

# Mendoza

**Energy for the world**

MINISTRY OF ENERGY  
AND ENVIRONMENT



MENDOZA



# Argentina in the global context

Thanks to the wealth of its reserves, **Argentina has the conditions to become a world-class energy supplier.**

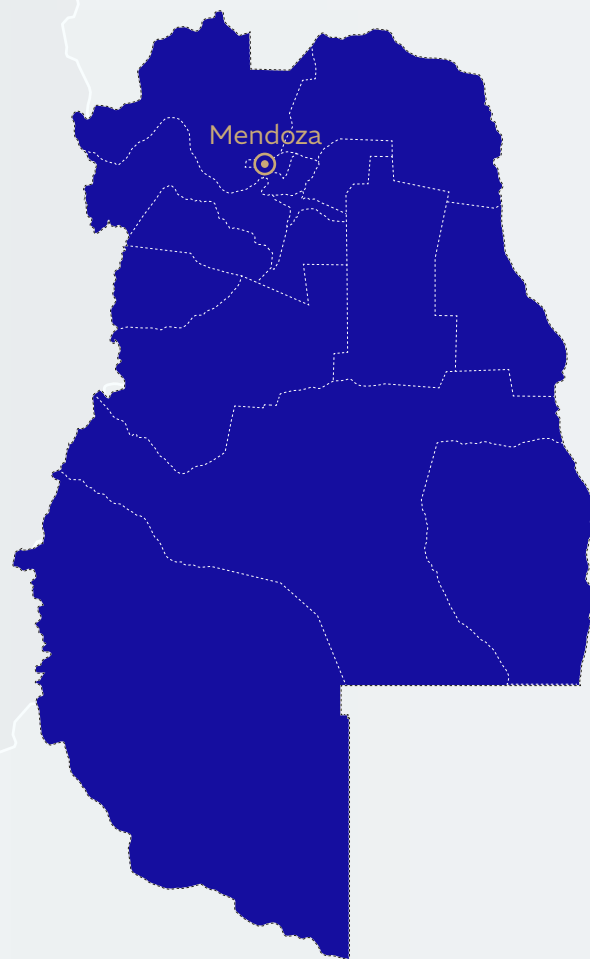
1 of 4

countries in the world to commercially  
develop **unconventional resources**\*

110,000

**university graduates** in STEM  
fields per year\*

\*Source: Argentine Investment and Trade Agency.



Area

148,827 km<sup>2</sup>

Population

2,043,540

### MAIN ECONOMIC ACTIVITIES:

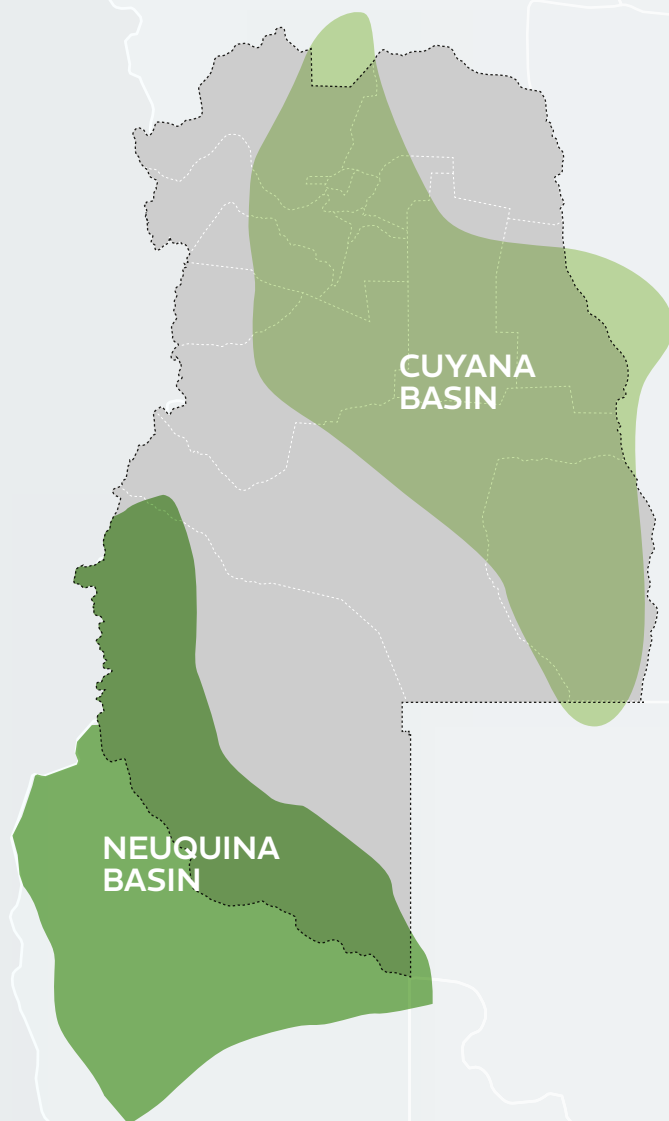
Viticulture, agro-industry, tourism, **hydrocarbons**.

