Oil and Gas Field Unitisation: Unit Agreements, Tract Participation and Equity Redetermination

28 December 2026 – 1 January 2027
London - Central London four-star



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Introduction:

Oil and gas field unitisation becomes unavoidable when one reservoir extends across two or more licences, yet many straddling discoveries stall for years because partners cannot agree the tract participation split, the data to be shared or how equity will later be redetermined. Each percentage point moves reserves, cost shares and cash between companies. This Core Concept course trains commercial, legal, reservoir engineering and joint venture staff to negotiate unit agreements and run redeterminations on a sound technical basis. Participants produce a Unitisation Heads of Terms and Redetermination Playbook.

Course Objectives:

- Determine when a straddling reservoir must be unitised and define the unit area, unit interest holders and the governing agreement set
- Draft and review pre-unitisation, unitisation and unit operating agreement terms using the AIEN Unitization and Unit Operating Agreement as a reference
- Build a tract participation proposal from volumetric inputs such as gross rock volume, net pay, porosity, saturation and STOIIP or GIIP
- Design redetermination triggers, timetables, data cut-off rules and expert determination procedures that limit dispute exposure
- Calculate equity adjustment payments, hydrocarbon make-up volumes and the fiscal and accounting effects of an equity change
- Lead a unitisation or redetermination negotiation with a documented strategy, data-sharing protocol and fallback positions

Target Audience:

- Commercial and new ventures functions that lead negotiations with neighbouring licence holders over shared reservoirs
- Legal functions that draft and review pre-unitisation, unitisation and unit operating agreements
- Reservoir engineering and geoscience functions that prepare volumetric and equity submissions for a unit
- Joint venture and non-operated asset functions that represent their company on unit operating committees
- Finance and upstream accounting functions that settle equity adjustments and record interest changes

Course Outline:

Day 1: Straddling Reservoirs and the Case for Unitisation

- Reservoir Straddle Mapping Across Licence and Boundary Lines
- Rule of Capture Versus Unitised Development: Waste and Value Loss
- Compulsory Versus Voluntary Unitisation Regimes Compared
- Unit Area Definition, Unit Interest Holders and Tract Boundaries
- Unitisation Readiness Assessment for a Discovery Near a Licence Edge

Day 2: Unit Agreement Architecture and Key Terms

- Pre-Unitisation Agreement: Data Exchange, Joint Studies and Cost Sharing
- AIEN Unitization and Unit Operating Agreement Structure and Definitions
- Unit Operator Selection, Unit Operating Committee and Voting Thresholds
- Relationship Between the Unit Agreement and Each Tract Joint Operating Agreement
- AIEN Unit Accounting Procedure: Unit Account, Cash Calls and Audit Rights

Day 3: Technical Basis for Tract Participation and Initial Equity

- Tract Participation Parameters: Gross Rock Volume, Hydrocarbon Pore Volume and STOIIP or GIIP
- Volumetric Equity Workflow: Structure Maps, Contacts, Net Pay and Saturation
- Equity Basis Selection: In-Place Volumes Versus Recoverable Reserves Versus Blended Formulae
- Uncertainty Ranges and Probabilistic Volumetrics in Equity Proposals
- Initial Equity Determination Timetable, Technical Committee and Sign-Off Record

Day 4: Redetermination, Expert Determination and Financial Adjustment

- Redetermination Triggers: Scheduled Dates, Well Results, Production Milestones and Party Requests
- Redetermination Process Design: Data Cut-Off, Submission Rounds and Limits on Reopening
- Expert Determination Clause Drafting: Expert Appointment, Scope, Evidence and Finality
- Equity Adjustment Payments, Past Cost Rebalancing and Hydrocarbon Make-Up Volumes
- Fiscal and Accounting Effects of an Equity Change on Cost Pools, Reserves Booking and Tax

Day 5: Negotiation Case Work and the Redetermination Playbook

- Case Study: Offshore Gas Field Straddling Two Licences with Unequal Data Coverage
- Case Study: Post-Production Redetermination After an Unexpected Aquifer Response
- Cross-Boundary Unit Overview: Intergovernmental Framework and Company Agreement Layers
- Negotiation Strategy Map: Interests, Data-Sharing Protocol and Fallback Positions
- Unitisation Heads of Terms and Redetermination Playbook Drafting and Panel Defence

Skills You Will Gain:

- Unit Area Delineation
- Unit Agreement Drafting
- Volumetric Equity Analysis
- Tract Participation Negotiation
- Redetermination Process Design
- Expert Determination Management
- Equity Adjustment Settlement
- Shared Reservoir Data Governance

Why Attend This Course:

- Take back a Unitisation Heads of Terms and Redetermination Playbook tested against two negotiation cases
- Read a proposed tract participation formula and state which party it favours and why before it is agreed
- Work alongside lawyers, engineers and commercial staff on the same unit problem, as happens in real negotiations
- Compare redetermination experience with peers from operating companies, non-operators and state participants

Conclusion:

A shared reservoir is developed once, but its equity split can be argued for decades. The course moves from why straddling fields are unitised, through the agreement architecture and the volumetric basis for tract participation, to redetermination design, expert determination and the money that changes hands when equity moves. The final day applies all of it to negotiation cases and produces a Unitisation Heads of Terms and Redetermination Playbook ready for internal review by the asset team.