



UNIVERSITY OF CALGARY
FACULTY OF LAW

INTERNATIONAL ENERGY CONTRACTS: NEGOTIATION & DRAFTING

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Course Description

International Energy Contracts: Negotiation & Drafting in a three-part course. During the first part, will focus on drafting key provisions within common energy agreements, including choice of law, dispute resolution, and indemnity clauses. During the second part, students will learn strategies for negotiating key agreements in international energy development, including bidding agreements, non-disclosure agreements, joint operating agreements, participation agreements, and lifting agreements. Students will hone their negotiating skills through group work, culminating in a final project. Finally, students will become familiar with common dispute resolution mechanisms, including mediation and arbitration.

Course Prerequisites

None, although International Petroleum Transactions is recommended.

Course Materials

The required text is “Oil Contracts: How to Read and Understand Them”, available for free download from <https://openoil.net/> (scroll to the bottom of the page to find the text). There is also a glossary of common terms at the end of the book that will be a helpful resource. You may also read “The Heart and Mind of the Negotiator”, available digitally from the university library.

The group work problems for the course will be available on D2L once the course has begun. Please make sure you have access to the course D2L page before you leave for London.

Grading

Course grades will be determined by group negotiation work, drafting exercises, and a final examination.

Group Negotiation Project	20%
Drafting Assignment	20%

Daily Journal	15%
Final Examination:	45%

Final grades in the course will be calculated by combining weighted results for each evaluation component, and assigned on the basis of the following grade point conversion scale. Note that the A+ grade ultimately carries a value of 4.0 on the University's scale for GPA purposes.

A+ = 4.01-4.3	B+ = 3.15-3.49	C+ = 2.15-2.49	D+ = 1.15-1.49
A = 3.85-4.00	B = 2.85-3.14	C = 1.85-2.14	D = 0.50-1.14
A- = 3.50-3.84	B- = 2.50-2.84	C- = 1.50-1.84	F = 0.00-0.49

The Faculty of Law has adopted a grading rule that requires courses with more than 10 students to have a "B" median grade. It also has a guideline that encourages 10% of grades to be in the "A" range. The instructor reserves the right to adjust grades in order to comply with the Faculty's grading rules and policies.

University of Calgary and Faculty of Law Policies and Regulations

Electronic Communication

In accordance with the University's Electronic Communications Policy, students may communicate with the instructors of this course via their @ucalgary email accounts only. Desire 2 Learn (D2L), which is located on the University of Calgary server, will be used extensively for communication with students. **It is the student's responsibility to ensure that s/he gets all posted communications and documents and that s/he receives emails sent through D2L.** Only your @ucalgary.ca email address should be linked to D2L. Please ensure that you are regularly checking your @ucalgary.ca account.

Regulations

Specific regulations for the Faculty of Law at the University of Calgary, including Faculty-specific regulations on grading, assignments, examinations, deferrals, appeals, academic misconduct, etc., can be found here: <http://live-uc-law.pantheonsite.io/sites/default/files/teams/2/faculty-regulations-june-2015.pdf>.

Except where the Faculty of Law Regulations specify otherwise, all regulations and deadlines of the University of Calgary apply to students in the Faculty of Law. The University of Calgary Calendar containing those regulations can be found here: <http://www.ucalgary.ca/pubs/calendar/current/>. The Academic Regulations are here: <http://www.ucalgary.ca/pubs/calendar/current/academic-regs.html>.

Academic Misconduct

The Faculty of Law and the University take academic misconduct, including plagiarism and cheating, very seriously. Please review the University of Calgary's regulations on plagiarism, cheating and other academic misconduct at <http://www.ucalgary.ca/pubs/calendar/current/k-5.html>. You are expected to be familiar with these standards and to uphold the policies of the Faculty and the University in this respect.

Please speak with your instructor if you have any questions or concerns.

Religious/Spiritual Observance

The University of Calgary recognizes and respects the diversity of its members, including diversity of religious faiths and observances. Because of this it is understood that some students may not be able to attend classes, write tests or write final examinations on days of observance.

Please note that to arrange an alternative date or time for a final exam on this basis, students must submit an application accompanied by written evidence to the Associate Dean prior to the date of the examination. The regulations on exam deferral for religious observance may be found in the Regulations of the Faculty of Law at para. 8(a)(i): <http://live-uc-law.pantheonsite.io/sites/default/files/teams/2/faculty-regulations-june-2015.pdf>.

The general University of Calgary policy on Religious/Spiritual Observance is available here:

<http://www.ucalgary.ca/pubs/calendar/current/e-4.html>.

Accessibility Services

The University of Calgary has a range of resources available to facilitate an accessible learning environment for students with disabilities including chronic health issues, physical, mental, psychiatric and learning disabilities, and impairments of a temporary nature due to accident, illness or injury. Students with disabilities requiring accommodation in the classroom or in the examination or evaluation process are encouraged to contact Student Accessibility Services as early possible to discuss the specific accommodations and supports required. Student Accessibility Services will work with students and administrators at the Faculty of Law to implement the required accommodations and supports. All requests for accommodation will be kept confidential. Please note that documentation of a disability is a requirement for accommodation.