Exports

1,311 billion\*

Investing in Mendoza is an opportunity to access **strategic resources** in a region that combines stability, growth and respect for the environment.

\*In 2023. USD FOB values. DEIE Mendoza.



## Oil & Gas Production in Mendoza

There are two major hydrocarbon basins in the region: the Cuyana Basin and the Neuquina Basin. **Together, they produce 9% of Argentina's oil.**

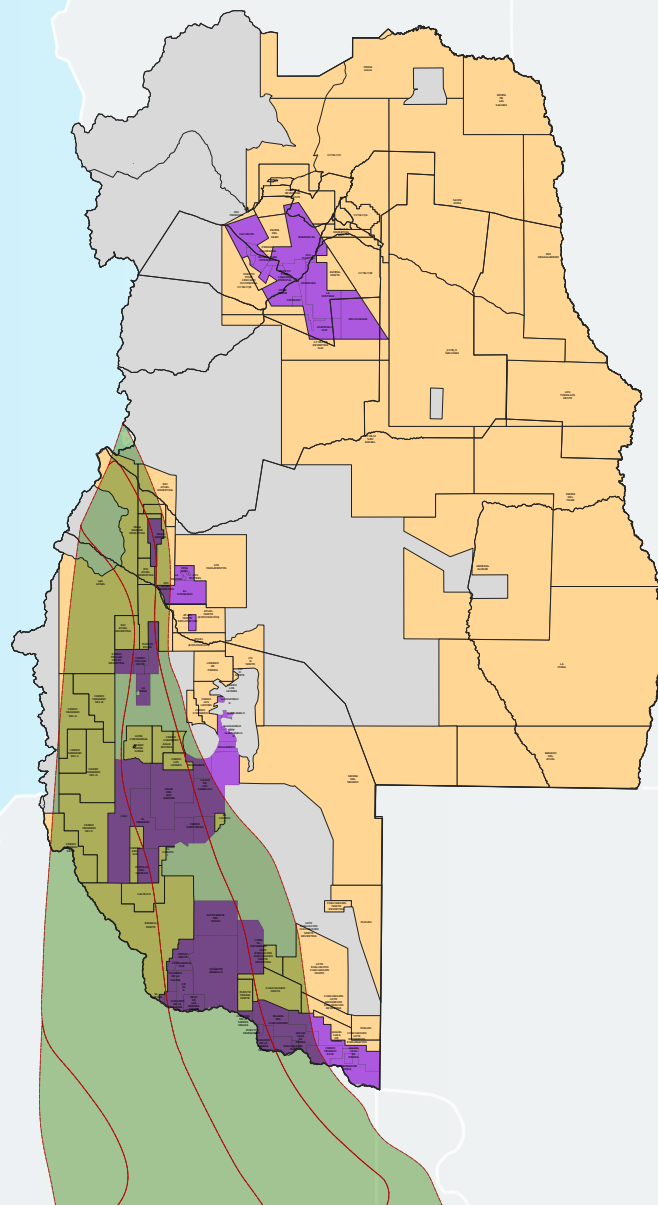
4<sup>th</sup>  
largest oil-producing province

24  
million BOE/year

+6,000  
direct jobs

Oil  
9,000 m<sup>3</sup>  
Per day on average

Gas  
1.5 million m<sup>3</sup>  
Per day on average



## Areas with **hydrocarbon potential in Mendoza**

More and more investors **are allocating their capital to exploration and exploitation in Mendoza.**

