

- 2) To develop the "Madre de Dios" area, north-west of Bolivia. Seismic interpretation is being completed, and they will soon start drilling 3 "wild cats". Total cost of this project is estimated at US\$ 240,000,000 with an initial disbursement of US\$ 9,000,000 to be completed in 1990, at a cost of US\$ 350,000/Km.
- 3) Oxy's third project, whose timing has not yet being defined, is the drilling of a "wild cat" at "Chorritos" field, south of Santa Cruz, and 500 Km. north of "El Porvenir" field.

Tesoro Petroleum Company

This company has concessions on blocks "Tarija" and "La Vertiente".

On the first block, the "Los Suris" field has not being developed yet, and is kept for future reserves.

On the "La Vertiente", Tesoro has one field not developed yet: "Escondido", and two producing fields: "La Vertiente" and "Taiguati". Total production in those two fields is 46 MMCFD of natural gas and 1,528 Bls/d of light condensate. Tesoro's whole production of gas is given to YPFB for exports.

Contracts for exploration have been signed recently by Maxus Petroleum Co., Sol Petrol (associated with Sceptre Resources Inc. from Calgary) Plus Petrol and Perez Compac, all from Argentina.

Regulatory Framework

In the past, the government's relationship with foreign oil companies has depended to a great extent on the political complexion of the government in office. Before 1973, the government of Bolivia offered concession agreements to foreign petroleum companies. Since then, the hydrocarbons law introduced by then President Hugo Banzer (1973-78), has encouraged foreign companies to explore on a production-sharing basis which exempted companies from any taxes, but specified that 50%-60% of any crude found was the property of YPFB and that the remaining share of oil production was to be sold to the state company at previously agreed prices.

Hydrocarbons Law

After considerable debate in Congress, a new Hydrocarbons Law Nr. 1194 (Ley de Hidrocarburos) was proclaimed on November 1, 1990 and is now in full effect. Its main provisions are: