

# CONTRACTUAL FRAMEWORK OF EXPLORATION-PRODUCTION

E-062

## OBJECTIVES

To provide participants with an in-depth understanding of the shape and dynamics of oil and gas exploration-production contracts.

On completion of the course, the participants will have:

- improved their knowledge of different tax systems and contractual frameworks;
- seen how partnerships are managed successfully in the upstream sector to find and produce hydrocarbons;
- identified the key issues and constraints in the relationships between host countries, NOCs and IOCs.

## COURSE CONTENT

### ECONOMIC ENVIRONMENT

0.25 day

World's oil and gas reserves, definition of 1P, 2P and 3P reserves  
Comparison of different technical and economic criteria in major petroleum areas  
Investments and risks in EP, process of project evaluation and trends in EP activities

### LEGAL AND CONTRACTUAL FRAMEWORK

1.75 day

Objectives of actors, role of national oil companies, stakes in EP  
Principles of rent sharing, property of hydrocarbons and State sovereignty  
Procedure for contracts awarding, different regimes and petroleum laws in the world  
Concessions contracts: principles, State's revenues, examples of tax regimes and case studies  
Production-sharing contracts: principles, examples, of tax regimes and case studies  
Risk-service contracts, and technical assistance contracts  
Pseudo-tax and non-fiscal constraints  
Sensitive economics clauses, flexible oil policy: why and how to design it?  
Objectives of a flexible and progressive tax system  
Flexible taxation terms and windfall tax approaches  
Economic model of an oil project

### MAIN ARTICLES OF E&P CONTRACTS

1.5 days

General structure of patrimonial contracts  
Exploration phase: duration, commitments, surrender, data and information, etc.  
Appraisal phase: work programme, gas provisions, commerciality, etc.  
Development phase: financing, State participation, budgets and development plans, unitisation, etc.  
Production phase : work conduct and supervision, audit and accounting, financing, taxation, transportation and marketing of production, hydrocarbon price determination, etc.  
General terms & conditions: title transfer, force majeure, governing law and dispute resolution  
Comparison of fundamental features of patrimonial contracts  
Major economic, financial and legal aspects for oil companies  
Evolution and trends in oil taxation and patrimonial contracts

### JOINT OPERATING AGREEMENTS

0.5 day

Motivation for State participation and major types of participation  
Main legal provisions in a Joint Operating Agreement, and Farm in / Farm out agreement  
Obligations of State information

### ▲ Who should attend?

### ▲ Duration

4 days

### ▲ Dates & Location

September 01-04, 2009  
Rueil-Malmaison (Paris)

French sessions: F-062

### ▲ Registration

Fees: € 1,950

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### ▲ Course Coordinator

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