

2010

INTERNATIONAL ENERGY TRANSACTIONS



January 20–21, 2010
Hyatt Regency ▪ Houston, Texas

▶ Video Replay
March 11-12, 2010
Cityplace Conference Center ▪ Dallas, Texas

Earn up to 13.25 Hours of Credit including 2.00 Hours of Ethics Credit
Specialization Credit Approved for Oil, Gas and Mineral Law

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WEDNESDAY MORNING, JAN. 20, 2010

Presiding Officer:

Timothy R. Brown, Anadarko Petroleum Corporation, The Woodlands, TX

8:00 a.m. Registration Opens

Includes continental breakfast.

8:35 a.m. Welcoming Remarks

OVERVIEW

8:45 a.m. .50 hr

Survey of World Energy Resources and Regimes

An overview of the global demand for energy and the location of oil and gas reserves, with discussion of the political, fiscal, and regulatory regimes found in emerging production regions.

Kenneth A. Hersh, NGP Energy Capital Management, Irving, TX

HOST COUNTRY FORMS, CONTRACTS AND RELATED ISSUES

9:15 a.m. 1.00 hr

Anatomy of Host Governing Instruments in Emerging Producing Regions

Whether in the form of a license, production sharing contract, or service contract, host-government instruments continue to evolve in an effort to meet both current and future petroleum economics and political situations. This presentation reviews the various types of instruments in use throughout the world but focuses chiefly on substantive provisions of particular interest to lawyers.

Owen L. Anderson, The University of Oklahoma College of Law, Norman, OK

10:15 a.m. Break

10:30 a.m. .75 hr

Follow the Money: Understanding the Economics of Host Country Contracts

The oil and gas energy market, together with the financial markets, has suffered unusual volatility

over the last four years. Perhaps atypically, the decline in prices exhibited from September 2008 through March 2009 occurred parallel to a negative change in investment appetite and declining world consumption of most commodities, currency exchange volatility, and constraints in investment capital with substantially higher cost of capital for certain sectors. The presentation looks at the capital flow and examines the drivers behind the flow, the risks and the expectations of the IOCs in making these investments.

Christopher Moyes, Moyes & Co., Inc., Dallas, TX

11:15 a.m. 1.00 hr including .25 hr ethics

Negotiating Upstream Contracts with Host Governments and NOCs

A short commentary of the challenges and pitfalls of negotiating host country agreements, followed by a roundtable discussion among a panel of experienced negotiators.

Moderator:

Michael P. Irvin, Fulbright & Jaworski L.L.P., Houston, TX

Panelists:

Frank L. Cascio Jr., Barnes & Cascio LLP, Houston, TX

Elisabeth Eljuri, Macleod Dixon, Caracas, Venezuela

Harry Sullivan, ConocoPhillips, Houston, TX

WEDNESDAY AFTERNOON

Presiding Officer:

Timothy R. Brown, Anadarko Petroleum Corporation, The Woodlands, TX

LUNCHEON PRESENTATION

12:15 p.m. Pick up Lunch

Included in conference registration fee.

12:30 p.m. .75 hr ethics

The Foreign Corrupt Practices Act (FCPA): Staying out of Trouble at a Time of Heightened Enforcement

The federal government has substantially increased inquiries and enforcement regarding FCPA violations. This session outlines pointers to avoid activities likely to trigger enforcement, and provides practical guidance on best practices in complying with the requirements of the act.

Luis Derrota, Anadarko Petroleum Corporation, The Woodlands, TX

1:15 p.m. Break

1:30 p.m. .50 hr

Special Considerations and Practical Concerns Involving Host Country Agreements: An Analysis of Special Provisions such as Local Content and Training Requirements

This presentation focuses on some special provisions and obligations of an operator in a typical PSC or host government granting instrument that are outside of minimum work programs and exploration and development obligations. These matters often cause headaches for operators or can be overlooked when assessing the true costs of a prospect.

Steven P. O'tillar, Baker & McKenzie LLP, Houston, TX

2:00 p.m. 1.00 hr

Political Risk in the Host Government Relationship: Historical Lessons, Current Strategies, and the Way Forward

This discussion of political risk examines lessons learned from the contract renegotiations and arbitral awards of the 1960s - 1970s; the significance for the international petroleum industry of the so-called New International Economic Order and the reaction thereto in the 1980s - 1990s; and the resurgence of resource nationalism since 2005 and its impact on contract value. The discussion focuses on stabilization methods currently used by IOCs, on host government and NOC "counter-stabilization" strategies, in particular forced contract renegotiation, and the long-term importance for all parties of "resource rationalism."

