



# Geology & Petroleum NEWS BULLETIN

Volume 2, Issue 2  
Q2 2022

## Recent Milestones:

### Belize Energy Unit & Geology and Petroleum Department Geothermal Site Visit -Costa Rica

The Energy Unit invited the Geology and Petroleum Department to Bagaces Canton in Costa Rica to partake in a Geochemical Sampling Campaign for Geothermal Energy. This initiative explored the use, field acquisition and laboratory analysis of geothermal energy which is one of the fastest growing forms of renewable energy. The learnings from this site visit illustrated numerous techniques adopted from the oil and gas industry and implemented into geothermal energy acquisition. This project will avail us to demand oriented trainings and knowledge transfer opportunities, including geoscientific explorations activities.



Renewable Energy site location in Bagaces Canton, Costa Rica



Geothermal Energy Laboratory Training Session.



Geologist, Trisha Garcia-Fitzpatrick analyzing samples in Costa Rica.

## GEOLOGY & PETROLEUM DEPARTMENT: STATUS UPDATE

### Commonwealth Secretariat Mission Visit to the Geology and Petroleum Department for Revision of the Belize Petroleum Act, Belize Petroleum Legislation and Model Petroleum Agreement

The GPD team hosted a representative from the Commonwealth Secretariat on a mission visit which is geared toward improving laws, regulation and legislation for oil and gas exploration, production, environmental protection and overall management of the oil and gas resource.

The 1-week long working session included the senior staff at the GPD who are currently revising the laws, legislation and regulations to provide greater oversight of the petroleum industry and ensure the Government maximizes its profitability. This session included the finalizations of the Belize Petroleum Act, Belize Petroleum Regulation and the Model Production Sharing Agreement.

### Ongoing Petroleum Exploration Operations

The current oil prices and upturn in the industry has prompted companies in Belize to present aggressive exploration and development programs.

FCRL Belize Ltd. which holds a current Production



BNE Sucker Rod Pump

Sharing Agreement (PSA) submitted to the GPD its summary and results for the acreage located in the north of Belize. These results show that a third commercial discovery is imminent and is awaiting testing.

Secondly, with the high oil prices observed in the global economy, Belgeo Ltd. who has a Production Sharing Agreement in the north of Belize, have made it clear that they would like to drill previously identified prospects in the search for new oil and gas.

BNE and the GPD continue to work very closely in the optimization of its fields and reduce cost.

## BELIZEAN OIL – WHAT HAS IT DONE FOR US?

Belizean oil and gas exploration and production is done using a Production Sharing Agreement (PSA) between the Government of Belize and the oil and gas entity. This Agreement allows the oil and gas entity to take the majority of the risk in finding oil and gas, where if they are successful, the profits are shared with the government and if they are not successful then the government does not lose. These PSAs all include a section for Local Content development, which is defined as “the development of local skills, creation of jobs, promoting of enterprise development and the transfer of skills and technologies.” To date companies such as USCapital Belize, BCH International/Pacific Rubiales, Perenco and BNE have all given back to local communities in Belize in various ways. Companies begin to contribute at the exploration stage of operations and if they make a successful discovery this continues into the production stage.

### USCapital Belize Corp.

USCapital Belize Corp. has been active in southern Belize since 2008, spending in excess of 58 Million USD of which 1.3 Million USD was spent on social projects (exclusive of road works) as a part of their PSA. While USCapital Belize Corp. has only found oil and gas shows (traces of hydrocarbon) they have maintained local content initiatives by assisting with computer labs attached to schools, financial support to the local health clinics, roads upgrade and maintenance, and sponsorship of local events benefitting children, adults and the environment within the contract area.



CONEJO



BARRANCO

USCapital projects within contract area



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## BELIZEAN OIL – WHAT HAS IT DONE FOR US?

