52/54, 00-922 Warsaw, Poland

Tel. +48 223692449

fax +48 223692460

Website: www.gov.pl/web/srodowisko

SECTION III: SUBJECT OF THE PROCEDURE

1) Type of activities for which the concession is to be granted

Concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Konin’ area, parts of concession blocks Nos 209 and 229.

2) Area within which the activities are to be conducted

The boundaries of the area covered by this bidding procedure are defined by lines joining points with the following coordinates in the PL-1992 coordinate system:

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| 35       | 491 866.69    | 439 686.06    |
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| 37       | 492 511.46    | 443 692.21    |
| 38       | 493 442.35    | 445 528.26    |
| 39       | 494 722.64    | 445 680.56    |
| 40       | 496 188.94    | 445 774.26    |
| 41       | 496 594.43    | 445 981.20    |
| 42       | 496 868.35    | 444 952.88    |
The surface area of the vertical projection of the area covered by this bidding procedure is 1 034,29 km².

The area covered by the bidding procedure is located in the following:

— municipality: Jeziora Wielkie,
— urban/rural municipality: Piotrków Kujawski in Kujawsko-Pomorskie Province, and
— municipalities: Koło, Kościelec, Osiek Mały, Kazimierz Biskupi, Kramsk, Krzymów, Rzgów, Skulsk, Stare Miasto, Wierzbinek, Wilczyn, Orzechowo, Ostrowite, Powidz, Słupca and Władysławów,
— urban/rural municipality: Golina, Klecze, Sompolno and Ślesin, and the town of Konin in Wielkopolskie Province.

The aim of the works to be carried out in Jurassic and Cretaceous formations is to document and extract oil and natural gas in the area described above.

3) **Time limit, not less than 90 days from the date of publication of the notice, and place for the submission of bids**

Bids must be submitted to the headquarters of the Ministry of the Environment no later than 12:00 CET/CEST on the last day of the 121-day period commencing on the day following the date of publication of the notice in the **Official Journal of the European Union**.

4) **Detailed bid specifications, including the bid evaluation criteria and a specification of their weighting, ensuring that the conditions referred to in Article 49k of the Geological and Mining Law Act of 9 June 2011 are fulfilled**

Bids may be submitted by entities in respect of which a decision has been issued confirming the positive outcome of a qualification procedure, as provided for in Article 49a(16)(1) of the Geological and Mining Law Act, independently, or as the operator if several entities are applying jointly for the concession.

Bids received will be evaluated by the bid evaluation committee on the basis of the following criteria:

30 % — financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing:

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25 % — technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 5 % for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland, and of analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);

20 % — scope and schedule of the geological works, including geological operations, or mining operations proposed;

10 % — experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;

10 % — the proposed technology for conducting geological works, including geological operations, or mining operations, using innovative elements developed for this project;

5 % — scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores.

If, following the evaluation of bids on the basis of the criteria specified above, two or more bids obtain the same score, the amount of the fee for the establishment of mining usufruct rights due during the prospection and exploration phase will be used as an additional criterion allowing a final choice to be made between the bids concerned.

5) Minimum scope of geological information

| Concession data | name of area: Konin  
|                 | location: onshore; concession blocks 209 and 229 |
| Type of deposit | conventional oil and natural gas deposits |
| Structural levels | Palaeozoic (Variscan)  
|                   | Permian-Mesozoic |
| Petroleum systems | I — Jurassic |
| Source rocks | I — Middle and Upper Jurassic sandstones, claystones and mudstones |
| Reservoir rocks | I — Jurassic sandstones, Lower Cretaceous limestones, claystones and mudstones |
| Seal rocks | I — Cretaceous carbonate formations, claystones, mudstones, opokas and gaizes  
|            | II — Palaeogene and Neogene sand, silt and seams of lignite |
| Thickness of overburden | I — 500-1 300 m |
| Trap type | I — stratigraphic and structural |
| Deposits identified in the vicinity (NG — natural gas; O — oil) | None |
| Seismic surveys completed (rightholder) | 1974 — 1 regional profile (State Treasury)  
|                                             | 1978-1979 — 6 profiles — Mogilno-Pabianice (State Treasury)  
|                                             | 1988-1990 — 4 profiles — Ciechocinek-Brześć Kuj.-Wojszyce (State Treasury)  
|                                             | 1996 — 5 profiles — Turek (TEXACO)  
|                                             | 2010 — 4 profiles — Gniezno-Ślesin (State Treasury) |
Benchmark wells (MD)  
Gopło IG 1 (1 175.4 m)  
Gopło GEO2 (502.0 m)  
Konin GT 1 (2 660.0 m)  
Ślesin IGH 1 (2 570.0 m)  
Wilczna I (3 205.2 m)  

6) **Commencement date of activities**

The activities covered by the concession will commence within 14 days from the date on which the decision granting the concession becomes final.

7) **Minimum scope of geological works, including geological operations, or mining operations**

The minimum programme of geological works proposed for the prospection and exploration phase comprises:

— Phase I (12 months): analysing and interpreting archival geological data;
— Phase II (12 months): geophysical surveys — 2D seismic test (50 km excitation line) or 3D seismic test (25 km² excitation area);
— Phase III (24 months): drilling 1 (one) prospecting borehole to a maximum depth of 6 500 m, with mandatory coring of prospective intervals;
— Phase IV (12 months): analysing the geological data obtained.

8) **Period for which the concession is to be granted**

The concession period is 30 years, including:

— a prospection and exploration phase of five years’ duration, starting from the date on which the concession is granted,
— an extraction phase of 25 years’ duration, starting from the date on which an investment decision is obtained.

9) **Specific conditions for carrying out the activities and for ensuring public safety, public health, environmental protection and rational management of deposits**

Implementation of the concession work programme must not infringe landowners’ rights and does not eliminate the need to comply with other requirements laid down in legislation, in particular the Geological and Mining Law Act, and requirements regarding spatial planning, environmental protection, agricultural land and forests, nature, waters and waste.

10) **Model agreement on the establishment of mining usufruct rights**

The model agreement is attached as an annex hereto.

11) **Information concerning the amount of the fee for establishing mining usufruct rights**

The minimum amount of the fee for establishing mining usufruct rights for the ‘Konin’ area during the five-year base period is PLN 226 457.80 (in words: two hundred and twenty-six thousand, four hundred and fifty-seven zlotys, eighty grosz) per annum. The annual fee for establishing mining usufruct rights for the purpose of the prospection and exploration of minerals is indexed to average annual consumer price indices set cumulatively for the period from the conclusion of the agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the *Monitor Polski* (Official Gazette) (Article 49h(3)(12) of the Geological and Mining Law Act).

12) **Information concerning requirements to be met by bids and documents required from bidders**

1. Bids should specify:
   1) the name (business name) and the registered office of the bidder;
   2) the subject of the bid, together with a description defining the area within which the concession is to be granted and mining usufruct rights are to be established;
3) the period for which the concession is to be granted, the duration of the prospection and exploration phase and the commencement date of the activities;

4) the aim, scope and nature of geological works, including geological operations, or mining operations and information about the works to be carried out to achieve the intended objective and the technologies to be used;

5) a timetable, broken down into years, for geological works, including geological operations, and the scope of such works;

6) the scope and timetable of the mandatory collection of samples obtained during geological operations, including drill cores, as referred to in Article 82(2)(2) of the Geological and Mining Law Act;

7) rights held by the bidder to the real property (area) within which the intended activities are to be carried out, or the right for the establishment of which that entity is applying;

8) a list of areas covered by nature conservation schemes; this requirement does not concern projects for which a decision on environmental conditions is required;

9) the way in which the adverse environmental impacts of the intended activities are to be combatted;

10) the scope of the geological information available to the bidder;

11) experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;

12) technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, or the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential;

13) financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, or the extraction of hydrocarbons, will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;

14) the proposed technology for conducting geological works, including geological operations, or mining operations;

15) the proposed amount of remuneration for establishing mining usufruct rights, this being not less than the amount specified in the notice launching the bidding procedure;

16) the proposed form of providing security, as referred to in Article 49x(4) of the Geological and Mining Law Act;

17) if a bid is submitted jointly by several entities, it must additionally specify:
   a) the names (business names) and the registered offices of all the entities submitting the bid;
   b) the operator,
   c) the percentage shares in the costs of geological works, including geological operations, proposed in the cooperation agreement.

2. Bids submitted in a bidding procedure should meet the requirements and conditions laid down in the notice launching that bidding procedure.

3. The following documents are to be enclosed with bids:

   1) evidence of the existence of the circumstances described in the bid, in particular extracts from the relevant registers;

   2) proof that a deposit has been lodged;

   3) a copy of the decision confirming the positive outcome of a qualification procedure, as provided for in Article 49a(17) of the Geological and Mining Law Act;

   4) graphical annexes prepared in accordance with the requirements relating to mining maps, indicating the country's administrative boundaries;

   5) written undertakings to make technical resources available to the entity taking part in the bidding procedure if other entities' technical resources are used when implementing the concession;

   6) two copies of a geological operations project.
4. Bidders may, on their own initiative, provide additional information in their bids or attach additional documents thereto.

5. Documents submitted by bidders should be originals or certified true copies of originals as provided for in the Code of Administrative Procedure. This requirement does not apply to copies of documents which are to be attached to bids and were created by the concession authority.

6. Documents drawn up in a foreign language should be submitted together with a translation into Polish by a sworn translator.

7. Bids are to be submitted in a sealed envelope or a sealed package bearing the name (business name) of the bidder and indicating the subject of the bidding procedure.

8. Bids submitted after the expiry of the time limit for the submission of bids will be returned to the bidders unopened.

13) **Information concerning the manner of lodging a deposit, the amount of the deposit and the payment date**

Bidders are required to lodge a deposit of PLN 1 000 (in words: one thousand zlotys) before the expiry of the time limit for the submission of bids.

**SECTION IV: ADMINISTRATIVE INFORMATION**

**IV.1) Bid evaluation committee**

A bid evaluation committee is appointed by the concession authority for the purpose of conducting the bidding procedure and selecting the most advantageous bid. The composition and rules of procedure of the committee are specified in the Cabinet Regulation of 28 July 2015 on bidding procedures for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and for concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171). The bid evaluation committee submits a report on the bidding procedure to the concession authority for approval. Together with bids and all documents related to the bidding procedure, the report is open to other entities submitting bids.

**IV.2) Additional explanations**

Within 14 days from the date of publication of the notice, an interested entity may request the concession authority to provide explanations concerning the detailed bid specifications. Within 14 days from the receipt of the request, the concession authority will publish the explanations in the Public Information Bulletin (Biuletyn Informacji Publicznej), on the page of the administrative office subordinate to that authority.

**IV.3) Additional information**

Full information about the area covered by the bidding procedure has been compiled by the Polish Geological Service in the Geological Data Pack (Pakiet danych geologicznych), which is available on the Ministry of the Environment website (www.mos.gov.pl) and from:

**Depar tament Geologii i Koncesji Geologicznych** (Geology and Geological Concessions Department)

Ministerstwo Środowiska (Ministry of the Environment)

ul. Wawelska 52/54

00-922 Warszawa/Warsaw

POLSKA/POLAND

Tel. +48 223692449

fax +48 223692460
ANNEX

AGREEMENT

establishing mining usufruct rights for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Konin' area, hereinafter referred to as 'the Agreement'

concluded at Warsaw on … between:

the State Treasury, represented by the Minister for the Environment, for and on behalf of whom Mr Mariusz Orion Jędrzysek, State Secretary at the Ministry of the Environment and Chief Geologist of Poland, acts under power of attorney No 69 of 12 June 2017, hereinafter referred to as 'the State Treasury',

and

XXX, having its registered office at: ……… (full address), registered ……… under KRS (National Court Register) No …, share capital ……………, represented by ……………, hereinafter referred to as ‘the Holder of Mining Usufruct Rights’,

hereinafter each referred to singly as ‘a Party’ or jointly as ‘the Parties’,

worded as follows:

Section 1

1. The State Treasury, as exclusive owner of the substrata of the Earth’s crust covering the area within the municipalities of Koło, Kościelec, Osiek Mały, Kazimierz Biskupi, Kramsk, Krzymów, Rzgów, Skułsk, Stare Miasto, Wierzbinek, Wilczyn, Orchowo, Ostrowite, Podzamcze and Władysławów, the urban/rural municipalities of Golina, Kłoczew, Sompolno and Ślesin, and the town of Konin in Wielkopolskie Province, and the municipality of Jeziora Wielkie and the urban/rural municipality of Piotrków Kujawski in Kujawsko-Pomorskie Province, the boundaries of which are defined by lines joining points (1) to (55) having the following coordinates in the PL-1992 coordinate system:

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Excluding an area the boundaries of which are defined by the following coordinates:

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hereby establishes mining usufruct rights for the Holder of Mining Usufruct Rights in the area described above, limited above by the lower boundary of surface land properties and below at a depth of 6,500 m, provided that the Holder of Mining Usufruct Rights obtains a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Konin’ area within one year from the date of the Agreement being concluded.