John Bowman, King & Spalding LLP, Houston, TX

3:00 p.m. Break

3:15 p.m. 1.00 hr

Drafting Dispute Resolution Provisions: Key Issues, Choices to Make and Mistakes to Avoid

A review of what you need to plan for, negotiate and draft into the dispute clauses of your international energy agreements. The discussion covers the different types of dispute resolution mechanisms you can incorporate into an international agreement and the key issues you need to address in each of them, in particular for international arbitration. In addition, the panelists provide advice on the

kinds of smart choices you can make in your dispute resolution clauses and the kinds of common mistakes you can avoid.

Moderator:

Tim Martin, adr.governance.inc.,
Calgary, Alberta, Canada

Panelists:

Jennifer Price, King & Spalding LLP, Houston, TX
Anibal Martin Sabater, Fulbright & Jaworski L.L.P.,
Houston, TX
Jennifer Mary Smith, Baker Botts L.L.P., Houston, TX

4:15 p.m. 1.00 hr

Decommissioning: The Global Legal Regime and the Risks to Manage

A description of the challenge facing the oil and gas industry in decommissioning its facilities around the world. The global legal framework for decommissioning is discussed, including the international conventions, regional conventions, national laws and host government contracts that govern such requirements; the agreements entered into by the industry to govern their inter-company obligations on abandonment, such as joint operating agreements and abandonment agreements; and the key legal issues in decommissioning, along with disputes that have arisen, and how they need to be addressed. Examples of how some of the more important jurisdictions around the world have dealt with decommissioning are provided.

Tim Martin, adr.governance.inc.,
Calgary, Alberta, Canada

5:15 p.m. Adjourn

THURSDAY MORNING, JAN. 21, 2010

Presiding Officer:

**Melinda E. Taylor, The University of Texas
School of Law, Austin, TX**

8:00 a.m. Conference Room Opens

Includes continental breakfast.

**FROM FIRST INTEREST
TO FIRST OIL**

8:45 a.m. .75 hr

Recognizing the Players, the Parties, the Politics, and Permissions: Due Diligence Beyond the Agreements

There is more to conducting exploration and production operations in a country than the host government contract itself. This presentation addresses the legal and contractual framework for conducting petroleum operations, identification (beforehand) of issues that may arise and problems that may be encountered, and methods by which to avoid or address the issues and problems.

Michael P. Darden, Baker Botts L.L.P., Houston, TX

9:30 a.m. .50 hr

Entry Points: Joint Bidding Agreements and Participation Agreements (Farm-Ins)

An overview of the elements in a "standard" joint bidding and participation agreement, and a more detailed analysis of certain issues that are critical to identify at the outset in order to structure and negotiate them. A brief introduction to ways in which standard model agreements can be adapted for use in multi-party/multi-asset/multi-jurisdictional bids and farm-in transactions are covered.

D. Marie Wagner, Anadarko Petroleum Corporation,
The Woodlands, TX

10:00 a.m. 1.00 hr

Core of an International Joint Operating Agreement

A look at the top ten considerations in negotiating an international joint operating agreement (JOA).

James Barnes, Barnes & Cascio LLP, Houston, TX

11:00 a.m. Break

11:15 a.m. .50 hr

The 2004 AIPN Model Form International Accounting Procedure: Claims For Adjustment, Audit Issues and the Upcoming Revision

The AIPN Model Form International Accounting Procedure was last revised in 2004. Many of the issues that arise under the AIPN form have been encountered with model form accounting procedures published by the Council of Petroleum Accountants Societies (COPAS). Those precedents are instructive in understanding the AIPN form. In addition, there are a number of issues that will be discussed by the newly formed AIPN committee to revise the 2004 Model Form. Some of those issues will be reviewed as an update on the revision process. This session covers the added assignment the AIPN committee has been given of preparing an accounting procedure for the 2006 Model Form International Unitization and Unit Operating Agreement.

