
Upstream Partnership Contracts Training

Course: JOA Drafting, Administration and Exit

26 April – 7 May 2027
Tokyo





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Programme Summary

Upstream partnership contracts are the subject of this two-week training course for commercial, legal and asset managers in oil and gas companies and national oil companies, ending in a partnership agreement review pack for one venture. Partners often sign joint operating terms that work until a budget dispute, a missed cash call or a sale of interest exposes weak drafting. The programme follows an agreement from deal structure to operation, decision, default, transfer and exit, applying each tool to a venture of the participant's own. Mars Training Centre UK delivers this programme on upstream partnership contracts to mixed-organisation cohorts.

The Business Case

A joint venture agreement allocates cost, control and risk for decades, so a loose clause becomes expensive long after signature. Where partnership terms are read only by lawyers, commercial and asset managers meet the effects late, as stalled approvals, contested bills or an unplanned exit. Managers who can read operator duties, voting rules, default remedies and transfer limits together can negotiate firmer terms and administer them with fewer disputes.

- Dispute Frequency: Falls as operator duties, decision rights and accounting rules are drafted clearly.
- Funding Risk Exposure: Falls as default, security and remedy terms are tested before signature.
- Transaction Cycle Time: Shortens as transfer and farm-in conditions are mapped in advance.

Principles and Evidence Base

- AIPN Model Joint Operating Agreement: The model form published by the Association of International Energy Negotiators is the reference text for the clause review in Sessions 3 to 7.
- Time value of money: Net present value comparison underpins the farm-in, carry and promote analysis in Session 2.
- Risk allocation principle: Placing each risk with the party best able to control it guides the drafting choices in Sessions 4 to 9.

Intended Participants

- Commercial managers who negotiate farm-ins, joint ventures and partner terms.
- Legal advisers who draft and interpret joint operating and collaboration agreements.
- Asset managers who work with an operator or operating committee day to day.
- Finance and joint venture accounting leaders who review cash calls and cost recovery.
- Business development leaders who structure entry, sale and exit transactions.



Typical functions include commercial and contracts, legal, joint venture management and business development in international and national oil companies.

Learning Outcomes

1. Participants will be able to evaluate collaboration structures against asset, risk and partner objectives.
2. Participants will be able to construct a farm-in value comparison using carry and promote terms.
3. Participants will be able to assess operator duties, budgets and cost recovery clauses.
4. Participants will be able to diagnose weak voting, non-consent and default provisions.
5. Participants will be able to prioritise transfer, unitisation and exit terms under commercial pressure.
6. Participants will be able to justify an agreement position in a partner negotiation.

Programme Structure

Day 1: Partnership Landscape and Deal Structures

Which collaboration form fits the asset, the risk and the partners?

- Joint Venture Versus Contractual Arrangement Chart
- Deal Structure Option Table
- Partner Objectives Map
- Contract Hierarchy Diagram
- Term Sheet Outline

Day 2: Farm-In Terms and Economic Value

How do carry, earn-in and promote terms move value between partners?

- Farm-In Earn-In Structure Sheet
- Carry and Promote Cash Flow Model
- Net Present Value Comparison
- Conditions Precedent Checklist
- Farm-In Risk Allocation Matrix

Day 3: Joint Operating Agreement Architecture

What does each part of a joint operating agreement do, and who does it bind?

- Model Agreement Clause Map
- Participating Interest Schedule
- Accounting Procedure Review
- Operating Committee Charter
- Agreement Gap Register



Day 4: Operator Duties and Cost Control

How far do operator duties reach, and how are budgets held to account?

- Operator Standard of Conduct Review
- Work Programme and Budget Calendar
- Authority for Expenditure Test
- Cash Call and Billing Audit Plan
- Operator Performance Scorecard

Day 5: Voting, Decisions and Non-Consent

How are partner decisions taken, and what happens when a partner declines to join?

- Voting Threshold Matrix
- Reserved Matters List
- Non-Consent Penalty Calculation
- Sole Risk Operation Procedure
- Decision Escalation Path

Day 6: Default, Remedies and Security

How is a funding default detected, and which remedy protects the venture?

- Default Event Trigger Table
- Remedy Ladder Comparison
- Security and Guarantee Review
- Forfeiture and Dilution Model
- Cure Period Timeline

Day 7: Transfers, Pre-Emption and Change of Control

How are interests sold without harming the remaining partners?

- Pre-Emption Right Flowchart
- Assignment Consent Conditions
- Change of Control Trigger Map
- Due Diligence Request List
- Transfer Notice Template

Day 8: Unitisation and Other Collaboration Agreements

How do partners share one reservoir or one facility across licence lines?



- Unit Equity Determination Outline
- Unit Operating Agreement Comparison
- Shared Facility Tariff Sheet
- Technical Cooperation Agreement Review
- Area of Mutual Interest Clause Set

Day 9: Disputes, Exit and Termination

How are partner disputes contained, and how does a partner leave in order?

- Dispute Resolution Ladder
- Expert Determination Scope Sheet
- Decommissioning Cost Sharing Review
- Exit and Termination Checklist
- Settlement Option Matrix

Day 10: Applying the Tools to One Partnership

Do the structure, operating, decision and exit tools support one partnership review?

- Applying the Session 2 Farm-In Earn-In Structure Sheet
- Testing the Session 4 Operator Performance Scorecard
- Using the Session 5 Voting Threshold Matrix
- Checking the Session 9 Dispute Resolution Ladder
- Completing the Partnership Agreement Review Pack

Methodology

The programme uses a case analysis method built on anonymised clause extracts, budget and cash call records, voting scenarios and dispute summaries drawn from upstream and midstream ventures. Participants work in mixed commercial and legal groups on one shared venture, challenge each other's readings of the terms and receive written facilitator feedback on each exercise set.

- Suggested activity: Rewriting a weak default clause and comparing the remedy outcomes.
- Suggested activity: Calculating a non-consent penalty for two development choices.
- Suggested activity: Negotiating a pre-emption and assignment package between two partners.

Capstone Output

Each participant completes a partnership agreement review pack for one venture. It holds a clause gap register, an operator duty and budget review, a voting and non-consent matrix, a default and transfer summary, and a ranked list of negotiating positions. The pack is used at work to brief a negotiating team, prepare an amendment request and plan the next operating committee agenda.



Frequently Asked Questions

Is upstream partnership contracts training suitable for managers who are not lawyers?

Yes. Upstream partnership contracts training assumes some experience of joint ventures or oil and gas commercial work and explains each clause in business terms, so you can read the terms with your legal adviser.

Which model do upstream partnership contracts rest on in this programme?

Upstream partnership contracts rest on the AIPN Model Joint Operating Agreement as a reference form, with net present value analysis for farm-ins and a risk allocation principle for drafting.

How is the pack from upstream partnership contracts used at work?

You use the partnership agreement review pack to brief a negotiating team, prepare an amendment request and plan the next operating committee agenda.

How does upstream partnership contracts training differ from general petroleum contract training?

Upstream partnership contracts training centres on agreements between partners, such as joint operating terms and farm-ins, while general petroleum contract training centres on agreements with the host government.