Unitisation in the Oil and Gas Industry

12 - 16 Apr 2020, Dubai
26 - 30 Jul 2020, Dubai
Introduction

Hydrocarbon tend to tread two or more license concessions areas or even international boundaries. Unitisation is a mechanism whereby reservoirs for petroleum and or gas are developed as a unit by a single operator (the Unit Operator) and use common production facilities under an agreement called a Unitisation Agreement. The objective is to obtain the maximum recovery of hydrocarbon by the parties.

Unitisation requires rather complete and real knowledge of the field which justifies there being a Unitisation Agreement which is among interested parties. The Unitization Agreement seeks to provide for that the participating interests in an equitable manner and avoid transit impact on the participating interests and helps to avoid some legal traps.

Unitization should be implemented early in the life of a field, prior to development as the owners seek to establish leverage in negotiating a larger share of the field or drain the field.

This GLOMACS training seminar on Unitisation in the Oil and Gas Industry will highlight:

- The international law determining the rights and responsibilities of states in the development of shared petroleum deposits
- How to Unitise a field and the ways to compile a Unitisation and Unit Operating Agreement
- Determining the and which stage this should take place
- Negotiation the agreement with partners

Objectives

At the end of this GLOMACS training seminar, you will learn:

- International oil and gas legal and technical principles used in unit operations
- The key legal and commercial issues that arise in a unitization
- Issues to consider when preparing a UUOA for a specific project
- Specific issues to be considered in a cross-border unitization
- Provisions aimed at limiting liability of adjoining operators / contractors

Training Methodology

The facilitator will use a wide range of techniques from presentation of key points through the use of interactive methods like group practical exercises and discussions, role plays case studies and video presentations. There will be a training manual that will support the learning experience with adequate reference and reading materials which will include sample contracts. Participants will have an opportunity to practise the skills they have acquired from the course with each other in role playing exercises and learn how to apply them in their daily business routines.

Organisational Impact

Participants from the companies and organisations will have improved capacity and ability to:

- Come up with clear strategy to negotiate oil and gas contracts and gas sales agreements
- Mitigate risks and liabilities that may be faced by the corporations and companies
- Avoid pitfalls by being adequately prepared to undertake difficult negotiations
- Improve bottom lines with better negotiated contracts

Personal Impact

Individuals attending this GLOMACS training course will obtain essential skills sets which will give them competence and confidence to:

- Analyse and interpret commercial, legal and contractual aspects of the specific types of unitisation agreements and these contracts that will be reviewed
- Determine economic issues that affect both sides to a contract and learn how to balance these issues in order to minimize risk
- Gain tips and tricks on negotiating the unitisation agreements

Who Should Attend?

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

- Commercial Manager
- Legal Counsels / Advisors
- Commercial Lawyers
- Negotiators
- Project Owners
- Project Directors / Managers
- Project Engineers / Planning Engineers
- Operation Managers
- Contract / Agreement Managers / Specialists
- Financial Controllers / Finance Managers
- Business Development Managers
Seminar Outline

DAY 1

What is Unitisation?
- The Development of the Concept of Unitisation
- Different Approaches to Unitization
- Terminology in Unitisation Agreements
- Pooling and Unitization, Voluntary & Mandatory
- Order of Unit Operation of Pool
- Multiple Leases

Documenting Unitization
- Where the Unitisation Agreement Fits within the Upstream Contractual Regime
- The Need for a Pre-unitisation Agreement
- Important Provisions of a Pre-unitisation Agreement
- The Essential Elements of an Unitisation Agreement
- The Structure of an Unitisation Agreement

DAY 2

Key Concept Affecting Unitization Agreements
- Determination of the Initial Tract Participation / Unit Interest
- Change in the Unit Area
- Units and Unit Operating Agreements
- Redetermination
- How does the redetermination process work in practice?
- The Re-determination Process – The Role of the Expert

DAY 3

UOEA - Unit Operating Agreements & Unitisation
- Connecting-up the Dots between Unitization and UOA
- Unitisation in Practice
- Government Approval
- Important Pits Falls to Avoid in UOAs

DAY 4

Key Issues in UUOAs
- A One-Size Fits All UUOA
- Tract Participation
- Determination and Re-determination Provisions
- Role of the Expert
- Unit Operating Committee Voting Thresholds
- Default of Parties
- Specific Unitization Issues for LNG Export Projects

DAY 5

Transboundary Unitization and Boundary Disputes
- Examples, including Netherlands, UK and Norway, Nigeria, Saudi Arabia and Kuwait
- Transboundary Developments
- Resolving Transboundary Disputes
- Case Studies on Transboundary Disputes
REGISTRATION DETAILS

LAST NAME: __________________________________________
FIRST NAME: _________________________________________
DESIGNATION: ________________________________________
COMPANY: __________________________________________
ADDRESS: ____________________________________________

CITY: ________________________________________________
COUNTRY: __________________________________________
TELEPHONE: _________________________________________
MOBILE: _____________________________________________
FAX: ________________________________________________
EMAIL: ______________________________________________

AUTHORISATION DETAILS

AUTHORISED BY: ______________________________________
DESIGNATION: ________________________________________
COMPANY: __________________________________________
ADDRESS: ____________________________________________

CITY: ________________________________________________
COUNTRY: __________________________________________
TELEPHONE: _________________________________________
MOBILE: _____________________________________________
FAX: ________________________________________________
EMAIL: ______________________________________________

PAYMENT DETAILS

☐ Please invoice my company
☐ Cheque payable to GLOMACS
☐ Please invoice me

CERTIFICATION

Successful participants will receive GLOMACS’ Certificate of Completion

4 WAYS TO REGISTER

Tel: +971 (04) 425 0700
Fax: +971 (04) 425 0701
Email: info@glomacs.com
Website: www.glomacs.com

TERMS AND CONDITIONS

• Fees – Each fee is inclusive of Documentation, Lunch and refreshments served during the entire seminar.
• Mode of Payment – The delegate has the option to pay the course fee directly or request to send an invoice to his/her company/sponsor. Credit card and cheque payments are both acceptable.
• Cancellation / Substitution – Request for seminar cancellation must be made in writing & received three (3) weeks prior to the seminar date. A US$ 250.00 processing fee will be charged per delegate for each cancellation. Thereafter, we regret that we are unable to refund any fees due, although in such cases we would be happy to welcome a colleague who would substitute for you.
• Hotel Accommodation – is not included in the course fee. A reduced corporate rate and a limited number of rooms may be available for attendees wishing to stay at the hotel venue. Requests for hotel reservations should be made at least three (3) weeks prior to the commencement of the seminar. All hotel accommodation is strictly subject to availability and terms and conditions imposed by the hotel will apply.
• Attendance Certificate – a certificate of attendance will only be awarded to those delegates who successfully completed/attended the entire seminar including the awarding of applicable Continuing Professional Education Units/Hours.
• Force Majeure – any circumstances beyond the control of the Company may necessitate postponement, change of seminar venue or substitution of assigned Instructor. The Company reserves the right to exercise this clause and implement such amendments.
• Fair Access / Equal Opportunities – In the provision of its services as a world-class Training Provider, the Company is committed to provide fair access / equal opportunities throughout the delivery of its courses and assessment leading to the completion of training seminars, or 3rd party qualifications/certifications.