2. If the condition of obtaining the concession referred to in paragraph 1 is not met, the obligations arising under the Agreement shall expire.

3. Within the rock mass area specified in paragraph 1, the Holder of Mining Usufruct Rights may:
   1. in Jurassic and Lower Cretaceous formations, carry out activities relating to the prospection and exploration of oil and natural gas deposits;
   2. in the rest of the area, carry out any works and activities that are necessary in order to gain access to the Jurassic and Lower Cretaceous formations.

4. The surface area of the vertical projection of the area described above is 1,034,29 km².

5. The mining usufruct rights shall entitle the Holder of Mining Usufruct Rights to use the area specified in paragraph 1 on an exclusive basis for the prospection and exploration of oil and natural gas deposits, as well as for carrying out all operations and activities necessary for this purpose within that area in accordance with the legislation in force, in particular the Geological and Mining Law Act of 9 June 2011 (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended), and decisions issued pursuant thereto.

Section 2

The Holder of Mining Usufruct Rights declares that it raises no objections to the factual and legal status of the subject of the mining usufruct rights.

Section 3

1. The Agreement shall take effect on the date on which the concession is obtained.

2. The mining usufruct rights shall be established for a period of 30 years, including five years for the prospection and exploration phase and 25 years for the extraction phase, subject to Sections 8(2) and 10.

3. The mining usufruct rights shall expire if the concession expires, is withdrawn or becomes invalid, irrespective of the reason.

Section 4

The Holder of Mining Usufruct Rights undertakes to notify the State Treasury in writing of any changes resulting in a change of name, registered office and address or organisational form, changes in registration and identification numbers, the transfer of the concession to another entity by operation of law, the filing of a bankruptcy petition, the declaration of bankruptcy or the initiation of restructuring proceedings. The State Treasury may require that the necessary explanations be provided in such cases. Notification shall take place within 30 days from the date on which the circumstances referred to above occur.
Section 5

The Agreement shall be without prejudice to the rights of third parties, in particular owners of land, and shall not release the Holder of Mining Usufruct Rights from the need to comply with the requirements provided for by law, in particular those relating to the prospection and exploration of minerals and the protection and use of environmental resources.

Section 6

The State Treasury reserves the right to establish within the area referred to in Section 1(1) mining usufruct rights for the purpose of carrying out activities other than those specified in the Agreement, in a manner which does not infringe the rights of the Holder of Mining Usufruct Rights.

Section 7

1. The Holder of Mining Usufruct Rights shall pay the State Treasury the following fee for the mining usufruct rights in the area specified in Section 1(1) for each year of the prospection and exploration phase of mining usufruct (counted as 12 consecutive months):

   (a) PLN ............ (amount) (in words: ... zlotys) for the ............... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   (b) PLN ............ (amount) (in words: ... zlotys) for the ............... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   (c) PLN ............ (amount) (in words: ... zlotys) for the ............... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   (d) PLN ............ (amount) (in words: ... zlotys) for the ............... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

   (e) PLN ............ (amount) (in words: ... zlotys) for the ............... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

subject to the provisions of paragraph 2.

2. If the date for payment of the fee due for a given year of mining usufruct falls between 1 January and 1 March, the Holder of Mining Usufruct Rights shall pay the fee by 1 March. However, if the fee is subject to indexation in accordance with paragraphs 3 to 5, the Holder of Mining Usufruct Rights shall pay it no earlier than the date on which the index referred to in paragraph 3 is announced, after taking that index into account.

3. The fee specified in paragraph 1 shall be indexed to the average annual consumer price indices set for the period from the conclusion of the Agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (Monitor Polski). If this index for a given year is less than or equal to zero, there shall be no indexation for that year.

4. If the date for payment of the fee falls in the same calendar year as that in which the Agreement was concluded, the fee shall not be indexed.

5. If the Agreement was concluded and took effect in the year preceding the year in which the date for payment of the fee falls, the fee shall not be indexed if the Holder of Mining Usufruct Rights pays it by the end of the calendar year in which the Agreement is concluded and takes effect.

6. If the Holder of Mining Usufruct Rights loses the mining usufruct rights established under the Agreement before the time limit specified in Section 3(2) expires, the Holder of Mining Usufruct Rights shall be required to pay the fee for the entire year of usufruct in which these rights were lost. If, however, the mining usufruct rights are lost as a result of the concession being withdrawn or for the reasons specified in Section 10(1), (3) or (4), the Holder of Mining Usufruct Rights shall pay the fee for the entire usufruct period specified in Section 3(1) and (2), indexed in accordance with paragraph 3 and without prejudice to the contractual penalty referred to in Section 10(2). The fee shall be paid within 30 days from the date on which the mining usufruct rights were lost. The loss of usufruct rights shall not release the Holder of Mining Usufruct Rights from environmental obligations relating to the subject of the mining usufruct rights, in particular obligations relating to the protection of deposits.
7. The Holder of Mining Usufruct Rights shall pay the fee for the mining usufruct rights into the bank account of the Ministry of the Environment at the Warsaw branch of the National Bank of Poland, No 07 1010 1010 0006 3522 3100 0000, including the following communication on the transfer order: ‘Establishment of mining usufruct rights in connection with the granting of a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Konin’ area’.

The date of payment shall be the date on which the State Treasury’s account is credited.

8. The fee specified in paragraph 1 shall not be subject to tax on goods and services (VAT). If legislation is amended with the result that the activities which are the subject of the Agreement are subject to taxation, or if the interpretation of legislation changes with the result that those activities are subject to VAT, the amount of the fee shall be increased by the amount of tax due.

9. The State Treasury shall notify the Holder of Mining Usufruct Rights in writing of changes in the number of the account referred to in paragraph 7.

10. The fee for the establishment of mining usufruct rights shall be payable to the State Treasury irrespective of the income which the Holder of Mining Usufruct Rights earns from using those rights.

11. The Holder of Mining Usufruct Rights shall send the State Treasury, within seven days from the payment date, copies of proof of payment of the fee referred to in paragraph 1 for the establishment of the mining usufruct rights.

Section 8

1. After the Holder of Mining Usufruct Rights obtains an investment decision specifying the conditions for the extraction of oil or natural gas, the Parties shall, within 30 days from the date of that decision, sign an addendum to the Agreement specifying the conditions for the implementation of the Agreement during the extraction phase and the amount of the fee for mining usufruct rights in the area specified in Section 1(1) for each year of mining usufruct during the extraction phase.

2. If, within 30 days of the date of the investment decision specifying the conditions for the extraction of oil or natural gas the addendum referred to in paragraph 1 has not been concluded, the mining usufruct rights shall expire.

Section 9

The Holder of Mining Usufruct Rights may exercise the mining usufruct rights established in Section 1(1) only after obtaining written consent from the State Treasury.

Section 10

1. If the Holder of Mining Usufruct Rights infringes obligations laid down in the Agreement, the State Treasury may, subject to the provisions of paragraphs 3 and 4, terminate the Agreement with immediate effect, without the Holder of Mining Usufruct Rights being entitled to make any property claims. However, the Agreement may not be terminated if the Holder of Mining Usufruct Rights has infringed obligations under the Agreement owing to force majeure.

2. If the Agreement is terminated for the reasons specified in paragraphs 1 or 4, the Holder of Mining Usufruct Rights shall pay the State Treasury a contractual penalty of 25 % of the fee for the entire prospection and exploration phase of mining usufruct, as specified in Section 3(1) and (2), indexed in accordance with Section 7(3).

3. If the Holder of Mining Usufruct Rights delays payment of the fee by more than seven days beyond the deadlines specified in Section 7(1) or (2), the State Treasury shall request the Holder of Mining Usufruct Rights to pay the outstanding fee within seven days from the receipt of the request, failing which the Agreement will be terminated with immediate effect.

4. If the Holder of Mining Usufruct Rights fails to inform the State Treasury of the events referred to in Section 4 within 30 days of their occurrence, the State Treasury may impose on the Holder of Mining Usufruct Rights a contractual penalty of 5 % of the fee for the entire prospection and exploration phase of mining usufruct for each instance of failure to provide information, or terminate the Agreement in whole or in part, subject to 30 days’ notice effective at the end of the calendar month.

5. The Holder of Mining Usufruct Rights shall be bound by the Agreement until the date of expiry, withdrawal or invalidity of the concession and may not terminate the Agreement.
6. The Agreement shall be terminated in writing, failing which the termination will be invalid.

7. The Parties agree that if the State Treasury terminates the Agreement, the fee paid for the mining usufruct rights referred to in Section 7(1) shall not be reimbursed.

8. The State Treasury reserves the right to seek compensation in excess of the amount of contractual penalties on general terms if the amount of damage incurred by the State Treasury exceeds the contractual penalties.

Section 11

1. The Parties have provided the following contact details for any correspondence:
   1) State Treasury:
      Ministerstwo Środowiska (Ministry of the Environment), ul. Wawelska 52/54, 00-922 Warsaw, Poland;
   2) Holder of Mining Usufruct Rights:
      (address).

2. The Parties are obliged to inform each other in writing without delay of any change to the contact details indicated in paragraph 1. Such a change shall not require an addendum to the Agreement. Correspondence sent to a Party's most recently provided contact details shall be deemed to have been effectively served on the other Party.

3. Each of the Parties shall serve correspondence on the other Party in person, by courier or by registered letter using the contact details most recently provided by the Party.

4. Registered letters sent to the most recently provided address of a Party and returned by the post office or courier company owing to the addressee not having collected it on time shall be treated as having been effectively served once fourteen days have passed from the first delivery attempt.

Section 12

1. The parties shall not be liable for failure to comply with obligations under the Agreement resulting from force majeure if it can be proven that damage caused by force majeure influenced the failure to comply with the obligations. 'Force majeure' shall mean an external event that the Parties could not have predicted or prevented that makes it impossible for the Agreement to be implemented in whole or in part, permanently or for a given period, which a Party could not have counteracted by exercising due diligence and which did not result from errors or negligence on the part of the Party affected by it.

2. In the event of force majeure, the Parties shall immediately make every effort to agree on a course of action.

Section 13

The Holder of Mining Usufruct Rights may apply for extension of the Agreement, in whole or in part, and must do so in writing, failing which the application will be invalid.

Section 14

If the Agreement is terminated, the Holder of Mining Usufruct Rights shall not be entitled to make any claims against the State Treasury for an increase in the value of the subject of the mining usufruct rights.

Section 15

Any disputes arising out of the Agreement shall be resolved by the ordinary court having geographical jurisdiction over the seat of the State Treasury.

Section 16

This Agreement shall be governed by Polish law, in particular the provisions of the Geological and Mining Law Act and of the Civil Code.

Section 17

The Holder of Mining Usufruct Rights shall bear the costs of concluding the Agreement.
Section 18

Amendments to the Agreement shall be made in writing, failing which they will be invalid.

Section 19

The Agreement has been drawn up in three identical copies (one copy for the Holder of Mining Usufruct Rights and two copies for the Minister for the Environment).

State Treasury  Holder of Mining Usufruct Rights

_________

(2019/C 105/05)

Public invitation to bid for a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Błażowa' area

SECTION I: LEGAL BASIS

1. Article 49h(2) of the Geological and Mining Law Act (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended)

2. Cabinet Regulation of 28 July 2015 on bidding for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171)


SECTION II: ENTITY INVITING BIDS

Name: Ministry of the Environment
Postal address: ul. Wawelska 52/54, 00-922 Warsaw, Poland
Tel. +48 223692449
fax +48 223692460
Website: www.gov.pl/web/srodowisko

SECTION III: SUBJECT OF THE PROCEDURE

1. Type of activities for which the concession is to be granted

Concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Błażowa' area, parts of concession blocks Nos 416 and 417.