The Student Accessibility Services website is here: <http://www.ucalgary.ca/access/>. The regulations on exam deferral to accommodate students with disabilities may be found in the Regulations of the Faculty of Law at para. 8(a)(i): <http://live-uc-law.pantheonsite.io/sites/default/files/teams/2/faculty-regulations-june-2015.pdf>. The general University of Calgary policy for Students with Disabilities is available here: <http://www.ucalgary.ca/pubs/calendar/current/b-1.html>.

Wellness and Mental Health Resources

The University of Calgary recognizes the pivotal role that student mental health plays in physical health, social connectedness and academic success, and aspires to create a caring and supportive campus community where individuals can freely talk about mental health and receive supports when needed. We encourage you to explore the mental health resources available throughout the university community, such as counselling, self-help resources, peer support or skills-building available through the SU Wellness Centre (Room 370, MacEwan Student Centre, <https://www.ucalgary.ca/wellnesscentre/services/mental-health-services>) and the Campus Mental Health Strategy website (<http://www.ucalgary.ca/mentalhealth/>).

Student Safety

In the event of an emergency on campus, students may be required to evacuate the building. The University of Calgary has designated Assembly Points in the event of an emergency. The University's policy on evacuation is here: <https://www.ucalgary.ca/emergencyplan/building-evacuation>. The designated Assembly Points are here: <https://www.ucalgary.ca/emergencyplan/building-evacuation/assembly-points>. The University of Calgary has a twenty-four hour service to walk students to their destination on campus safely. Information about the Safewalk service can be found here: <http://www.ucalgary.ca/security/safewalk>.

Freedom of Information and Privacy

The University of Calgary complies with the requirements of the Freedom of Information and Privacy Act. The University's policy on the sharing of student information with third parties can be found here: <http://www.ucalgary.ca/legalservices/files/legalservices/pg-pi-of-students-to-3rd-parties.pdf>. The University's policy on the sharing of student information with the subject can be found here: <http://www.ucalgary.ca/legalservices/files/legalservices/pg-pi-of-student-to-subject.pdf>.

The University has a Student Ombuds office. Information about that office can be found here: <http://www.ucalgary.ca/provost/students/ombuds>.

The Law representative on the University Student Union can be contacted via e-mail at lawrep@su.ucalgary.ca.

Required Readings:

The following should be read in advance of the course start. All readings are from "Oil Contracts: How to Read and Understand Them". You should bring a digital copy of the book to London, but you will not have time to do the readings once we are there. This course is designed so that the readings are completed ahead of the course start, and during the course you should only need to refer to the text for reference. The course is divided into three weeks and three modules: 1) overview of energy contracts, forming of consortia (groups of oil companies), and creating a bid for international energy work; 2)

negotiating and drafting the joint operating agreement; and 3) dispute resolution. Classes at the beginning of the week will focus on discussion of core concepts and negotiating strategy, while classes at the middle and end of the week will focus on negotiating and drafting, in both group and individual settings.

Optional but highly recommended: Background and fundamental concepts: pages 9-39

Required: Energy contracts: 137-148, 41-70

Required: Financing: 73-112

The optional readings will provide helpful background and introduce students to some basics of the international oil & gas industry. This is particularly important for students who have not taken International Petroleum Transactions or Oil & Gas Law. At times, I will give information about wind and solar projects in class, but those projects rely heavily on the model of oil & gas, and so students interested in renewables will still benefit from much of the material we will cover. Required readings are essential to good performance during the course and in group negotiation and drafting exercises.

Materials for in-class simulations and exercises will be posted on D2L during the course.

Journal Assignment: Beginning on your first day of class and ending on the last day of class, you will be responsible for keeping a daily journal in which you reflect on what we've learned in class and your experiences with the group exercises. Entries should be typed and at least one page, double spaced, per day (Monday-Friday). The journal is part of your final grade.

Class Schedule

Week 1 (note that guest lectures are subject to change; I will give information on any alternations as soon as I can).

August 3-4: Overview of the international oil industry, including economic considerations and risk management. Explanation of Overview of consortia and bidding, in-class exercises on forming consortia.

August 5: Assignment of teams and in class drafting exercise (graded): bids for international work.

August 6: Guest lecture (TBA, date of guest lecture subject to change).

August 7: Overview of production sharing contracts and work requirements; the formation of joint ventures; introduction to joint operating agreements and financial considerations.

Week 2

August 10-11: Joint ventures and joint operating agreements, operator relationships and responsibilities, group work: selection of the operator.

August 12: Group exercises on drafting and modifying joint operating agreements, AIPN forms, host country regulations.

August 13-14: Group negotiations in class (graded): provisions on removal of the operator.

Week 3

August 17-18: Overview of dispute resolution mechanisms; mediation.

August 19-20: Composition of arbitration panels, arbitral tribunals & rules. Final exam review.

August 21: Final exam.