

PRODUCTION SHARING AND JOINT OPERATING AGREEMENTS

E-064

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

▲ Who should attend?

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

▲ Duration

4 days

▲ Sessions in English

June 29 - July 02, 2010
Rueil-Malmaison (Paris)

French sessions: F-064

▲ Registration

Fees: € 2,010

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▲ Course Coordinator

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Ref. EG / PSA