Conceded areas    Free areas    Vaca Muerta

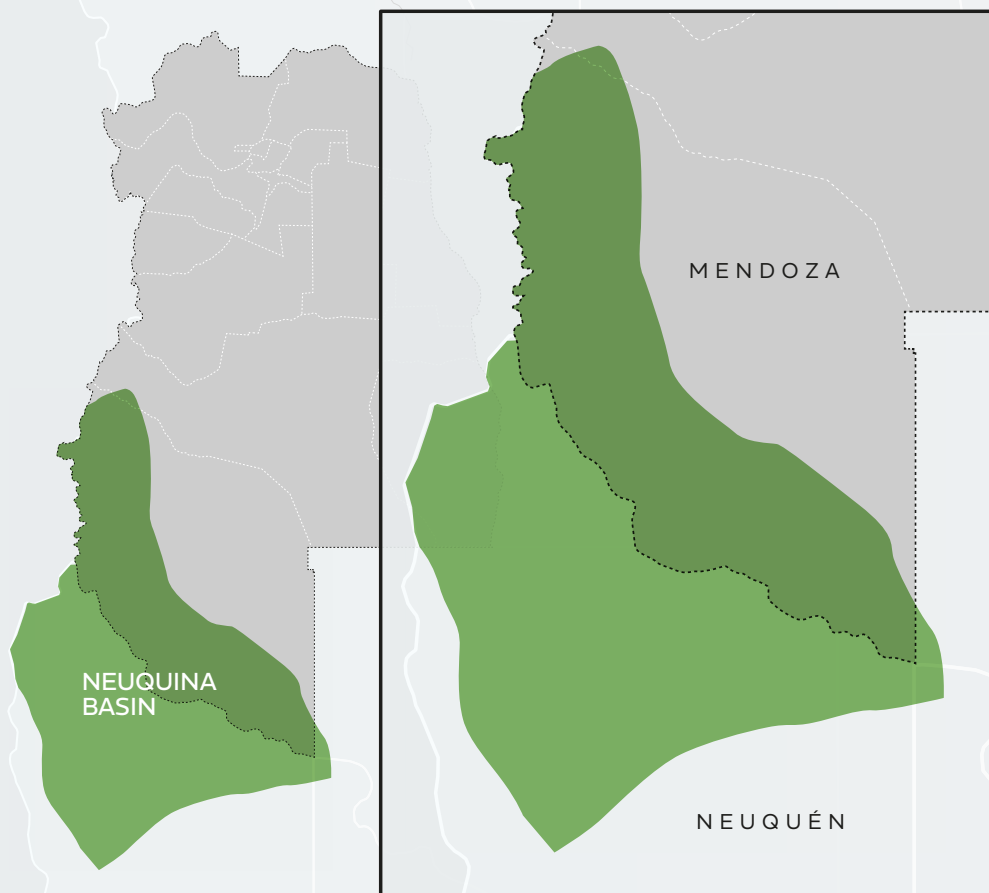
### Areas of greatest opportunity

Chachahuén Oeste	Cerro Chaparro
Puesto Molina Norte	Cerro Manzano (Secc. E, F, D, C, B y A)
Ranquil Norte	Río Atuel Revertida
Camulco	Vega Grande Revertida
El Coirón 1 y 2	Las Leñas
Sierra Azul Sur	Boleadero



# Vaca Muerta Formation





## Vaca Muerta Formation

It is the most important shale formation in the country and one of the most promising in the world.