2. Area within which the activities are to be conducted

The boundaries of the area covered by this bidding procedure are defined by lines joining points with the following coordinates in the PL-1992 coordinate system:

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The surface area of the vertical projection of the area covered by this bidding procedure is 270.05 km².

The area covered by the bidding procedure is located in the municipalities of Niebylec, Lubienia, Hyżne, Dynów, Domaradz, Nozdrzec, Dubiecko and Jawornik Polski, the urban/rural municipalities of Tyczyn and Błażowa and the town of Dynów in Podkarpackie Province.

The aim of the works to be carried out in Devonian, Carboniferous, Triassic, Jurassic, Cretaceous, Palaeogene and Neogene formations is to document and extract oil and natural gas in the area described above.

3. Time limit, not less than 90 days from the date of publication of the notice, and place for the submission of bids

Bids must be submitted to the headquarters of the Ministry of the Environment no later than 12.00 CET/CEST on the last day of the 121-day period commencing on the day following the date of publication of the notice in the Official Journal of the European Union.

4. Detailed bid specifications, including the bid evaluation criteria and a specification of their weighting, ensuring that the conditions referred to in Article 49k of the Geological and Mining Law Act of 9 June 2011 are fulfilled

Bids may be submitted by entities in respect of which a decision has been issued confirming the positive outcome of a qualification procedure, as provided for in Article 49a(16)(1) of the Geological and Mining Law Act, independently, or as the operator if several entities are applying jointly for the concession.

Bids received will be evaluated by the bid evaluation committee on the basis of the following criteria:

- **30 %** — financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;

- **25 %** — technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 5 % for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland, and of analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);

- **20 %** — scope and schedule of the geological works, including geological operations, or mining operations proposed;

- **10 %** — experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;

- **10 %** — the proposed technology for conducting geological works, including geological operations, or mining operations, using innovative elements developed for this project;

- **5 %** — scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores.

If, following the evaluation of bids on the basis of the criteria specified above, two or more bids obtain the same score, the amount of the fee for the establishment of mining usufruct rights due during the prospection and exploration phase will be used as an additional criterion allowing a final choice to be made between the bids concerned.
5. Minimum scope of geological information

| Concession data | name of area: Błażowa  
|                 | location: onshore; concession blocks 416 and 417 |
| Type of deposit | conventional oil and natural gas deposits |
| Structural levels | Carpathian-Stebnik (flysch)  
Paleogene-Miocene  
Palaeozoic-Mesozoic  
Precambrian |
| Petroleum systems | I — system developed in the flysch of the Skole Nappe;  
II — autochthonous Miocene system in the Carpathian Foredeep below the Skole Nappe;  
III — Palaeozoic-Mesozoic basement system. |
| Source rocks | I — Spas shales, Inoceramus beds, Menilite shales;  
II — Upper Badenian and Lower Sarmatian fine-grained clastic rocks;  
III — Ordovician and Silurian fine-grained clastic rocks, Lower Devonian clastic rocks, Middle Devonian clastic carbonate rocks. |
| Reservoir rocks | I — Kuźmiński sandstones, Inoceramus beds, Kliwa sandstones;  
II — Upper Badenian and Lower Sarmatian sandstones and sands;  
III — Precambrian sandstones, Middle Devonian, Upper Devonian, Lower Carboniferous and Upper Jurassic carbonate rocks. |
| Seal rocks | I — fine-grained clastic flysch formations: Spas shales, Inoceramus beds, Hieroglyphic beds, variegated shales, Menilite beds, Krosno beds;  
II — claystones within the Miocene succession, Stebnik Unit rocks or the flysch succession of the Skole Unit above the autochthonous Miocene strata  
III — fine-grained clastic Ordovician and Silurian sediments for hypothetical Precambrian deposits; Culm, Triassic, Jurassic and autochthonous Miocene rocks and Skole Nappe rock series for Devonian and Carboniferous deposits. |
| Thickness of overburden | I — 0 - 2 500 m  
II — 2 250 - 4 550 m  
III — 3 450 - 5 200 m |
| Trap type | I — structural or structural-lithological  
II — structural and stratigraphic  
III — structural and stratigraphic |
| Deposits identified in the vicinity (NG — natural gas; O — oil) | Zalesie (NG) — production in 2016: 151 520 000 m³, reserves and resources in 2016: 2 028 270 000 m³, industrial resources in 2016: 280 830 000 m³  
Nosówka (O) — production in 2016: 4 070 tonnes, reserves and resources in 2016: none, industrial resources in 2016: 280 830 tonnes  
Nosówka (NG) — production in 2016: 8 890 000 m³, reserves and resources in 2016: 385 290 000 m³, industrial resources in 2016: 157 200 000 m³  
Jodiłówka (NG) — production in 2016: 7 390 000 m³, reserves and resources in 2016: 975 110 000 m³, industrial resources in 2016: 64 320 000 m³  
Rzączyna (NG) — production in 2016: 10 000 m³, reserves and resources in 2016: 228 530 000 m³, industrial resources in 2016: 120 460 000 m³  
Husów-Albigowa-Krasne (NG) — production in 2016: 18 160 000 m³, reserves and resources in 2016: 1 506 540 000 m³, industrial resources in 2016: 373 840 000 m³ |
6. **Commencement date of activities**

The activities covered by the concession will commence within 14 days from the date on which the decision granting the concession becomes final.

7. **Minimum scope of geological works, including geological operations, or mining operations**

The minimum programme of geological works proposed for the prospection and exploration phase comprises:

— Phase I (24 months): analysing and interpreting archival geological data or conducting geophysical surveys — 2D seismic test (50 km excitation line) or 3D seismic test (25 km² excitation area),

— Phase II (24 months): drilling 1 (one) exploration well to a maximum depth of 6 500 m, with mandatory coring of prospective intervals,

— Phase IV (12 months): analysing the geological data obtained.

8. **Period for which the concession is to be granted**

The concession period is 30 years, including:

— a prospection and exploration phase of five years' duration, starting from the date on which the concession is granted,

— an extraction phase of 25 years' duration, starting from the date on which an investment decision is obtained.

9. **Specific conditions for carrying out the activities and for ensuring public safety, public health, environmental protection and rational management of deposits**

Implementation of the concession work programme must not infringe landowners' rights and does not eliminate the need to comply with other requirements laid down in legislation, in particular the Geological and Mining Law Act, and requirements regarding spatial planning, environmental protection, agricultural land and forests, nature, waters and waste.

10. **Model agreement on the establishment of mining usufruct rights**

The model agreement is attached as an annex hereto.
11. Information concerning the amount of the fee for establishing mining usufruct rights

The minimum amount of remuneration for establishing mining usufruct rights for the ‘Błażowa’ area during the five-year base period is PLN 59 127,45 (in words: fifty-nine thousand, one hundred and twenty-seven zlotys and forty-five grosz) per annum. The annual fee for establishing mining usufruct rights for the purpose of the prospection and exploration of minerals is indexed to average annual consumer price indices set cumulatively for the period from the conclusion of the agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (Monitor Polski) (Article 49h(3)(12) of the Geological and Mining Law Act).

12. Information concerning requirements to be met by bids and documents required from bidders

1. Bids should specify:

   (1) the name (business name) and the registered office of the bidder;

   (2) the subject of the bid, together with a description specifying the area within which the concession is to be granted and mining usufruct rights are to be established;

   (3) the period for which the concession is to be granted, the duration of the prospection and exploration phase and the commencement date of the activities;

   (4) the aim, scope and nature of geological works, including geological operations, or mining operations, and information about the works to be carried out to achieve the intended objective and the technologies to be used;

   (5) a schedule, broken down into years, for geological works, including geological operations, and the scope of such works;

   (6) the scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores, as referred to in Article 82(2)(2) of the Geological and Mining Law Act;

   (7) rights held by the bidder to the real property (area) within which the intended activities are to be carried out, or the right for the establishment of which that entity is applying;

   (8) a list of areas covered by nature conservation schemes; this requirement does not concern projects for which a decision on environmental conditions is required;

   (9) the way in which the adverse environmental impacts of the intended activities are to be counteracted;

   (10) the scope of the geological information available to the bidder;

   (11) experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;

   (12) technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons and, in particular, the availability of appropriate technical, organisational, logistical and human resources potential;

   (13) financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;

   (14) the proposed technology for conducting geological works, including geological operations, or mining operations;

   (15) the proposed amount of the fee for establishing mining usufruct rights, this being not less than the amount specified in the notice launching the bidding procedure;

   (16) the proposed form of providing security, as referred to in Article 49x(4) of the Geological and Mining Law Act;

   (17) if a bid is submitted jointly by several entities, it must additionally specify:

       (a) the names (business names) and the registered offices of all the entities submitting the bid;
(b) the operator;

(c) the percentage shares in the costs of geological works, including geological operations, proposed in the cooperation agreement.

2. Bids submitted in a bidding procedure should meet the requirements and conditions laid down in the notice launching that bidding procedure.

3. The following documents are to be enclosed with bids:

(1) evidence of the existence of the circumstances described in the bid, in particular extracts from the relevant registers;

(2) proof that a deposit has been lodged;

(3) a copy of the decision confirming the positive outcome of a qualification procedure, as provided for in Article 49a(17) of the Geological and Mining Law Act;

(4) graphical annexes prepared in accordance with the requirements relating to mining maps, indicating the country’s administrative boundaries;

(5) written undertakings to make technical resources available to the entity taking part in the bidding procedure if other entities’ technical resources are used when implementing the concession;

(6) two copies of the geological operations project file.

4. Bidders may, on their own initiative, provide additional information in their bids or attach additional documents thereto.

5. Documents submitted by bidders should be originals or certified true copies of originals as provided for in the Code of Administrative Procedure. This requirement does not apply to copies of documents which are to be attached to bids and were created by the concession authority.

6. Documents drawn up in a foreign language should be submitted together with a translation into Polish by a sworn translator.

7. Bids are to be submitted in a sealed envelope or a sealed package bearing the name (business name) of the bidder and indicating the subject of the bidding procedure.

8. Bids submitted after the expiry of the time limit for the submission of bids will be returned to the bidders unopened.

13. **Information concerning the manner of lodging a deposit, the amount of the deposit and the payment date**

Bidders are required to lodge a deposit of PLN 1 000 (in words: one thousand zlotys) before the expiry of the time limit for the submission of bids.

**SECTION IV: ADMINISTRATIVE INFORMATION**

**IV.1) Bid evaluation committee**

A bid evaluation committee is appointed by the concession authority for the purpose of conducting the bidding procedure and selecting the most advantageous bid. The composition and rules of procedure of the committee are specified in the Cabinet Regulation of 28 July 2015 on bidding procedures for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and for concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171). The bid evaluation committee submits a report on the bidding procedure to the concession authority for approval. Together with bids and all documents related to the bidding procedure, the report is open to other entities submitting bids.

