

Primer: The Law, Science and Finance of International Energy Projects Part 5: Host Country Instruments (HCI's)



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**The opinions contained in the presentations
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Primer Outline

1. Introduction
2. Energy, Geology and Geophysics: Conventional (Potter)
3. Petroleum Engineering: Conventional (Troutman)
4. ~~Unconventional Hydrocarbon Resources (Potter & Troutman)~~
5. Host Country Instruments (HCI's) (Wagner) (LUNCH)
6. International Energy Project Economics (Troutman)
7. Co-Venture Formation and Agreements (Wagner)
8. Co-Venture Economics: The Power of Leverage (Troutman)
9. Co-Venture Operations (Wagner)
10. Summary and Q&A (Troutman, Potter and Wagner)

Host Country Instruments Outline

- **General Contractor (IOC) Rights/Obligations**
 - Term of the Agreement
- **Exploration/Extensions Phases**
 - Min. Work/Expenditure Obligations
 - Relinquishment
- **Discovery through Exploitation/Production**
 - Appraisal
 - Commerciality
 - Development (Plan of Development)
 - First Oil
 - Exploitation or Production
- **Fiscal Provisions**
 - Host Country/NOC Participation
- **Non-Fiscal Provisions**
- **Operations/Management**

Host Country Instruments

Recall: Legal Ownership of Resources

■ Private Ownership (ex. US and Canada)

- Common Law
 - *Surface rights vs. mineral rights*

■ Sovereign/State Ownership (ex. most jurisdictions)

- Common Law (ex. UK)
- Civil Law
- Domanial (feudal) Law
- Islamic/Shari'ah Law
 - *Intervention of the state is required in order to acquire natural resources*
 - *State is "trustee" of community property of the people*

■ Regalian System

- Ownership based on discovery
 - *Right of discovery*
 - *License to explore (to discover)*

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Title search: Host Country Instruments (HCIs)

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[Answer Bar: Navigating an International Energy Project](#)

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"Host Country Instruments (HCIs)"