Area

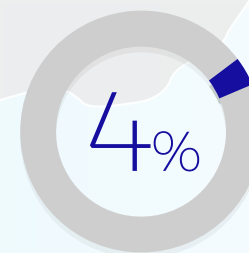
30,000 km<sup>2</sup>

Total gas resources

9 trillion m<sup>3</sup>

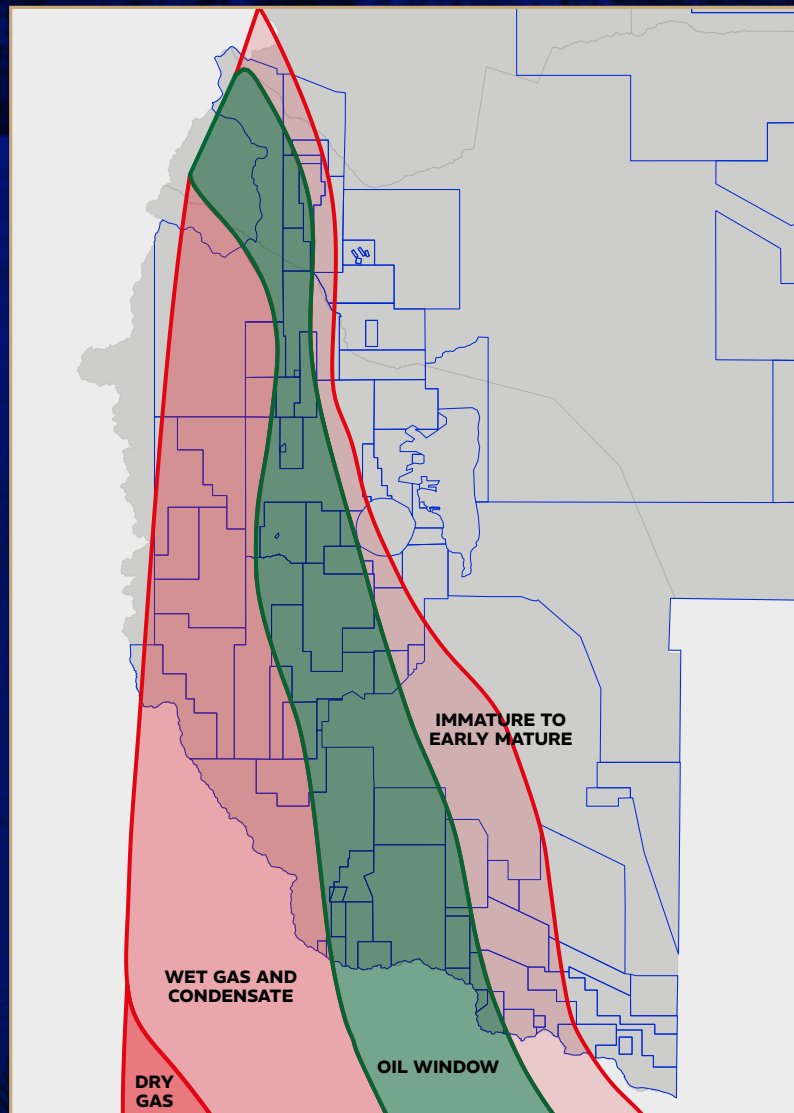
Total oil resources

16 billion barrels



It is currently in a phase of massive development





## Vaca Muerta **Mendoza**

Area

9,000 km<sup>2</sup>

Oil reserves

8 billion m<sup>3</sup>



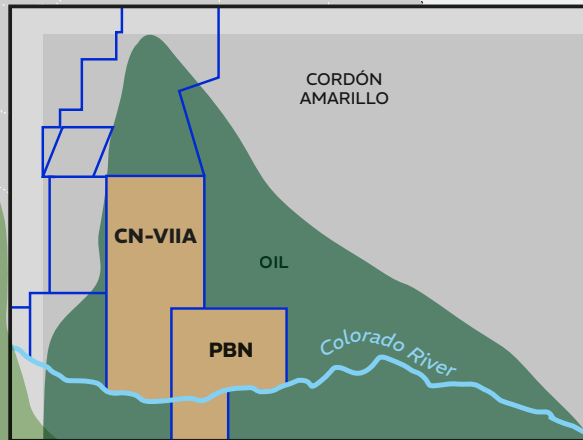
LOCATION OF THE  
VACA MUERTA FORMATION  
IN MENDOZA



## Vaca Muerta Mendoza

### ONGOING PROJECTS

**Status:** Advanced exploration.



	YPF.MdN.PBN.X-101(h)	YPF.MdN.AN.x-101 (h)
Area	Paso de Las Bardas Norte	CN VII A
Contract	Exploitation	Exploratory License
Vertical Depth	2.473 m	2.473 m
Horizontal Depth	1.152 m	1.233 m
Fractures	12 Stages	13 Stages
Oil (m <sup>3</sup> /d)	30	47
Density (°Api)	38°	43°
Gas (m <sup>3</sup> /d)	10.000	64.000
Water (m <sup>3</sup> /d)	20	35
CO2 (%)	0,425	0,023

\*Source: Production data. Chapter IV. SEN. July 2024.

### POTENTIAL DEVELOPMENT

- Navigation in two productive levels
- Possibility of developing a third navigation level: **+100 wells**

More than

**200** horizontal wells  
(lower organic and upper organic)

# Investing in **Vaca Muerta Mendoza**

Simulation of investment using estimated data\*

Initial Production

**700** BOE/d

50m<sup>3</sup>/d oil & 64.000 m<sup>3</sup>/d gas

Annual Decline

**30%**

Price per barrel

**60** USD/BOE

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**Lifting Cost:** 20 USD/BOE

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**Approximate investment:** USD 10,000,000

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**Payback:** 1 to 2 years

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**IRR:** over 30%

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\*Horizontal well: 1200 m, 13 fracture stages.



# Policies to Promote Investments

- Continuous bidding model
- Private initiative regulation
- Technical Exploration Agreements Regulation
- Reduction of royalties
- Variable royalties depending on the oil price
- Geological data base
- Stimulus for incremental production

## Legal Incentives

Incentive Regime for Large Investments (RIGI) (Law 27742)

Import Regime for Goods Integrating Large Investment Projects  
(Resolution 256/2000)

Application of Quality Bank



# Infrastructure and Services

Mendoza has an important network of nodes and logistical hubs distributed throughout its territory.

- **YPF Luján de Cuyo Refinery (41 million bbl/year)**
- **Project Pata Mora Industrial Park (Oil and Mining Industrial and Service Hub)**
- **Pipeline network (Puesto Hernández - Luján de Cuyo)**
- **Road network:**
  - National Route 40 (RN 40): 600 km
  - National Route 7 (RN 7 - Bioceanic Corridor): 260 km to Chile
  - Provincial road network
- **Human Capital:**
  - 9 universities (highly trained technicians and professionals)
- **Developed value chain (metal-mechanics, logistic, construction, services)**



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