**IV.2) Further clarifications**

Within 14 days from the date of publication of the notice, an interested entity may request the concession authority to provide explanations concerning the detailed bid specifications. Within 14 days from the receipt of the request, the concession authority will publish the explanations in the Public Information Bulletin (Biuletyn Informacji Publicznej), on the page of the administrative office subordinate to that authority.
IV.3) **Additional information**

Full information about the area covered by the bidding procedure has been compiled by the Polish Geological Service in the Geological Data Pack (Pakiet danych geologicznych), which is available on the Ministry of the Environment website (www.gov.pl/web/srodoowisko) and from

Departament Geologii i Koncesji Geologicznych (Geology and Geological Concessions Department)

Ministry of the Environment
ul. Wawelska 52/54
00-922 Warszawa/Warsaw
POLSKA/POLAND
Tel. +48 223692449
fax +48 223692460
ANNEX

AGREEMENT

establishing mining usufruct rights for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Błażowa’ area, hereinafter referred to as ‘the Agreement’

concluded at Warsaw on … between:

the State Treasury, represented by the Minister for the Environment, for and on behalf of whom Mr Mariusz Orion Jędrzejek, State Secretary at the Ministry of the Environment and Chief Geologist of Poland, acts under power of attorney No 69 of 12 June 2017, hereinafter referred to as ‘the State Treasury’,

and

XXX, having its registered office at: ................ (full address), registered ................. under KRS (National Court Register) No …, share capital .................., represented by ....................... , hereinafter referred to as ‘the Holder of Mining Usufruct Rights’,

hereinafter each referred to singly as ‘a Party’ or jointly as ‘the Parties’.

worded as follows:

Section 1

1. The State Treasury, as exclusive owner of the substrata of the Earth’s crust covering the area within the municipalities of Niebylec, Lubienia, Hzyżne, Dynów, Domaradz, Nozdrzec, Dubiecko and Jawornik Polski, the urban/rural municipalities of Tyczyn and Błażowa and the town of Dynów in Podkarpackie Province, the boundaries of which are defined by lines joining points (1) to (10) having the following coordinates in the PL-1992 coordinate system:

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hereby establishes mining usufruct rights for the Holder of Mining Usufruct Rights in the area described above, limited above by the lower boundary of surface land properties and below at a depth of 6 500 m, provided that the Holder of Mining Usufruct Rights obtains a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Błażowa’ area within one year from the date of the Agreement being concluded.

2. If the condition of obtaining the concession referred to in paragraph 1 is not met, the obligations arising under the Agreement shall expire.
3. Within the rock mass area specified in paragraph 1, the Holder of MiningUsufruct Rights may:

(1) in Devonian, Carboniferous, Triassic, Jurassic, Cretaceous, Palaeogene and Neogene formations, carry out activities relating to the prospection and exploration of oil and natural gas deposits;

(2) in the rest of the area, carry out any operations and activities that are necessary in order to gain access to the Devonian, Carboniferous, Triassic, Jurassic, Cretaceous, Palaeogene and Neogene formations.

4. The surface area of the vertical projection of the area described above is 270,05 km².

5. The mining usufruct rights shall entitle the Holder of MiningUsufruct Rights to use the area specified in paragraph 1 on an exclusive basis for the prospection and exploration of oil and natural gas deposits, as well as for carrying out all operations and activities necessary for this purpose within that area in accordance with the legislation in force, in particular the Geological and Mining Law Act of 9 June 2011 (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended), and decisions issued pursuant thereto.

Section 2

The Holder of MiningUsufruct Rights declares that it raises no objections to the factual and legal status of the subject of the mining usufruct rights.

Section 3

1. The Agreement shall take effect on the date on which the concession is obtained.

2. The mining usufruct rights shall be established for a period of 30 years, including five years for the prospection and exploration phase and 25 years for the extraction phase, subject to Sections 8(2) and 10.

3. The mining usufruct rights shall expire if the concession expires, is withdrawn or becomes invalid, irrespective of the reason.

Section 4

The Holder of MiningUsufruct Rights undertakes to notify the State Treasury in writing of any changes resulting in a change of name, registered office and address or organisational form, changes in registration and identification numbers, the transfer of the concession to another entity by operation of law, the filing of a bankruptcy petition, the declaration of bankruptcy or the initiation of restructuring proceedings. The State Treasury may require that the necessary explanations be provided in such cases. Notification shall take place within 30 days from the date on which the circumstances referred to above occur.

Section 5

The Agreement shall be without prejudice to the rights of third parties, in particular owners of land, and shall not release the Holder of MiningUsufruct Rights from the need to comply with the requirements provided for by law, in particular those relating to the prospection and exploration of minerals and the protection and use of environmental resources.

Section 6

The State Treasury reserves the right to establish within the area referred to in Section 1(1) mining usufruct rights for the purpose of carrying out activities other than those specified in the Agreement, in a manner which does not infringe the rights of the Holder of MiningUsufruct Rights.

Section 7

1. The Holder of MiningUsufruct Rights shall pay the State Treasury the following fee for the mining usufruct rights in the area specified in Section 1(1) for each year of the prospection and exploration phase of mining usufruct (counted as 12 consecutive months):

(a) PLN ...................... (amount) (in words: ... zlotys) for the ...................... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;
1. The Holder of Mining Usufruct Rights shall send the State Treasury, within seven days from the payment date,

2. If the date for payment of the fee due for a given year of mining usufruct falls between 1 January and 1 March, the Holder of Mining Usufruct Rights shall pay the fee by 1 March. However, if the fee is subject to indexation in accordance with paragraphs 3 to 5, the Holder of Mining Usufruct Rights shall pay it no earlier than the date on which the index referred to in paragraph 3 is announced, after taking that index into account.

3. The fee specified in paragraph 1 shall be indexed to the average annual consumer price indices set for the period from the conclusion of the Agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (Monitor Polski). If this index for a given year is less than or equal to zero, there shall be no indexation for that year.

4. If the date for payment of the fee falls in the same calendar year as that in which the Agreement was concluded, the fee shall not be indexed.

5. If the Agreement was concluded and took effect in the year preceding the year in which the date for payment of the fee falls, the fee shall not be indexed if the Holder of Mining Usufruct Rights pays it by the end of the calendar year in which the Agreement is concluded and takes effect.

6. If the Holder of Mining Usufruct Rights loses the mining usufruct rights established under the Agreement before the time limit specified in Section 3(2) expires, the Holder of Mining Usufruct Rights shall be required to pay the fee for the entire year of usufruct in which these rights were lost. If, however, the mining usufruct rights are lost as a result of the concession being withdrawn or for the reasons specified in Section 10(1), (3) or (4), the Holder of Mining Usufruct Rights shall pay the fee for the entire usufruct period specified in Section 3(1) and (2), indexed in accordance with paragraph 3 and without prejudice to the contractual penalty referred to in Section 10(2). The fee shall be paid within 30 days from the date on which the mining usufruct rights were lost. The loss of usufruct rights shall not release the Holder of Mining Usufruct Rights from environmental obligations relating to the subject of the mining usufruct rights, in particular obligations relating to the protection of deposits.

7. The Holder of Mining Usufruct Rights shall pay the fee for the mining usufruct rights into the bank account of the Ministry of the Environment at the Warsaw branch of the National Bank of Poland, No 07 1010 1010 0006 3522 3100 0000, including the following communication on the transfer order: ‘Establishment of mining usufruct rights in connection with the granting of a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Blazowa’ area’.

The date of payment shall be the date on which the State Treasury’s account is credited.

8. The fee specified in paragraph 1 shall not be subject to tax on goods and services (VAT). If legislation is amended with the result that the activities which are the subject of the Agreement are subject to taxation, or if the interpretation of legislation changes with the result that those activities are subject to VAT, the amount of the fee shall be increased by the amount of tax due.

9. The State Treasury shall notify the Holder of Mining Usufruct Rights in writing of changes in the number of the account referred to in paragraph 7.

10. The fee for the establishment of mining usufruct rights shall be payable to the State Treasury irrespective of the income which the Holder of Mining Usufruct Rights earns from using those rights.

11. The Holder of Mining Usufruct Rights shall send the State Treasury, within seven days from the payment date, copies of proof of payment of the fee referred to in paragraph 1 for the establishment of the mining usufruct rights.
Section 8

1. After the Holder of Mining Usufruct Rights obtains an investment decision specifying the conditions for the extraction of oil or natural gas, the Parties shall, within 30 days from the date of that decision, sign an addendum to the Agreement specifying the conditions for the implementation of the Agreement during the extraction phase and the amount of the fee for mining usufruct rights in the area specified in Section 1(1) for each year of mining usufruct during the extraction phase.

2. If, within 30 days of the date of the investment decision specifying the conditions for the extraction of oil or natural gas the addendum referred to in paragraph 1 has not been concluded, the mining usufruct rights shall expire.

Section 9

The Holder of Mining Usufruct Rights may exercise the mining usufruct rights established in Section 1(1) only after obtaining written consent from the State Treasury.

Section 10

1. If the Holder of Mining Usufruct Rights infringes obligations laid down in the Agreement, the State Treasury may, subject to the provisions of paragraphs 3 and 4, terminate the Agreement with immediate effect, without the Holder of Mining Usufruct Rights being entitled to make any property claims. However, the Agreement may not be terminated if the Holder of Mining Usufruct Rights has infringed obligations under the Agreement owing to force majeure.

2. If the Agreement is terminated for the reasons specified in paragraphs 1 or 4, the Holder of Mining Usufruct Rights shall pay the State Treasury a contractual penalty of 25 % of the fee for the entire prospection and exploration phase of mining usufruct, as specified in Section 3(1) and (2), indexed in accordance with Section 7(3).

3. If the Holder of Mining Usufruct Rights delays payment of the fee by more than seven days beyond the deadlines specified in Section 7(1) or (2), the State Treasury shall request the Holder of Mining Usufruct Rights to pay the outstanding fee within seven days from the receipt of the request, failing which the Agreement will be terminated with immediate effect.

4. If the Holder of Mining Usufruct Rights fails to inform the State Treasury of the events referred to in Section 4 within 30 days of their occurrence, the State Treasury may impose on the Holder of Mining Usufruct Rights a contractual penalty of 5 % of the fee for the entire prospection and exploration phase of mining usufruct for each instance of failure to provide information, or terminate the Agreement in whole or in part, subject to 30 days' notice effective at the end of the calendar month.

5. The Holder of Mining Usufruct Rights shall be bound by the Agreement until the date of expiry, withdrawal or invalidity of the concession and may not terminate the Agreement.

6. The Agreement shall be terminated in writing, failing which the termination will be invalid.

7. The Parties agree that if the State Treasury terminates the Agreement, the fee paid for the mining usufruct rights referred to in Section 7(1) shall not be reimbursed.

8. The State Treasury reserves the right to seek compensation in excess of the amount of contractual penalties on general terms if the amount of damage incurred by the State Treasury exceeds the contractual penalties.

Section 11

1. The Parties have provided the following contact details for any correspondence:

   (1) State Treasury:
       Ministry of the Environment, ul. Wawelska 52/54, 00-922 Warsaw, Poland;

   (2) Holder of Mining Usufruct Rights:
       (address).
2. The Parties are obliged to inform each other in writing without delay of any change to the contact details indicated in paragraph 1. Such a change shall not require an addendum to the Agreement. Correspondence sent to a Party’s most recently provided contact details shall be deemed to have been effectively served on the other Party.

3. Each of the Parties shall serve correspondence on the other Party in person, by courier or by registered letter using the contact details most recently provided by the Party.

4. Registered letters sent to the most recently provided address of a Party and returned by the post office or courier company owing to the addressee not having collected it on time shall be treated as having been effectively served once fourteen days have passed from the first delivery attempt.

Section 12

1. The Parties shall not be liable for failure to comply with obligations under the Agreement resulting from force majeure if it can be proven that damage caused by force majeure influenced the failure to comply with the obligations. ‘Force majeure’ shall mean an external event that the Parties could not have predicted or prevented that makes it impossible for the Agreement to be implemented in whole or in part, permanently or for a given period, which a Party could not have counteracted by exercising due diligence and which did not result from errors or negligence on the part of the Party affected by it.

2. In the event of force majeure, the Parties shall immediately make every effort to agree on a course of action.

Section 13

The Holder of MiningUsufruct Rights may apply for extension of the Agreement, in whole or in part, and must do so in writing, failing which the application will be invalid.

Section 14

If the Agreement is terminated, the Holder of MiningUsufruct Rights shall not be entitled to make any claims against the State Treasury for an increase in the value of the subject of the mining usufruct rights.

Section 15

Any disputes arising out of the Agreement shall be resolved by the ordinary court having geographical jurisdiction over the seat of the State Treasury.

Section 16

This Agreement shall be governed by Polish law, in particular the provisions of the Geological and Mining Law Act and of the Civil Code.

Section 17

The Holder of MiningUsufruct Rights shall bear the costs of concluding the Agreement.

Section 18

Amendments to the Agreement shall be made in writing, failing which they will be invalid.

Section 19

The Agreement has been drawn up in three identical copies (one copy for the Holder of MiningUsufruct Rights and two copies for the Minister for the Environment).

