

# Oil and Gas Law Commercial Contracts

## INTRODUCTION

- This training course will help clients develop a strong understanding of some key commercial transactions and contracts in the oil and gas sector. Those taking the seminar will be equipped with the knowledge of different types of contracts and commercial arrangements entered into by commercial parties in the course of the exploration and production (upstream) and the sale (downstream) of oil and gas.

This training course will highlight:

- The commercial rationale, underlying some key commercial transactions, and the structure and content of contracts used in the oil and gas industry in the context of upstream and some downstream operations
- The nature and variety of commercial and legal issues and problems, arising in the context of commercial transactions, and some typical contractual solutions to these problems
- Commercial joint venture arrangements, such as joint operating and unitisation agreements
- Service contracts, such as drilling contracts, and the risk allocation clauses in such contracts
- Contracts for the acquisition and disposal of assets, such as farm-out agreements
- Sales agreements, such as oil sales contracts and long-term gas sales agreements

## OBJECTIVES

- This training course will provide a comprehensive understanding of the nature, purpose, and structure of some of the key commercial contracts used in the upstream and downstream sectors and some prominent legal issues arising under these contracts.

By the end of this training course, participants will:

- Develop an understanding of some key commercial contracts in the upstream and some downstream sectors.
- Learn about the commercial rationale, purpose, structure of these contracts.
- Gain detailed knowledge about a wide range of legal issues and problems, arising under these contracts, and how these issues are resolved by some major legal systems, such as English law.
- Develop an ability to evaluate the relative strengths and weaknesses of different contractual solutions adopted in respect of various issues and problems.

## **ORGANISATIONAL IMPACT**

Organisations will gain a number of benefits, including:

- Expert knowledge of some key commercial contracts used in the oil and gas upstream and downstream sectors
- In-house expertise in commercial and legal issues arising in the exploration, development, production and sale of oil and gas
- Employees with an ability to analyse and navigate through a wide range of commercial contracts and their key provisions
- Employees with an enhanced understanding of the structures of and solutions adopted in commercial contracts in the natural resources sector and how these contracts are governed by some major legal regimes, such as that of English law and, where relevant, the UN Sales Convention

## **PERSONAL IMPACT**

This training course will provide participants with a number of benefits, including:

- Comprehensive and systematic knowledge of commercial contracts in the oil and gas sector, much of which is transferrable to other natural resource industries and other sectors
- A detailed understanding of commercial and legal issues and problems arising in the context of commercial arrangements, such as joint operating, unitisation, service, farm-out and sales agreements
- Knowledge of the approaches that some major legal regimes, such as English law, take to governing these contracts and their key clauses
- An ability to analyse the relative strengths and weaknesses of different contractual solutions
- Enhanced contract drafting skills

## **WHO SHOULD ATTEND?**

This training course is suitable for a wide range of professionals but will greatly benefit:

- Industry and legal practitioners or civil servants working with the energy/natural resources industry
- Commercial, governmental or legal professionals with an interest in the regulation of the energy/natural resources industry

## Course Outline

### Joint Operating and Unitisation Agreements

- The rationale, purpose and basic principles of a Joint Operating Agreement (JOA)
- The appointment, duties and removal of the operator
- The Operating Committee
- Sole risk and non-consent options
- Cash calls, default and its consequences; under-/over-lifting
- The rationale, purpose and basic principles of a Unitisation Agreement (UA)
- The re-determination procedure in a UA and its consequences

### Service Contracts and Agreements on Acquisition and Disposal of Assets

- Service contracts generally
- Drilling Contracts: Basic structure and key issues
- Risk allocation provisions in service contracts: Indemnity and limitation of liability clauses
- Agreements on Acquisition and Disposal of Assets: General Introduction
- Farm-out Agreements: Basic principles
- Farm-out Agreements

### Oil Sales Contracts and Long-Term Gas Sales Agreements

- Oil Sales Contracts: General introduction and the overview of the role of English law and the UN Sales Convention
- Oil Sales Contracts: Basic rights and obligations of the parties under English law and the UN Sales Convention
- Oil Sales Contracts: Specific obligations of the seller under CIF and FOB contracts
- Long-term Gas Sales Agreements: General introduction
- Long-term Gas Sales Agreements