

STATE PARTICIPATION IN PETROLEUM EXPLORATION AND PRODUCTION PROJECTS: CONCEPT, OBJECTS AND CHALLENGES

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Abstract

The main goal of this article is to study the concept of State participation in oil and gas projects. We tried to define the concept, characteristics, reasoning and challenges around the phenomenon. State participation as a way of cooperation between the Host State (HS) and an International Oil Companies (IOC), may be used as a main contract or as a term of main contract. Government reasoning for State participation mainly focuses on taking control and managerial tasks by the government, achieving experience and expertise in operations and enhancing in government take. Conflict of interest, problems in financing government's share of costs and political interference in operations are the main challenges of State participation. Meanwhile, State participation has some benefits: it helps the IOC and the HS to improve their relations and mutual understanding, National Oil Companies (NOC) can take risk and responsibility for operations, NOCs can achieve experience and expertise in the field also, managerial knowledge of IOCs will be transferred to the NOCs.

Keywords

Commercial Participation- Exploration and Production Projects- Petroleum Contracts- State Participation.

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THE UNCONVENTIONAL OIL AND GAS PRODUCTION IN PERSIAN GULF UNDER THE LAW OF THE SEA CONVENTION AND THE KUWAIT CONVENTION

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Abstract

The exploitation of unconventional oil and gas resources in the not-too-distant future, with a decreasing utilization of conventional resources, will be expanding. Considering that the exploitation of unconventional resources has certain characteristics and effects that are sometimes distinct from the exploitation of conventional resources. In this paper, we study the requirements of utilization of these resources in the Persian Gulf. In this article, the requirements for the exploitation of unconventional resources were examined by looking at the Law of the Sea Convention 1982 and the Kuwait Regional Convention for the Protection of the Marine Environment against Pollution and its Protocols, in particular the Protocol on the Explosion and Disposal of Offshore Pollutants from the Continent. As a result of this study, it has been found that in terms of ownership and management of resources, no distinction has been made by the applicable international instruments. Furthermore, it has been suggested that while unconventional utilization of oil and gas resources lead to disastrous environmental impacts, international law instruments generally applied the same approach for conventional and unconventional utilization. The Kuwait Convention, however, provides detailed rules and requirements which cover unconventional utilization of offshore oil and gas resources in a wider range.

Keywords

Unconventional oil and gas resources, Exploitation of unconventional oil and gas resources, Environmental damage, Continental shelf, Law of the sea Convention 1982, Kuwait Regional Convention.

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**THE JURISDICTION OF ICSID UNDER THE ARBITRATION
AWARD BETWEEN MASDAR SOLAR & WIND
COOPERATIEF U.A. AND KINGDOM OF SPAIN
REGARDING THE RENEWABLE ENERGY INVESTMENT**

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Abstract

On 16 May 2018, ICSID issued its Award between the Masdar as a Dutch company against Spain. The court confirmed the violation of the Energy Charter by the Spain and sentenced it to compensate for damages to the plaintiff. Despite the challenges to the Court's jurisdiction raised by Spain, in various aspects such as personal, thematic and the priority of EU, the Court accepted its jurisdiction to hear the case. In this respect, the main basis of the plaintiff's pleadings and the court's analysis are based on the Energy Charter and the ICSID Convention; because both documents are mandatory for both Parties. Given that one of the major achievements of this award is to examine the various aspects of the jurisdiction of ICSID in relation to the disputes arising from the renewable energy investment, the present Article seeks to analyze these issues.

Keywords

objections, Jurisdiction, Energy Charter, ICSID, European Union, Investment.

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LEGAL APPROACHES TO RISK MITIGATION IN THE SHALE OIL AND GAS EXTRACTION

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Abstract

In the last decade, shale oil and gas reserves which were formerly not considered as oil and gas resources, with the advent of technology and the possibility of economic exploitation are considered as new energy reserves. This event is referred to as the "shale revolution" in the oil and gas industry. One of the mechanisms of risk management is the use of legislative and regulatory methods. In this paper, with regard to the experience of the countries active in this field, the control and management of shale project risks through legislation and regulation has been studied. To succeed in such projects in Iran, this paper concludes that the legal framework for the exploration and exploitation of shale reservoirs should first be established by the legislator and an institution composed of the Ministry of Oil, the Ministry of Energy (the water sector) and the environment should be established as the "regulator institution" Which can make necessary provisions in this area, grant licenses for exploration and extraction, and then oversee exploration and extraction operations in accordance with the laws and regulations.