State Treasury  

Holder of MiningUsufruct Rights

(2019/C 105/06)

Public invitation to bid for a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Ryki' area

SECTION I: LEGAL BASIS

1. Article 49h(2) of the Geological and Mining Law Act (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended)

2. Cabinet Regulation of 28 July 2015 on bidding for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171)


SECTION II: ENTITY INVITING BIDS

Name: Ministry of the Environment
Postal address: ul. Wawelska 52/54, 00-922 Warsaw, Poland
Tel. +48 223692449
fax +48 223692460
Website: www.gov.pl/web/srodowisko

SECTION III: SUBJECT OF THE PROCEDURE

1. Type of activities for which the concession is to be granted

Concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Ryki' area, parts of concession blocks Nos 276, 277, 296 and 297

2. Area within which the activities are to be conducted

The boundaries of the area covered by this bidding procedure are defined by lines joining points with the following coordinates in the PL-1992 coordinate system:

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The surface area of the vertical projection of the area covered by this bidding procedure is 1 047.73 km².

The area covered by the bidding procedure is located in the following:
- municipalities: Baranów, Końskowola, Markuszów, Kurów, Żyrzyn, Puławy, Kłoczew, Ułęż, Stężyca, Nowodwór, Abramów and Michów;
- urban/rural municipalities: Ryki and Nałęczów; towns: Puławy and Dęblin in Lubelskie Province, and
- municipalities: Trojanów, Garbatka-Letnisko, Sieciechów and Gniewoszów,
- urban/rural municipalities: Kozienice in Mazowieckie Province.

The aim of the works to be carried out in Devonian and Carboniferous formations is to document and extract oil and natural gas in the area described above.

3. **Time limit, not less than 90 days from the date of publication of the notice, and place for the submission of bids**

Bids must be submitted to the headquarters of the Ministry of the Environment no later than 12.00 CET/CEST on the last day of the 121-day period commencing on the day following the date of publication of the notice in the **Official Journal of the European Union**.

4. **Detailed bid specifications, including the bid evaluation criteria and a specification of their weighting, ensuring that the conditions referred to in Article 49k of the Geological and Mining Law Act of 9 June 2011 are fulfilled**

Bids may be submitted by entities in respect of which a decision has been issued confirming the positive outcome of a qualification procedure, as provided for in Article 49a(16)(1) of the Geological and Mining Law Act, independently, or as the operator if several entities are applying jointly for the concession.

Bids received will be evaluated by the bid evaluation committee on the basis of the following criteria:

30 % — financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing:
25 % — technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 5 % for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland, and of analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);

20 % — scope and schedule of the geological works, including geological operations, or mining operations proposed;

10 % — experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;

10 % — the proposed technology for conducting geological works, including geological operations, or mining operations, using innovative elements developed for this project;

5 % — scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores.

If, following the evaluation of bids on the basis of the criteria specified above, two or more bids obtain the same score, the amount of the fee for the establishment of mining usufruct rights due during the prospection and exploration phase will be used as an additional criterion allowing a final choice to be made between the bids concerned.

5. Minimum scope of geological information

| Concession data | name of area: Ryki  
location: onshore; concession blocks 276, 277, 296 and 297 |
|-----------------|-----------------------------------------------------|
| Type of deposit | conventional deposits of natural gas and oil,  
unconventional deposits of natural gas |
| Structural levels | Cenozoic  
Mesozoic  
Palaeozoic |
| Petroleum systems | I — conventional, Young Palaeozoic (Devonian + Carboniferous)  
II — unconventional, Palaeozoic (Devonian) |
| Source rocks | I — Devonian (Frasnian and Famennian) claystones and mudstones and Carboniferous  
clayey mudstone sediments  
II — Upper Devonian (Frasnian) limestone |
| Reservoir rocks | I — Upper Carboniferous clastic sediments and sandstones with Upper Devonian  
(Famennian) mudstone inclusions  
II — Upper Devonian (Frasnian) limestone |
| Seal rocks | I — clayey mudstone, carbonate, marly and in some places evaporitic Devonian rocks  
and complexes of Carboniferous mudstones, sandstones and claystones  
II — Upper Devonian (Frasnian) limestone |
| Thickness of overburden | from 1 150 m in the SE part to 1 500 m in the NW part |
| Trap type | I — structural, stratigraphic, structural-stratigraphic  
II — unconventional |
Glinnik (associated NG) — production: 50 000 m³, reserves and resources: 590 000 m³, industrial: 430 000 m³  
Stężyca (NG) — production (2016): 500 000 m³, reserves and resources (2016): 401 820 000 m³, industrial (2016): 105 360 000 m³ |
6. Commencement date of activities

The activities covered by the concession will commence within 14 days from the date on which the decision granting the concession becomes final.

7. Minimum scope of geological works, including geological operations, or mining operations

The minimum programme of geological works proposed for the prospection and exploration phase comprises:

- Phase I (12 months): analysing and interpreting archival geological data,
- Phase II (12 months): executing geophysical surveys — 2D seismic test (100 km excitation line) or 3D seismic test (50 km² excitation area) or drilling one borehole to a maximum depth of 5 000 m, with mandatory coring of prospective intervals,
- Phase III (24 months): drilling 1 (one) borehole to a maximum depth of 5 000 m, with mandatory coring of prospective intervals,
- Phase IV (12 months): analysing the geological data obtained.

8. Period for which the concession is to be granted

The concession period is 30 years, including:

- a prospection and exploration phase of five years’ duration, starting from the date on which the concession is granted,
- an extraction phase of 25 years’ duration, starting from the date on which an investment decision is obtained.

9. Specific conditions for carrying out the activities and for ensuring public safety, public health, environmental protection and rational management of deposits

Implementation of the concession work programme must not infringe landowners’ rights and does not eliminate the need to comply with other requirements laid down in legislation, in particular the Geological and Mining Law Act, and requirements regarding spatial planning, environmental protection, agricultural land and forests, nature, waters and waste.
10. Model agreement on the establishment of mining usufruct rights

The model agreement is attached as an annex hereto.

11. Information concerning the amount of the fee for establishing mining usufruct rights

The minimum amount of the fee for establishing mining usufruct rights for the ‘Ryki’ area during the five-year base period is PLN 229 400,48 (in words: two hundred and twenty-nine thousand, four hundred zlotys and forty-eight groszy) per annum. The annual fee for establishing mining usufruct rights for the purpose of the prospection and exploration of minerals is indexed to average annual consumer price indices set cumulatively for the period from the conclusion of the agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (Monitor Polski) (Article 49h(3)(12) of the Geological and Mining Law Act).

12. Information concerning requirements to be met by bids and documents required from bidders

1. Bids should specify:

   (1) the name (business name) and the registered office of the bidder;

   (2) the subject of the bid, together with a description specifying the area within which the concession is to be granted and mining usufruct rights are to be established;

   (3) the period for which the concession is to be granted, the duration of the prospection and exploration phase and the commencement date of the activities;

   (4) the aim, scope and nature of geological works, including geological operations, or mining operations, and information about the works to be carried out to achieve the intended objective and the technologies to be used;

   (5) a schedule, broken down into years, for geological works, including geological operations, and the scope of such works;

   (6) the scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores, as referred to in Article 82(2)(2) of the Geological and Mining Law Act;

   (7) rights held by the bidder to the real property (area) within which the intended activities are to be carried out, or the right for the establishment of which that entity is applying;

   (8) a list of areas covered by nature conservation schemes; this requirement does not concern projects for which a decision on environmental conditions is required;

   (9) the way in which the adverse environmental impacts of the intended activities are to be counteracted;

   (10) the scope of the geological information available to the bidder;

   (11) experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;

   (12) technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons and, in particular, the availability of appropriate technical, organisational, logistical and human resources potential;

   (13) financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;

   (14) the proposed technology for conducting geological works, including geological operations, or mining operations;

   (15) the proposed amount of the fee for establishing mining usufruct rights, this being not less than the amount specified in the notice launching the bidding procedure;

   (16) the proposed form of providing security, as referred to in Article 49x(4) of the Geological and Mining Law Act;

   (17) if a bid is submitted jointly by several entities, it must additionally specify:

       (a) the names (business names) and the registered offices of all the entities submitting the bid;
(b) the operator;

(c) the percentage shares in the costs of geological works, including geological operations, proposed in the cooperation agreement.

2. Bids submitted in a bidding procedure should meet the requirements and conditions laid down in the notice launching that bidding procedure.

3. The following documents are to be enclosed with bids:

(1) evidence of the existence of the circumstances described in the bid, in particular extracts from the relevant registers;

(2) proof that a deposit has been lodged;

(3) a copy of the decision confirming the positive outcome of a qualification procedure, as provided for in Article 49a(17) of the Geological and Mining Law Act;

(4) graphical annexes prepared in accordance with the requirements relating to mining maps, indicating the country's administrative boundaries;

(5) written undertakings to make technical resources available to the entity taking part in the bidding procedure if other entities' technical resources are used when implementing the concession;

(6) two copies of the geological operations project file.

4. Bidders may, on their own initiative, provide additional information in their bids or attach additional documents thereto.

5. Documents submitted by bidders should be originals or certified true copies of originals as provided for in the Code of Administrative Procedure. This requirement does not apply to copies of documents which are to be attached to bids and were created by the concession authority.

6. Documents drawn up in a foreign language should be submitted together with a translation into Polish by a sworn translator.

7. Bids are to be submitted in a sealed envelope or a sealed package bearing the name (business name) of the bidder and indicating the subject of the bidding procedure.

8. Bids submitted after the expiry of the time limit for the submission of bids will be returned to the bidders unopened.

13. Information concerning the manner of lodging a deposit, the amount of the deposit and the payment date

Bidders are required to lodge a deposit of PLN 1000 (in words: one thousand zlotys) before the expiry of the time limit for the submission of bids.

SECTION IV: ADMINISTRATIVE INFORMATION

IV.1) Bid evaluation committee

A bid evaluation committee is appointed by the concession authority for the purpose of conducting the bidding procedure and selecting the most advantageous bid. The composition and rules of procedure of the committee are specified in the Cabinet Regulation of 28 July 2015 on bidding procedures for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and for concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171). The bid evaluation committee submits a report on the bidding procedure to the concession authority for approval. Together with bids and all documents related to the bidding procedure, the report is open to other entities submitting bids.

IV.2) Further clarifications

Within 14 days from the date of publication of the notice, an interested entity may request the concession authority to provide explanations concerning the detailed bid specifications. Within 14 days from the receipt of the request, the concession authority will publish the explanations in the Public Information Bulletin (Biuletyn Informacji Publicznej), on the page of the administrative office subordinate to that authority.
IV.3) **Additional information**

Full information about the area covered by the bidding procedure has been compiled by the Polish Geological Service in the Geological Data Pack (Pakiet danych geologicznych), which is available on the Ministry of the Environment website (www.gov.pl/web/srodowisko) and from

Departament Geologii i Koncesji Geologicznych (Geology and Geological Concessions Department)
Ministry of the Environment
ul. Wawelska 52/54
00-922 Warszawa/Warsaw
POLSKA/POLAND
Tel. +48 223692449
fax +48 223692460
ANNEX

AGREEMENT

establishing mining usufruct rights for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Ryki’ area, hereinafter referred to as ‘the Agreement’

concluded at Warsaw on … between:

the State Treasury, represented by the Minister for the Environment, for and on behalf of whom Mr Mariusz Orion Jędrysek, State Secretary at the Ministry of the Environment and Chief Geologist of Poland, acts under power of attorney No 69 of 12 June 2017, hereinafter referred to as ‘the State Treasury’,

and

XXX, having its registered office at: ………………… (full address), registered ………………… under KRS (National Court Register) No …, share capital …………………, represented by …………………, hereinafter referred to as ‘the Holder of Mining Usufruct Rights’,

hereinafter each referred to singly as ‘a Party’ or jointly as ‘the Parties’,

worded as follows:

Section 1

1. The State Treasury, as exclusive owner of the substrata of the Earth's crust covering the area within the municipalities of Baranów, Końskowola, Markuszów, Kurów, Żyrzym, Puławy, Kłoczew, Nowodwór, Ułęż, Stężyca, Abramów and Michów, the urban/rural municipalities of Nałęczów and Ryki and the towns of Puławy and Dęblin in Lubelskie Province, and the municipalities of Trojanów, Garbatka-Letińko, Sieciechów and Gniewoszów and the urban/rural municipality of Kozienice in Mazowieckie Province, the boundaries of which are defined by lines joining points (1) to (22) having the following coordinates in the PL-1992 coordinate system:

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The Holder of Mining Usufruct Rights hereby establishes mining usufruct rights for the Holder of Mining Usufruct Rights in the area described above, limited above by the lower boundary of surface land properties and below at a depth of 5,000 m, provided that the Holder of Mining Usufruct Rights obtains a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Ryki’ area within one year from the date of the Agreement being concluded.