### *US Capital Belize Corp (cont'd)*

USCapital has been keen on assisting with the cognitive development of children by way of adding long distance learning methodologies through the establishment of learning labs in villages such as Conejo, Barranco, Midway, San Pedro Colombia and a library in Crique Sarco.

USCapital have also catered to adults with providing employment in seismic operations and the drilling of the TEMASH wells. While operations were ongoing, men and women from the local communities were hired using a fair hiring process to ensure all benefit. USCapital has expended over 700,000 USD in local wages. Other initiatives have included sponsorship of medical symposiums and financial support to local health centers that would result in making available doctors and paramedics. On the environmental side of Local Content, US Capital Belize Corp has planted in excess of 4,000 plants at over 32 schools with the help of the community which are being maintained by students and teachers. They also observed an issue with garbage disposal and have assisted with a recycling project and garbage collection for the communities under a solid waste program.

### *Perenco Belize Ltd.*

Perenco Belize Ltd. signed a PSA with the Government in 2008 to explore for oil and gas resources in the northern part of the country. While they were unsuccessful, Perenco Belize still committed to a social responsibility program which included a donation of 50,000 USD to the Government of Belize to be used in the construction of four classrooms at the Our Lady of Fatima Primary School in Douglas Village in the Orange Walk District.

This 50,000 USD funding was subsequently matched from contributions out of the Belize Natural Energy Trust and this led to the construction of a two-story five-classroom extension building that was completed in March 2014.



USCapital projects within contract area



Our Lady of Fatima R.C. School Building



La Inmaculada R.C. School, Orange Walk Town



Belmopan Comprehensive High School, Belmopan

### *BCH International Inc./ Pacific Rubiales Energy*

In 2013, Pacific Rubiales Energy, an oil and gas company out of Colombia, bought the shares of the local company, BCH International Inc. and began their seismic activities in the central zone of the Belize/Cayo District. As part of their social program, BCH categorized the impact of the seismic survey using the neighboring villages. Villages were asked to propose one project that required funding. Proposed projects included the refurbishing of existing buildings, additions to buildings and road infrastructure projects. The company partnered with the Ministry of Works and Transport to carry out the infrastructural works component. Lords Bank village received two new bus stops, Sandhill village received a community playground, Mahogany Heights received a new health center, road maintenance was done in Hattieville and Springfield; Burrell Boom was provided with a new lawn tractor, A new ceiling was provided for the community center at Freetown Sibun, Western Paradise was provided with a new walkway for their health center, Armenia, Teakettle and Arizona villages' community centers were refurbished, and a new walk way was provided for the St. Matthews Primary School. 70,000 USD was spent on these community development projects. The aggressive seismic program also resulted in over 6M USD being spent on local wages and goods and services.

### *Belize Natural Energy (BNE)*

BNE is the only oil and gas producer in Belize and has set up Belize Natural Energy Charitable Trust which is a partnership between the GOB and BNE, established in 2008. This trust was established as a contractual obligation under the PSA for the purpose of environmental conservation and general education. BNE contributes nine tenths of one percent (0.09%) of the value of annual gross production of crude oil and/or natural gas produced and saved in each calendar year to the trust. In 2021, BNE paid in over 118,000 USD to the BNE Charitable Trust. The trust has provided assistance to communities through a Grants Program targeting educational, social and environmental sustainability. A National Student Loan Program was established in partnership with various credit unions in Belize and an Empowerment Fund was even created as a micro-enterprise program to empower entrepreneurs through revolving loan facilities.

Similarly, BNE as a part of their social corporate responsibility and their local content development initiative, contribute to the society through an annual social program that provides donations in areas of health, education, sports, community development, and environment. Numerous projects and organizations have received funding from BNE. Notable mentions include support to the Police Department's "Do the Right Thing" program, partnering with the Ministry of Health and La Loma Luz Hospital for the construction and establishment of the Hemodialysis Center, and contributions to the Belize Cancer Society and Belize Red Cross.

