

E-064

▲ Who should attend?

Exploration and production professionals, legal personnel entering the E&P scene, service companies managers and government employees.

▲ Duration

4 days

▲ Dates & Location

May 04-07, 2009
Rueil-Malmaison (Paris)

French sessions: F-064

▲ Registration

Fees: € 1,950

Contact:
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▲ Course Coordinator

Karim FAÏD

Ref. EG / PSA

PRODUCTION SHARING AND JOINT OPERATING AGREEMENTS

OBJECTIVES

To provide a practical understanding of the main concepts, principles and rules of a Production Sharing Agreement which contractually binds petroleum companies with a ministry and/or a state oil company. The course will review all essential topics through the analysis of excerpts from several PSAs.

To provide a practical understanding of how Petroleum Exploration and Production partnerships are managed to successfully find and produce hydrocarbons. The course will review all essential topics through the analysis of a Joint-Operating Agreement.

The course focuses on the practical aspect of contracts: identifying key issues, understanding constraints and deadlines, getting familiar with the document.

COURSE CONTENT

PRODUCTION SHARING AGREEMENTS (PSA)

2 days

Introduction

- Origins, concept and scope of the PSA
- Comparison of PSA to other contracts
- Contents and structure of a typical PSA

PSA Mechanisms

- Cost oil, profit oil split, "Government Take"
- Bonuses, first tranche petroleum, tax holiday, cost recovery ceilings, uplifts, investment credits, government "back-in"
- Typical PSA cash flow forecast chart

Examples

- Review of various clauses selected from different PSAs (Steering committees and Impact of voting, rights and duties, liabilities, sub-contracting...)

JOINT-OPERATING AGREEMENTS (JOA)

2 days

Introduction

- The purpose of the joint ventures and use of a JOA
- The relationship of the JOA to other oil industry contracts
- Structure of a JOA, definitions and terminologies

The Operator

- Appointment, Rights and Duties, Liabilities, Responsibilities, Resignation, Removal

The Partners

- Rights and Duties, Liabilities, Responsibilities

The Operating Committee and Sub Committees

- Establishment, Powers and Duties, Notices, Voting procedures, Impact of voting, Pass-Mark

Work Programme & Budget

- Exploration, Development and Production budgets, Service contracts tendering and awards, AFE procedure

The Sole Risk/Non Consent Clause

- Procedure, Responsibilities, Consequences, Penalties

Disposal of Production

- Rights and Obligations

Permit/Concession/Block

- Surrender, Extensions, Renewals, Abandonment of wells

Legal Matters and Miscellaneous

- Applicable laws, Pre-emption, Dispute resolution, Default, Transfer of rights, Insurances, Withdrawal, Confidentiality, Conflict of interests, Proprietary information

Accounting Procedure

- Principles, Budgets, Audits, Operator's Management & Administrative Overheads, Parent Company Overheads, Payments, Inventories

AIPN Model Contract

- Review of main topics