2. If the condition of obtaining the concession referred to in paragraph 1 is not met, the obligations arising under the Agreement shall expire.

3. Within the rock mass area specified in paragraph 1, the Holder of Mining Usufruct Rights may:

(1) in Devonian and Carboniferous formations, carry out activities relating to the prospection and exploration of oil and natural gas deposits;

(2) in the rest of the area, carry out any works and activities that are necessary in order to gain access to the Devonian and Carboniferous formations.

4. The surface area of the vertical projection of the area described above is 1,047.73 km².

5. The mining usufruct rights shall entitle the Holder of Mining Usufruct Rights to use the area specified in paragraph 1 on an exclusive basis for the prospection and exploration of oil and natural gas deposits, as well as for carrying out all operations and activities necessary for this purpose within that area in accordance with the legislation in force, in particular the Geological and Mining Law Act of 9 June 2011 (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended), and decisions issued pursuant thereto.

Section 2

The Holder of Mining Usufruct Rights declares that it raises no objections to the factual and legal status of the subject of the mining usufruct rights.

Section 3

1. The Agreement shall take effect on the date on which the concession is obtained.

2. The mining usufruct rights shall be established for a period of 30 years, including five years for the prospection and exploration phase and 25 years for the extraction phase, subject to Sections 8(2) and 10.

3. The mining usufruct rights shall expire if the concession expires, is withdrawn or becomes invalid, irrespective of the reason.

Section 4

The Holder of Mining Usufruct Rights undertakes to notify the State Treasury in writing of any changes resulting in a change of name, registered office and address or organisational form, changes in registration and identification numbers, the transfer of the concession to another entity by operation of law, the filing of a bankruptcy petition, the declaration of bankruptcy or the initiation of restructuring proceedings. The State Treasury may require that the necessary explanations be provided in such cases. Notification shall take place within 30 days from the date on which the circumstances referred to above occur.
Section 5

The Agreement shall be without prejudice to the rights of third parties, in particular owners of land, and shall not release the Holder of Mining Usufruct Rights from the need to comply with the requirements provided for by law, in particular those relating to the prospection and exploration of minerals and the protection and use of environmental resources.

Section 6

The State Treasury reserves the right to establish within the area referred to in Section 1(1) mining usufruct rights for the purpose of carrying out activities other than those specified in the Agreement, in a manner which does not infringe the rights of the Holder of Mining Usufruct Rights.

Section 7

1. The Holder of Mining Usufruct Rights shall pay the State Treasury the following fee for the mining usufruct rights in the area specified in Section 1(1) for each year of the prospection and exploration phase of mining usufruct (counted as 12 consecutive months):

(a) PLN ............ (amount) (in words: … zlotys) for the ............ (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

(b) PLN ............ (amount) (in words: … zlotys) for the ............ (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

(c) PLN ............ (amount) (in words: … zlotys) for the ............ (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

(d) PLN ............ (amount) (in words: … zlotys) for the ............ (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

(e) PLN ............ (amount) (in words: … zlotys) for the ............ (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

subject to the provisions of paragraph 2.

2. If the date for payment of the fee due for a given year of mining usufruct falls between 1 January and 1 March, the Holder of Mining Usufruct Rights shall pay the fee by 1 March. However, if the fee is subject to indexation in accordance with paragraphs 3 to 5, the Holder of Mining Usufruct Rights shall pay it no earlier than the date on which the index referred to in paragraph 3 is announced, after taking that index into account.

3. The fee specified in paragraph 1 shall be indexed to the average annual consumer price indices set for the period from the conclusion of the Agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (Monitor Polski). If this index for a given year is less than or equal to zero, there shall be no indexation for that year.

4. If the date for payment of the fee falls in the same calendar year as that in which the Agreement was concluded, the fee shall not be indexed.

5. If the Agreement was concluded and took effect in the year preceding the year in which the date for payment of the fee falls, the fee shall not be indexed if the Holder of Mining Usufruct Rights pays it by the end of the calendar year in which the Agreement is concluded and takes effect.

6. If the Holder of Mining Usufruct Rights loses the mining usufruct rights established under the Agreement before the time limit specified in Section 3(2) expires, the Holder of Mining Usufruct Rights shall be required to pay the fee for the entire year of usufruct in which these rights were lost. If, however, the mining usufruct rights are lost as a result of the concession being withdrawn or for the reasons specified in Section 10(1), (3) or (4), the Holder of Mining Usufruct Rights shall pay the fee for the entire usufruct period specified in Section 3(1) and (2), indexed in accordance with paragraph 3 and without prejudice to the contractual penalty referred to in Section 10(2). The fee shall be paid within 30 days from the date on which the mining usufruct rights were lost. The loss of usufruct rights shall not release the Holder of Mining Usufruct Rights from environmental obligations relating to the subject of the mining usufruct rights, in particular obligations relating to the protection of deposits.
7. The Holder of Mining Usufruct Rights shall pay the fee for the mining usufruct rights into the bank account of the Ministry of the Environment at the Warsaw branch of the National Bank of Poland, No 07 1010 1010 0006 3522 3100 0000, including the following communication on the transfer order: ‘Establishment of mining usufruct rights in connection with the granting of a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Ryki’ area’.

The date of payment shall be the date on which the State Treasury’s account is credited.

8. The fee specified in paragraph 1 shall not be subject to tax on goods and services (VAT). If legislation is amended with the result that the activities which are the subject of the Agreement are subject to taxation, or if the interpretation of legislation changes with the result that those activities are subject to VAT, the amount of the fee shall be increased by the amount of tax due.

9. The State Treasury shall notify the Holder of Mining Usufruct Rights in writing of changes in the number of the account referred to in paragraph 7.

10. The fee for the establishment of mining usufruct rights shall be payable to the State Treasury irrespective of the income which the Holder of Mining Usufruct Rights earns from using those rights.

11. The Holder of Mining Usufruct Rights shall send the State Treasury, within seven days from the payment date, copies of proof of payment of the fee referred to in paragraph 1 for the establishment of the mining usufruct rights.

Section 8

1. After the Holder of Mining Usufruct Rights obtains an investment decision specifying the conditions for the extraction of oil or natural gas, the Parties shall, within 30 days from the date of that decision, sign an addendum to the Agreement specifying the conditions for the implementation of the Agreement during the extraction phase and the amount of the fee for mining usufruct rights in the area specified in Section 1(1) for each year of mining usufruct during the extraction phase.

2. If, within 30 days of the date of the investment decision specifying the conditions for the extraction of oil or natural gas the addendum referred to in paragraph 1 has not been concluded, the mining usufruct rights shall expire.

Section 9

The Holder of Mining Usufruct Rights may exercise the mining usufruct rights established in Section 1(1) only after obtaining written consent from the State Treasury.

Section 10

1. If the Holder of Mining Usufruct Rights infringes obligations laid down in the Agreement, the State Treasury may, subject to the provisions of paragraphs 3 and 4, terminate the Agreement with immediate effect, without the Holder of Mining Usufruct Rights being entitled to make any property claims. However, the Agreement may not be terminated if the Holder of Mining Usufruct Rights has infringed obligations under the Agreement owing to force majeure.

2. If the Agreement is terminated for the reasons specified in paragraphs 1 or 4, the Holder of Mining Usufruct Rights shall pay the State Treasury a contractual penalty of 25 % of the fee for the entire prospection and exploration phase of mining usufruct, as specified in Section 3(1) and (2), indexed in accordance with Section 7(3).

3. If the Holder of Mining Usufruct Rights delays payment of the fee by more than seven days beyond the deadlines specified in Section 7(1) or (2), the State Treasury shall request the Holder of Mining Usufruct Rights to pay the outstanding fee within seven days from the receipt of the request, failing which the Agreement will be terminated with immediate effect.

4. If the Holder of Mining Usufruct Rights fails to inform the State Treasury of the events referred to in Section 4 within 30 days of their occurrence, the State Treasury may impose on the Holder of Mining Usufruct Rights a contractual penalty of 5 % of the fee for the entire prospection and exploration phase of mining usufruct for each instance of failure to provide information, or terminate the Agreement in whole or in part, subject to 30 days’ notice effective at the end of the calendar month.

5. The Holder of Mining Usufruct Rights shall be bound by the Agreement until the date of expiry, withdrawal or invalidity of the concession and may not terminate the Agreement.
6. The Agreement shall be terminated in writing, failing which the termination will be invalid.

7. The Parties agree that if the State Treasury terminates the Agreement, the fee paid for the mining usufruct rights referred to in Section 7(1) shall not be reimbursed.

8. The State Treasury reserves the right to seek compensation in excess of the amount of contractual penalties on general terms if the amount of damage incurred by the State Treasury exceeds the contractual penalties.

**Section 11**

1. The Parties have provided the following contact details for any correspondence:

   (1) State Treasury:
       Ministry of the Environment, ul. Wawelska 52/54, 00-922 Warsaw, Poland

   (2) Holder of Mining Usufruct Rights:
       (address).

2. The Parties are obliged to inform each other in writing without delay of any change to the contact details indicated in paragraph 1. Such a change shall not require an addendum to the Agreement. Correspondence sent to a Party's most recently provided contact details shall be deemed to have been effectively served on the other Party.

3. Each of the Parties shall serve correspondence on the other Party in person, by courier or by registered letter using the contact details most recently provided by the Party.

4. Registered letters sent to the most recently provided address of a Party and returned by the post office or courier company owing to the addressee not having collected it on time shall be treated as having been effectively served once fourteen days have passed from the first delivery attempt.

**Section 12**

1. The Parties shall not be liable for failure to comply with obligations under the Agreement resulting from force majeure if it can be proven that damage caused by force majeure influenced the failure to comply with the obligations. 'Force majeure' shall mean an external event that the Parties could not have predicted or prevented that makes it impossible for the Agreement to be implemented in whole or in part, permanently or for a given period, which a Party could not have counteracted by exercising due diligence and which did not result from errors or negligence on the part of the Party affected by it.

2. In the event of force majeure, the Parties shall immediately make every effort to agree on a course of action.

**Section 13**

The Holder of Mining Usufruct Rights may apply for extension of the Agreement, in whole or in part, and must do so in writing, failing which the application will be invalid.

**Section 14**

If the Agreement is terminated, the Holder of Mining Usufruct Rights shall not be entitled to make any claims against the State Treasury for an increase in the value of the subject of the mining usufruct rights.

**Section 15**

Any disputes arising out of the Agreement shall be resolved by the ordinary court having geographical jurisdiction over the seat of the State Treasury.

**Section 16**

This Agreement shall be governed by Polish law, in particular the provisions of the Geological and Mining Law Act and of the Civil Code.

**Section 17**

The Holder of Mining Usufruct Rights shall bear the costs of concluding the Agreement.
Section 18

Amendments to the Agreement shall be made in writing, failing which they will be invalid.

Section 19

The Agreement has been drawn up in three identical copies (one copy for the Holder of Mining Usufruct Rights and two copies for the Minister for the Environment).

State Treasury

Holder of Mining Usufruct Rights

(2019/C 105/07)

Public invitation to bid for a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Wetlina’ area

SECTION I: LEGAL BASIS

1. Article 49h(2) of the Geological and Mining Law Act (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended).

2. Cabinet Regulation of 28 July 2015 on bidding for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171).


SECTION II: ENTITY INVITING BIDS

Name: Ministry of the Environment
Postal address: ul. Wawelska 52/54, 00-922 Warsaw, Poland
Tel. +48 223692449
fax +48 223692460
Website: www.gov.pl/web/srodowisko

SECTION III: SUBJECT OF THE PROCEDURE

1) Type of activities for which the concession is to be granted

Concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Wetlina’ area, part of concession block No 477.

