

# Upstream Contracts

## INTRODUCTION

- This training seminar will help clients develop a strong understanding of how the upstream oil and gas operations are regulated and governed across the world. Those taking the seminar will be equipped with the knowledge of different legal arrangements and the legal framework that regulate the exploration for, development, and production of oil and gas and the eventual decommissioning of the facilities used in the course of oil and gas operations.

This training course will highlight:

- The historical and political context surrounding the development of the oil and gas industry
- Various approaches that the oil and gas producing states take to structuring their legal framework governing the oil and gas operations on their territory
- Methods of awarding the exploration and production rights; modern concession contracts and licensing regimes
- Production sharing contracts and risk service contracts (including buy-back contracts)
- Joint ventures and hybrid agreements
- The legal framework governing the decommissioning of oil and gas facilities and installations

## OBJECTIVES

By the end of this training course, participants will:

- Develop an understanding of the historical context surrounding the international petroleum industry, its key players and the objectives and interests they pursue
- Learn about the different methods of awarding the exploration and production rights
- Gain detailed knowledge about a wide range of legal arrangements between host states and international oil companies that are used across the world to regulate the exploration for, development and production of oil and gas
- Develop an ability to evaluate the relative strengths and weaknesses of the different upstream regulatory arrangements, when compared to each other
- Gain an understanding of the legal framework governing the decommissioning operations

## **ORGANISATIONAL IMPACT**

Organisations will gain a number of benefits, including:

- Expert knowledge of the regulation of the oil and gas upstream sector
- In-house expertise in commercial and legal issues arising in the exploration, development, production and decommissioning operations
- Employees with ability to analyse and navigating through regulatory regimes and contractual structures used across the world
- Employees with enhanced understanding of the structures of and solutions adopted in international state-to-company contracts in the natural resources sector

## **PERSONAL IMPACT**

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

- Comprehensive and systematic knowledge of the regulation of the oil and gas upstream sector that is relevant and transferrable to other natural resource sectors, such as mining and minerals
- A detailed understanding of commercial and legal issues arising in the course of the exploration, development, production and decommissioning operations, and a variety of ways in which these issues can be addressed
- An ability to analyse the relative strengths and weaknesses of different regulatory regimes and contractual structures used worldwide
- Advanced contract and legislative drafting skills

## **WHO SHOULD ATTEND?**

- 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**

The nature and structure of regulation and governance of international oil and gas operations

- Historical and political context surrounding the petroleum industry
- Old concession contracts
- UN Resolutions
- Petroleum industry and its main players
- Objectives and policies pursued by host states and international oil companies (IOCs)
- Approaches to structuring legal and regulatory frameworks by oil and gas producing states
- Petroleum ownership

- Methods of selecting IOCs and awarding exploration and production rights (negotiation, competitive and discretionary bidding)

### The legal arrangements between host states and IOCs (Part I)

- Licensing regimes: basic principles
- Licensing regimes: exploration, development, and production
- Modern concession contracts: basic principles
- Modern concession contracts: exploration, development, and production
- Production sharing contracts: basic principles
- Production sharing contracts: exploration, development, and production

### The legal arrangements between host states and IOCs (Part II) and decommissioning

- Risk service buy-back contracts: basic principles
- Risk service buy-back contracts: exploration, development, and production
- Joint ventures (corporate and contractual) and hybrid contracts: basic principles
- Joint ventures (corporate and contractual) and hybrid contracts: exploration, development, and production
- Decommissioning: international law, examples of domestic regulation and impact on commercial arrangements