Keywords

Shale, hydraulic fracture, horizontal drilling, environment, risk management.

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COMPARATIVE STUDY OF UNITIZATION OF OIL AND GAS FIELDS IN IRAN AND USA

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Abstract

One of main topics of oil and gas law as a branch of public law is shared/common/transboundary reservoirs expanded across the borders of a country and located in common boundaries of two or more neighboring countries. This matter isn't mentioned in the Iranian constitution. The method of management of these common resources has an important significance and various methods are employed in this relation. One of the most and best ways for operation and exploitation of these common fields is concluding unitization agreement between the two neighboring countries by which beneficiaries of that common field conclude an agreement. In this research we surveyed the use of unitization of oil and gas analytically, descriptively and comparatively in the legal and executive procedures of both Iran and the United States and finally we suggested some offers by comparing these two legal systems. Since Iran has many shared oil and gas field with its neighbors, it is necessary that oil ministry of Iran as the main arranger of upstream and downstream activities in the Iranian oil and gas industry, should arrange and provide legal and political requirements and structures for unitizing and operating these fields in the best manner.

Keywords

Unitization, common fields, oil and gas, agreement, Tran's boundary reservoir.

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APPLYING DISCOUNTED CASH FLOW IN OIL INDUSTRY COMPENSATION VALUATION

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Abstract

Since oil price is volatile and oil companies are affected, oil industry is bed of disputes. In this condition, finding appropriate method of compensation valuation is very important. We considered discounted the cash flow method in compensation valuation in oil industry disputes. This survey showed that high volatile cash flow and oil company future contingency are the most important obstacles for using of this method. Cash flow prediction based on oil price normalization, using scenario and sensitivity analysis are resolutions for removing obstacles of using discounted cash flow. For managing investment in oil industry in Iran, it has been suggested to agree on future cash flow and discounted rates before starting the project.

Keywords

Discounted cash flow method, Compensation valuation, Oil arbitration, valuation methods, Discounted Cash flow in Oil industry in IRAN.

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EXCEPTIONS TO THE RESPONSIBILITY OF OPERATING NUCLEAR INSTALLATION IN THE PROCESS OF TRANSPORTATION OF NUCLEAR MATERIALS IN INTERNATIONAL CONVENTIONS

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Abstract

In international documents governing civil liability for nuclear incidents such as the 1960 Paris Convention and the 1963 Vienna Convention often the operator of a nuclear installation shall be liable for nuclear damage upon proof that such damage has been caused by a nuclear incident, whether the damage caused by a nuclear incident occurred in his nuclear installation or during the transport of nuclear material or not. Civil liability arising from nuclear incidents is of strict liability, and for this kind of responsibility, a causal relationship is needed. Therefore, factors that cause a relationship to be disrupted, such as *force major*, from the gross negligence of the person suffering the damage or from an act or omission of such person done with intent to cause damage, and third-party action can relieve the operator from his obligation or civil liability. The question raised by these documents is whether, despite the acceptance of the principle of exclusive liability in nuclear incidents, it is possible to identify exemptions or irresponsibility (exonerations factors) of the operator. The responsibility of the operator follows two important principles: non-fault liability (strict and absolute) and his exclusive liability. There are exceptions to these two rules. This article concludes that despite accepting strict liability and exclusive liability of operator for compensation nuclear damage, these conventions have identified cases as exceptions to operator liability. Exceptions to this case include the "cases of non-responsibility or irresponsibility", "cases of exemption or exonerations factors " and "cases of right of recourse of the operator to a third parties" in the present article.

Keywords

The Operator of Nuclear Installations, Exclusive Liability, Strict Liability, Exceptions of Responsibility, Exonerations Factors, Right of Recourse.

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PERFORMANCE EVALUATION OF CONTRACTUAL METHODS USED IN THE DEVELOPMENT OF SOUTH PARS GAS FIELD

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Abstract

The South Pars Gas reservoir, as the largest natural gas supply source in the country, is one of the most important mega projects in Iran that has been used to develop its phases by various contractual methods. In this research a comparison between methods and the most appropriate contractual method has been identified which could be the basis for future development of gas fields or mega projects in the country. With the inclusion of criteria such as project risk for government, cost, quality, the integrity of implementation and production operations, project execution time, acquisition management know-how and technology transfer, by using the "Analytical Hierarchy Process" (AHP) method for contractual options, shows the superiority of the buy-back contract. The main features of the research that led to this conclusion are, the maintenance of the country's right to ownership, control of operations and costs by the state, transfer of technical know-how, training of the operation forces, acceptance of the risk of production and Perform 100% investment by the contractor and repayment it within 5 to 7 years after the commissioning of the field products.