2) Area within which the activities are to be conducted

The boundaries of the area covered by this bidding procedure are defined by lines joining points with the following coordinates in the PL-1992 coordinate system:

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>158 815,50</td>
<td>739 398,07</td>
</tr>
<tr>
<td>2</td>
<td>159 474,24</td>
<td>754 616,81</td>
</tr>
<tr>
<td>3</td>
<td>141 287,73</td>
<td>755 460,15</td>
</tr>
</tbody>
</table>

between points 3 and 4, the boundary of the area covered by the bidding procedure follows the State border

| 4        | 146 816,39  | 739 917,45  |

The surface area of the vertical projection of the area covered by this bidding procedure is 220,93 km².

The area covered by the bidding procedure is located in the following municipalities: Cisna, Baligród, Czarna and Lutowiska in Podkarpackie Province.

The aim of the works to be carried out in Cretaceous and Palaeogene formations is to document and extract oil and natural gas deposits in the area described above.
3) **Time limit, not less than 90 days from the date of publication of the notice, and place for the submission of bids**

Bids must be submitted to the headquarters of the Ministry of the Environment no later than 12:00 CET/CEST on the last day of the 121-day period commencing on the day following the date of publication of the notice in the *Official Journal of the European Union*.

4) **Detailed bid specifications, including the bid evaluation criteria and a specification of their weighting, ensuring that the conditions referred to in Article 49k of the Geological and Mining Law Act of 9 June 2011 are fulfilled**

Bids may be submitted by entities in respect of which a decision has been issued confirming the positive outcome of a qualification procedure, as provided for in Article 49a(16)(1) of the Geological and Mining Law Act, independently, or as the operator if several entities are applying jointly for the concession.

Bids received will be evaluated by the bid evaluation committee on the basis of the following criteria:

<table>
<thead>
<tr>
<th>Category</th>
<th>Weighting</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial capacities</td>
<td>30%</td>
<td>Adequate guarantee that activities relating to, respectively, the prospection and extraction of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;</td>
</tr>
<tr>
<td>Technical capacities</td>
<td>25%</td>
<td>Adequate guarantee that activities relating to, respectively, the prospection and extraction of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 5% for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland, and of analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);</td>
</tr>
<tr>
<td>Scope and schedule of the geological works</td>
<td>20%</td>
<td>Adequate guarantee that activities relating to, respectively, the prospection and extraction of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 5% for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland, and of analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);</td>
</tr>
<tr>
<td>Experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons</td>
<td>10%</td>
<td>Adequate guarantee that activities relating to, respectively, the prospection and extraction of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 5% for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland, and of analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);</td>
</tr>
<tr>
<td>Proposed technology for conducting geological works</td>
<td>10%</td>
<td>Adequate guarantee that activities relating to, respectively, the prospection and extraction of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 5% for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland, and of analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);</td>
</tr>
<tr>
<td>Scope and schedule of the mandatory collection of samples obtained during geological operations</td>
<td>5%</td>
<td>Adequate guarantee that activities relating to, respectively, the prospection and extraction of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 5% for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland, and of analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);</td>
</tr>
</tbody>
</table>

If, following the evaluation of bids on the basis of the criteria specified above, two or more bids obtain the same score, the amount of the fee for the establishment of mining usufruct rights due during the prospection and exploration phase will be used as an additional criterion allowing a final choice to be made between the bids concerned.

5) **Minimum scope of geological information**

<p>| Concession data | name of area: Wetlina | location: onshore; concession block 477 |
| Type of deposit | conventional and unconventional oil and natural gas deposits |
| Structural levels | Carpathian (Dukla, Fore-Dukla and Silesian units) |
| Petroleum systems | I — Carpathian conventional |
| | II — Carpathian unconventional |
| Source rocks | I, II – Menilite beds, Cieszyn shales, Wierzowice and Spas beds, upper Istebna shales, unexplored substrate rock |
| Reservoir rocks | I, II — sandstones of Krosno and Menilite beds |</p>
<table>
<thead>
<tr>
<th>Seal rocks</th>
<th>I, II — fine-grained formations of the Dukla, Fore-Dukla and Silesian units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thickness of overburden</td>
<td>I, II — 250-1 800 m</td>
</tr>
</tbody>
</table>
| Trap type | I — structural, stratigraphic, lithological  
II — unconventional tight |
| Deposits identified in the vicinity (NG — natural gas; O — oil) | Wetlina (NG) — deposits not exploited; off-balance reserves and resources in 2016: 73 million m³ natural gas  
Zatwarnica (O) — production in 2016: 110 tonnes oil and 10 000 m³ natural gas; balance-sheet reserves and resources in 2016: 1 370 tonnes oil and 200 000 m³ natural gas; industrial resources in 2016: 440 tonnes oil |
| Seismic surveys completed (rightholder) | 1976 — Bieszczady, W0050175 (State Treasury) |
| Benchmark wells (MD) | Wetlina IG-1 (3 079,0 m)  
Wetlina IG-2 (3 300,0 m)  
Wetlina IG-3 (2 049,5 m)  
Wetlina 4 (1 940,0 m)  
Wetlina 5 (3 008,0 m)  
Wetlina 6 (2 100,0 m)  
Wetlina 7 (3 458,0 m) |

6) **Commencement date of activities**

The activities covered by the concession will commence within 14 days from the date on which the decision granting the concession becomes final.

7) **Minimum scope of geological works, including geological operations, or mining operations**

The minimum programme of geological works proposed for the prospection and exploration phase comprises:

— Phase I (12 months): interpreting and analysing archival geological data;
— Phase II (12 months): geophysical surveys — 2D seismic test (90 km excitation line) or 3D seismic test (45 km² excitation area);
— Phase III (24 months): drilling one borehole to a maximum depth of 5 000 m, with mandatory coring of prospective intervals;
— Phase IV (12 months): analysing the data obtained

8) **Period for which the concession is to be granted**

The concession period is 30 years, including:

— a prospection and exploration phase of five years' duration, starting from the date on which the concession is granted;
— an extraction phase of 25 years' duration, starting from the date on which an investment decision is obtained.

9) **Specific conditions for carrying out the activities and for ensuring public safety, public health, environmental protection and rational management of deposits**

Implementation of the concession work programme must not infringe landowners' rights and does not eliminate the need to comply with other requirements laid down in legislation, in particular the Geological and Mining Law Act, and requirements regarding spatial planning, environmental protection, agricultural land and forests, nature, waters and waste.
10) **Model agreement on the establishment of mining usufruct rights**

The model agreement is attached as an annex hereto.

11) **Information concerning the amount of the fee for establishing mining usufruct rights**

The minimum amount of the fee for establishing mining usufruct rights for the 'Wetlina' area during the five-year base period is PLN 48 372,62 (in words: forty-eight thousand, three hundred and seventy-two zlotys and sixty-two grosz) per annum. The annual fee for establishing mining usufruct rights for the purpose of the prospection and exploration of minerals is indexed to average annual consumer price indices set cumulatively for the period from the conclusion of the agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (*Monitor Polski*) (Article 49h(3)(12) of the Geological and Mining Law Act).

12) **Information concerning requirements to be met by bids and documents required from bidders**

1. Bids should specify:
   1) the name (business name) and the registered office of the bidder;
   2) the subject of the bid, together with a description specifying the area within which the concession is to be granted and mining usufruct rights are to be established;
   3) the period for which the concession is to be granted, the duration of the prospection and exploration phase and the commencement date of the activities;
   4) the aim, scope and nature of geological works, including geological operations, or mining operations, and information about the works to be carried out to achieve the intended objective and the technologies to be used;
   5) a schedule, broken down into years, for geological works, including geological operations, and the scope of such works;
   6) the scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores, as referred to in Article 82(2)(2) of the Geological and Mining Law Act;
   7) rights held by the bidder to the real property (area) within which the intended activities are to be carried out, or the right for the establishment of which that entity is applying;
   8) a list of areas covered by nature conservation schemes; this requirement does not concern projects for which a decision on environmental conditions is required;
   9) the way in which the adverse environmental impacts of the intended activities are to be counteracted;
   10) the scope of the geological information available to the bidder;
   11) experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection;
   12) technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons and, in particular, the availability of appropriate technical, organisational, logistical and human resources potential;
   13) financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;
   14) the proposed technology for conducting geological works, including geological operations, or mining operations;
   15) the proposed amount of the fee for establishing mining usufruct rights, this being not less than the amount specified in the notice launching the bidding procedure;
   16) the proposed form of providing security, as referred to in Article 49x(4) of the Geological and Mining Law Act;
   17) if a bid is submitted jointly by several entities, it must additionally specify:
      (a) the names (business names) and the registered offices of all the entities submitting the bid;
2. Bids submitted in a bidding procedure should meet the requirements and conditions laid down in the notice launching that bidding procedure.

3. The following documents are to be enclosed with bids:
   1) evidence of the existence of the circumstances described in the bid, in particular extracts from the relevant registers;
   2) proof that a deposit has been lodged;
   3) a copy of the decision confirming the positive outcome of a qualification procedure, as provided for in Article 49a(17) of the Geological and Mining Law Act;
   4) graphical annexes prepared in accordance with the requirements relating to mining maps, indicating the country’s administrative boundaries;
   5) written undertakings to make technical resources available to the entity taking part in the bidding procedure if other entities’ technical resources are used when implementing the concession;
   6) two copies of the geological operations project file.

4. Bidders may, on their own initiative, provide additional information in their bids or attach additional documents thereto.

5. Documents submitted by bidders should be originals or certified true copies of originals as provided for in the Code of Administrative Procedure. This requirement does not apply to copies of documents which are to be attached to bids and were created by the concession authority.

6. Documents drawn up in a foreign language should be submitted together with a translation into Polish by a sworn translator.

7. Bids are to be submitted in a sealed envelope or a sealed package bearing the name (business name) of the bidder and indicating the subject of the bidding procedure.

8. Bids submitted after the expiry of the time limit for the submission of bids will be returned to the bidders unopened.

13) Information concerning the manner of lodging a deposit, the amount of the deposit and the payment date

Bidders are required to lodge a deposit of PLN 1,000 (in words: one thousand zlotys) before the expiry of the time limit for the submission of bids.

SECTION IV: ADMINISTRATIVE INFORMATION

IV.1) Bid evaluation committee

A bid evaluation committee is appointed by the concession authority for the purpose of conducting the bidding procedure and selecting the most advantageous bid. The composition and rules of procedure of the committee are specified in the Cabinet Regulation of 28 July 2015 on bidding procedures for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and for concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171). The bid evaluation committee submits a report on the bidding procedure to the concession authority for approval. Together with bids and all documents related to the bidding procedure, the report is open to other entities submitting bids.

IV.2) Further clarifications

Within 14 days from the date of publication of the notice, an interested entity may request the concession authority to provide explanations concerning the detailed bid specifications. Within 14 days from the receipt of the request, the concession authority will publish the explanations in the Public Information Bulletin (Biuletyn Informacji Publicznej), on the page of the administrative office subordinate to that authority.
IV.3) **Additional information**

Full information about the area covered by the bidding procedure has been compiled by the Polish Geological Service in the Geological Data Pack (*Pańa danych geologicznych*), which is available on the Ministry of the Environment website (www.gov.pl/web/srodowisko) and from:

Departament Geologii i Koncesji Geologicznych (Geology and Geological Concessions Department)

Ministry of the Environment
ul. Wawelska 52/54
00-922 Warszawa/Warsaw
POLSKA/POLAND
Tel. +48 223692449
fax +48 223692460
ANNEX

AGREEMENT

establishing mining usufruct rights for the prospection and exploitation of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Wetlina’ area, hereinafter referred to as ‘the Agreement’

concluded at Warsaw on … between:

the State Treasury, represented by the Minister for the Environment, for and on behalf of whom Mr Mariusz Orion Jędryszek, State Secretary at the Ministry of the Environment and Chief Geologist of Poland, acts under power of attorney No 69 of 12 June 2017, hereinafter referred to as ‘the State Treasury’,

and

XXX, having its registered office at: ………………. [full address], registered ……………. under KRS (National Court Register) No …, share capital …….., represented by ……., hereinafter referred to as ‘the Holder of Mining Usufruct Rights’, hereinafter each referred to singly as ‘a Party’ or jointly as ‘the Parties’,

worded as follows:

Section 1

1. The State Treasury, as exclusive owner of the substrata of the Earth's crust covering the area within the municipalities of: Cisna, Baligród, Lutowiska and Czarna in Podkarpackie Province, the boundaries of which are defined by lines joining points (1) to (4) having the following coordinates in the PL-1992 coordinate system:

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
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<td>755 460,15</td>
</tr>
</tbody>
</table>

between points 3 and 4, the boundary follows the state border

| 4  | 146 816,39  | 739 917,45  |

hereby establishes mining usufruct rights for the Holder of Mining Usufruct Rights in the area described above, limited above by the lower boundary of surface land properties and below at a depth of 6 000 m, provided that the Holder of Mining Usufruct Rights obtains a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the ‘Wetlina’ area within one year from the date of the Agreement being concluded.