Ben H. Welmaker, Baker & McKenzie LLP, Houston, TX

11:45 a.m. .75 hr

Unitization and Other Multi-Block Development Issues

This presentation addresses the key issues that arise when a field or fields lying on multiple blocks are developed together. Concepts addressed include unitization of the relevant reservoir or reservoirs as well as production handling; joint construction and infrastructure sharing arrangements; and contractual and regulatory issues arising on the front end of a joint development (such as rights to exchange data), and on the back end of a joint development (such as expiration of one block).

David Asmus, Morgan, Lewis & Bockius LLP,
Houston, TX

THURSDAY AFTERNOON

Presiding Officer:

**Melinda E. Taylor, The University of Texas
School of Law, Austin, TX**

LUNCHEON PRESENTATION

12:30 p.m. Pick Up Lunch

12:45 p.m. 1.00 hr ethics

Ethical Issues of In-House and Outside Lawyers Who Represent International Joint Ventures

An examination of issues of professional responsibility when lawyers represent parties in joint ventures including who the client is, conflicts of interest, disclosure and consent, confidentiality, and ethics in international transactions. Hypotheticals are presented and analyzed under the relevant Model Rules and case law.

John S. Dzienkowski, The University of Texas
School of Law, Austin, TX

1:45 p.m. Break

2:00 p.m. 1.25 hr

Special Considerations in the Joint Venture Relationship: Voting Rights, Preference Rights and Change of Control, Exclusive Operations and Insolvent Partners

A panel of in-house oil and gas attorneys discuss their approaches to reviewing and negotiating the provisions of the joint operating agreement relating to: pass marks and voting rights; the inclusion or exclusion of preferential rights to purchase; first rights of negotiation and change of control provisions; exclusive operations and back-in rights in the context of production sharing contracts; and default provisions. Learn about the pitfalls and opportunities associated with these common provisions of the joint operating agreement.

Moderator:

Donald W. Wendland Jr., Noble Energy, Inc.,
Houston, TX

Panelists:

Timothy R. Brown, Anadarko Petroleum Corporation,
The Woodlands, TX
David C. Houck, Total E&P USA, Inc., Houston, TX
Maria Victoria Vargas, Repsol Services Company,
The Woodlands, TX

3:15 p.m. Adjourn

CONFERENCE FACULTY AND PLANNING COMMITTEE

TIMOTHY R. BROWN—CO-CHAIR*
Anadarko Petroleum Corporation
The Woodlands, TX

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The University of Texas School of Law
Austin, TX

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D. MARIE WAGNER
Anadarko Petroleum Corporation
The Woodlands, TX

BEN H. WELMAKER
Baker & McKenzie LLP
Houston, TX

DONALD W. WENDLAND JR.*
Noble Energy, Inc.
Houston, TX

*planning committee member

The University of Texas School of Law Establishes New Energy Center and LLM Program

THE WORLD TODAY faces an energy challenge of unprecedented proportions. Developed and rapidly developing nations are competing to secure sources of oil and natural gas to fuel their economies while countries with significant petroleum reserves are asserting the sovereign rights of nations to self-determine the extraction of their natural resources. Companies seeking to develop energy resources internationally face increasing and significant political and commercial risks.

To address these challenges, the University of Texas School of Law has created **The Center for Global Energy, International Arbitration and Environmental Law** (“The Center”) for the interdisciplinary study of energy, including international energy transactions, dispute resolution, science, and policy. Beginning in 2010, The Center will offer a one-year graduate LLM program in Energy, for both foreign and domestic students, and new energy courses



available to regular JD students. See www.utexas.edu/law/academics/centers/energy/

The Center will work closely with leaders in the domestic and international energy sectors to recruit new faculty and lecturers – including practitioners in-residence – to substantially grow the number of energy courses offered at the Law School, and to assist in the design and delivery of course content, workshops, and research projects of highest relevance to students and the academic, practitioner, and

corporate constituencies of The Center. The Center is also working to offer workshops, short-courses and presentations in Houston. Jim Hackett, Chairman, President and CEO, of Anadarko Petroleum Company, will give the first Houston talk on "Energy, Climate Change and Copenhagen" in January 2010.

The goal of The Center is to become the world's leading research and teaching organization in the areas of energy, international energy, dispute resolution, and environmental law, drawing heavily on the legal, financial, engineering and business expertise available from the world's energy capital – Houston, Texas – and the world-class academic resources of the University of Texas Schools of Engineering, Business, Geology, Law, and Public Policy.

For additional information contact Melinda Taylor, Executive Director of The Center: mtaylor@law.utexas.edu; (512) 232-3641