Keywords

Buy-back Contract, Contractual Mechanisms, Oil and Gas Contracts, South Pars Gas Field.

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**RESPONSE OF THE LEGAL SYSTEM GOVERNING
MARITIME TRANSPORT OF GOODS TO THE
ENVIRONMENTAL CHALLENGES IMPACT OF OIL AND
GAS LEAKAGE
(WITH EMPHASIS ON ROTTERDAM CONVENTION)**

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Abstract

One of the important issues related to the marine environment is the oil and gas leaks that international documents have taken a particular look at. In this research, we examine the development and evolution of the legal system governing maritime transport of goods that could be the leakage of dangerous goods. We examine the pollution caused by fuel leakage and answer the question whether this legal regime has been able to solve the recent problems mentioned at sea and how the liability arising from the offending act is being applied. The initial premise of this study is that the Rotterdam Convention is a strong document that can be adopted by major governments in the maritime industry to be an effective step in protecting the marine environment and, if necessary, enacting a new definition of economic development, actively protecting the marine environment and preventing pollution.

Keywords

Sea freight transport, Rotterdam Convention, Environment, Oil and gas leakage.

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OPERATOR - NON-OPERATOR RELATIONSHIPS IN JOINT OPERATING AGREEMENTS (A COMPARATIVE STUDY OF JOA MODEL FORMS AND NEW IRANIAN PETROLEUM CONTRACTS MODEL)

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Abstract

One of new Iranian Petroleum Contract (IPC) requirements is participation of the foreign company(ies) with local company(ies) forming a consortium to jointly perform the petroleum operation of the field, and the main bedrock for performance of the joint operation is Joint Operating Agreement (JOA). There are basically two types of parties in a JOA: Operator and Non-Operator(s). The main role and duty of the operator is conducting and management of the day-to-day operation of the field, while, of the non-operators is providing timely funds for conduct and participating in decisions made in respect of the joint operation. While the operator, seeks more freedom in performing its duties and obligations under a JOA, the non-operators desires higher level of control and more access to information to effectively protect their interests engaged in the main contract and JOA. In most JOAs, the non-operators are engaged in decision-makings through the Operating Committee (OpCom) and its sub-committees. In the Iranian version of JOA, the non-operators may supervise the operator's activities via the OpCom. The main duty of the OpCom is controlling and supervising the joint operations performed in the contract area by the operator and reviewing and approving the work programs and budgets.

Keywords

Joint Operating Agreement (JOA), new Iranian petroleum Contracts (IPC), Operating Committee (OpCom), Operator, Non-Operator.

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ANALYSIS OF ALTERNATIVE DISPUTE RESOLUTION METHODS (ADR) ON IRAN'S NEW UPSTREAM OIL CONTRACTS IPC

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Abstract

ADRs have been introduced for decades as an appropriate way to resolve disputes in upstream international contracts in the oil and gas industry; an example of this is the adoption of the International Commercial Compromise Law. The question to be addressed here is whether or not the ADR in the IPC is a reference to all of its instruments or to a particular type of instrument and what in fact is the ADR. This article aims to respond to this by reviewing upstream international contracts in the oil and gas industry. The results of this paper confirm that the combination of two expert and arbitration processes can maintain long-term contractual relationships of the parties and be efficient in terms of time and finances. This research proves that peer-review is the best way to resolve disputes in new upstream contracts in the oil and gas industry called IPC.

Keywords

alternative methods, dispute settlement methods, expertise, arbitration, new upstream oil and gas contracts (IPC).

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THE OBLIGATIONS OF HOST STATES UNDER ENERGY CHARTER TREATY AND TRACE OF IT IN ARBITRATION AWARDS

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Abstract

The energy charter treaty (ECT) is a global treaty, enacted to protect investments in energy sector. In this treaty, authors appoint obligations for states that breach of those can lead to their responsibility. In the precedent of arbitration tribunals, we can see that arbitrators have a freedom to envisage causes of action and also we see in multiplicity of causes, they did not oblige themselves to envisage all of causes. Also, we can see that the problem of causes of action is not analytical enough and therefore there exists ambiguities. In this article we evaluate this subjects.

Keywords

ECT, causes of action, investment, matter of fact, matter of law.

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