2. If the condition of obtaining the concession referred to in paragraph 1 is not met, the obligations arising under the Agreement shall expire.

3. Within the rock mass area specified in paragraph 1, the Holder of Mining Usufruct Rights may:

1. in Cretaceous and Palaeogene formations, carry out activities relating to the prospection and exploration of oil and natural gas deposits;

2. in the rest of the area, carry out any operations and activities that are necessary in order to gain access to the Cretaceous and Palaeogene formations.

4. The surface area of the vertical projection of the area described above is 220,93 km².
5. The mining usufruct rights shall entitle the Holder of Mining Usufruct Rights to use the area specified in paragraph 1 on an exclusive basis for the prospection and exploration of oil and natural gas deposits, as well as for carrying out all operations and activities necessary for this purpose within that area in accordance with the legislation in force, in particular the Geological and Mining Law Act of 9 June 2011 (Journal of Laws (Dziennik Ustaw) 2017, item 2126, as amended), and decisions issued pursuant thereto.

Section 2

The Holder of Mining Usufruct Rights declares that it raises no objections to the factual and legal status of the subject of the mining usufruct rights.

Section 3

1. The Agreement shall take effect on the date on which the concession is obtained.

2. The mining usufruct rights shall be established for a period of 30 years, including five years for the prospection and exploration phase and 25 years for the extraction phase, subject to Sections 8(2) and 10.

3. The mining usufruct rights shall expire if the concession expires, is withdrawn or becomes invalid, irrespective of the reason.

Section 4

The Holder of Mining Usufruct Rights undertakes to notify the State Treasury in writing of any changes resulting in a change of name, registered office and address or organisational form, changes in registration and identification numbers, the transfer of the concession to another entity by operation of law, the filing of a bankruptcy petition, the declaration of bankruptcy or the initiation of restructuring proceedings. The State Treasury may require that the necessary explanations be provided in such cases. Notification shall take place within 30 days from the date on which the circumstances referred to above occur.

Section 5

The Agreement shall be without prejudice to the rights of third parties, in particular owners of land, and shall not release the Holder of Mining Usufruct Rights from the need to comply with the requirements provided for by law, in particular those relating to the prospection and exploration of minerals and the protection and use of environmental resources.

Section 6

The State Treasury reserves the right to establish within the area referred to in Section 1(1) mining usufruct rights for the purpose of carrying out activities other than those specified in the Agreement, in a manner which does not infringe the rights of the Holder of Mining Usufruct Rights.

Section 7

1. The Holder of Mining Usufruct Rights shall pay the State Treasury the following fee for the mining usufruct rights in the area specified in Section 1(1) for each year of the prospection and exploration phase of mining usufruct (counted as 12 consecutive months):
   a) PLN ......................... (amount) (in words: … zlotys) for the ....................... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;
   b) PLN ......................... (amount) (in words: … zlotys) for the ....................... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;
   c) PLN ......................... (amount) (in words: … zlotys) for the ....................... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;
   d) PLN ......................... (amount) (in words: … zlotys) for the ....................... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;
   e) PLN ......................... (amount) (in words: … zlotys) for the ....................... (specify in words the ordinal number) year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct,

subject to the provisions of paragraph 2.
2. If the date for payment of the fee due for a given year of mining usufruct falls between 1 January and 1 March, the Holder of Mining Usufruct Rights shall pay the fee by 1 March. However, if the fee is subject to indexation in accordance with paragraphs 3 to 5, the Holder of Mining Usufruct Rights shall pay it no earlier than the date on which the index referred to in paragraph 3 is announced, after taking that index into account.

3. The fee specified in paragraph 1 shall be indexed to the average annual consumer price indices set for the period from the conclusion of the Agreement until the year preceding the date for payment of the fee, as announced by the President of the Central Statistical Office in the Polish Official Gazette (Monitor Polski). If this index for a given year is less than or equal to zero, there shall be no indexation for that year.

4. If the date for payment of the fee falls in the same calendar year as that in which the Agreement was concluded, the fee shall not be indexed.

5. If the Agreement was concluded and took effect in the year preceding the year in which the date for payment of the fee falls, the fee shall not be indexed if the Holder of Mining Usufruct Rights pays it by the end of the calendar year in which the Agreement is concluded and takes effect.

6. If the Holder of Mining Usufruct Rights loses the mining usufruct rights established under the Agreement before the time limit specified in Section 3(2) expires, the Holder of Mining Usufruct Rights shall be required to pay the fee for the entire year of usufruct in which these rights were lost. If, however, the mining usufruct rights are lost as a result of the concession being withdrawn or for the reasons specified in Section 10(1), (3) or (4), the Holder of Mining Usufruct Rights shall pay the fee for the entire usufruct period specified in Section 3(1) and (2), indexed in accordance with paragraph 3 and without prejudice to the contractual penalty referred to in Section 10(2). The fee shall be paid within 30 days from the date on which the mining usufruct rights were lost. The loss of usufruct rights shall not release the Holder of Mining Usufruct Rights from environmental obligations relating to the subject of the mining usufruct rights, in particular obligations relating to the protection of deposits.

7. The Holder of Mining Usufruct Rights shall pay the fee for the mining usufruct rights into the bank account of the Ministry of the Environment at the Warsaw branch of the National Bank of Poland, No 07 1010 1010 0006 3522 3100 0000, including the following communication on the transfer order: ‘Establishment of mining usufruct rights in connection with the granting of a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the “Wetlina” area’.

The date of payment shall be the date on which the State Treasury's account is credited.

8. The fee specified in paragraph 1 shall not be subject to tax on goods and services (VAT). If legislation is amended with the result that the activities which are the subject of the Agreement are subject to taxation, or if the interpretation of legislation changes with the result that those activities are subject to VAT, the amount of the fee shall be increased by the amount of tax due.

9. The State Treasury shall notify the Holder of Mining Usufruct Rights in writing of changes in the number of the account referred to in paragraph 7.

10. The fee for the establishment of mining usufruct rights shall be payable to the State Treasury irrespective of the income which the Holder of Mining Usufruct Rights earns from using those rights.

11. The Holder of Mining Usufruct Rights shall send the State Treasury, within seven days from the payment date, copies of proof of payment of the fee referred to in paragraph 1 for the establishment of the mining usufruct rights.

Section 8

1. After the Holder of Mining Usufruct Rights obtains an investment decision specifying the conditions for the extraction of oil or natural gas, the Parties shall, within 30 days from the date of that decision, sign an addendum to the Agreement specifying the conditions for the implementation of the Agreement during the extraction phase and the amount of the fee for mining usufruct rights in the area specified in Section 1(1) for each year of mining usufruct during the extraction phase.

2. If, within 30 days of the date of the investment decision specifying the conditions for the extraction of oil or natural gas the addendum referred to in paragraph 1 has not been concluded, the mining usufruct rights shall expire.
Section 9

The Holder of Mining Usufruct Rights may exercise the mining usufruct rights established in Section 1(1) only after obtaining written consent from the State Treasury.

Section 10

1. If the Holder of Mining Usufruct Rights infringes obligations laid down in the Agreement, the State Treasury may, subject to the provisions of paragraphs 3 and 4, terminate the Agreement with immediate effect, without the Holder of Mining Usufruct Rights being entitled to make any property claims. However, the Agreement may not be terminated if the Holder of Mining Usufruct Rights has infringed obligations under the Agreement owing to force majeure.

2. If the Agreement is terminated for the reasons specified in paragraphs 1 or 4, the Holder of Mining Usufruct Rights shall pay the State Treasury a contractual penalty of 25% of the fee for the entire prospection and exploration phase of mining usufruct, as specified in Section 3(1) and (2), indexed in accordance with Section 7(3).

3. If the Holder of Mining Usufruct Rights delays payment of the fee by more than seven days beyond the deadlines specified in Section 7(1) or (2), the State Treasury shall request the Holder of Mining Usufruct Rights to pay the outstanding fee within seven days from the receipt of the request, failing which the Agreement will be terminated with immediate effect.

4. If the Holder of Mining Usufruct Rights fails to inform the State Treasury of the events referred to in Section 4 within 30 days of their occurrence, the State Treasury may impose on the Holder of Mining Usufruct Rights a contractual penalty of 5% of the fee for the entire prospection and exploration phase of mining usufruct for each instance of failure to provide information, or terminate the Agreement in whole or in part, subject to 30 days' notice effective at the end of the calendar month.

5. The Holder of Mining Usufruct Rights shall be bound by the Agreement until the date of expiry, withdrawal or invalidity of the concession and may not terminate the Agreement.

6. The Agreement shall be terminated in writing, failing which the termination will be invalid.

7. The Parties agree that if the State Treasury terminates the Agreement, the fee paid for the mining usufruct rights referred to in Section 7(1) shall not be reimbursed.

8. The State Treasury reserves the right to seek compensation in excess of the amount of contractual penalties on general terms if the amount of damage incurred by the State Treasury exceeds the contractual penalties.

Section 11

1. The Parties have provided the following contact details for any correspondence:

1) State Treasury:

Ministerstwo Środowiska (Ministry of the Environment), ul. Wawelska 52/54, 00-922 Warsaw, Poland;

2) Holder of Mining Usufruct Rights:

(address).

2. The Parties are obliged to inform each other in writing without delay of any change to the contact details indicated in paragraph 1. Such a change shall not require an addendum to the Agreement. Correspondence sent to a Party's most recently provided contact details shall be deemed to have been effectively served on the other Party.

3. Each of the Parties shall serve correspondence on the other Party in person, by courier or by registered letter using the contact details most recently provided by the Party.

4. Registered letters sent to the most recently provided address of a Party and returned by the post office or courier company owing to the addressee not having collected it on time shall be treated as having been effectively served once fourteen days have passed from the first delivery attempt.
Section 12

1. The Parties shall not be liable for failure to comply with obligations under the Agreement resulting from force majeure if it can be proven that damage caused by force majeure influenced the failure to comply with the obligations. ‘Force majeure’ shall mean an external event that the Parties could not have predicted or prevented that makes it impossible for the Agreement to be implemented in whole or in part, permanently or for a given period, which a Party could not have counteracted by exercising due diligence and which did not result from errors or negligence on the part of the Party affected by it.

2. In the event of force majeure, the Parties shall immediately make every effort to agree on a course of action.

Section 13

The Holder of Mining Usufruct Rights may apply for extension of the Agreement, in whole or in part, and must do so in writing, failing which the application will be invalid.

Section 14

If the Agreement is terminated, the Holder of Mining Usufruct Rights shall not be entitled to make any claims against the State Treasury for an increase in the value of the subject of the mining usufruct rights.

Section 15

Any disputes arising out of the Agreement shall be resolved by the ordinary court having geographical jurisdiction over the seat of the State Treasury.

Section 16

This Agreement shall be governed by Polish law, in particular the provisions of the Geological and Mining Law Act and of the Civil Code.

Section 17

The Holder of Mining Usufruct Rights shall bear the costs of concluding the Agreement.

Section 18

Amendments to the Agreement shall be made in writing, failing which they will be invalid.

Section 19

The Agreement has been drawn up in three identical copies (one copy for the Holder of Mining Usufruct Rights and two copies for the Minister for the Environment).

State Treasury

Holder of Mining Usufruct Rights