



Association of International  
Petroleum Negotiators

June 29 - July 2, 2020

# Above Ground Risk Workshop

Identification, Evaluation & Mitigation

Houstonian Hotel  
Houston, Texas USA





## About AIPN | [www.aipn.org](http://www.aipn.org)

The Association of International Petroleum Negotiators (AIPN) is the leading professional membership organization of commercial negotiators and energy lawyers in the international oil & gas industry, serving more than 3,200 professionals in some 110 countries. AIPN develops petroleum model contracts that are widely used throughout the industry, provides educational seminars and conferences around the world, publishes leading research on emerging energy issues and is the premier forum for dialogue on oil and gas transactions amongst companies, government and their advisors.

## Registration Fees

### Member Rates

Active Member: \$1,800  
NOC/Government Member: \$1,100  
Academic Member: \$1,100  
Student Member: \$550\*

### Non-Member Rates

Non-member: \$2,100  
NOC/Government Member: \$1,400  
Academic Non-member: \$1,400  
Student Non-member: \$700\*

*\*Students, email proof of enrollment to [aipnevents@aipn.org](mailto:aipnevents@aipn.org) after registering*

Apply for membership at [aipn.org/join-aipn/](http://aipn.org/join-aipn/) before registering and receive member rates! After completing your application, email [aipnevents@aipn.org](mailto:aipnevents@aipn.org) for assistance with registering. If you are already a member but not able to see the member rates after logging in, please email [aipnevents@aipn.org](mailto:aipnevents@aipn.org) for assistance.

Workshop registration includes digital materials, lunches, breaks and a networking reception. It does not include hotel and travel accommodations. All fees are in US dollars.

## Workshop Faculty

**Tom Schmid**, Attorney at Law; retired Commercial Consultant, Chevron

**Eric Fry**, Executive in Residence, McCombs Business School, UT Austin

**Willem Bloem**, Principal, Bloem Consultants LLC

**Scott Randall**, Managing Director, Plus Alpha Risk/GBMC, LLC

**Florent Rousset**, Regional Director Americas, Gaffney, Cline & Associates

## Houstonian Hotel

111 N Post Oak Ln  
Houston, Texas 77024  
P: 1-713-680-2626  
<http://www.houstonian.com/>

The Houstonian is situated on a 27-acre wooded oasis in the heart of a bustling metropolis. One of Houston's historic gems, the hotel is known for its grace, comfort and unparalleled guest experience. Located only minutes from The Houston Galleria, museums and Memorial Park, it's a hotel that radiates welcome and warmth from the moment you arrive.

### Room Rates

Run of House: US \$225 per night

The above room rate includes complimentary access to the health & fitness club, including weekly group exercise classes.

AIPN has secured a limited number of rooms for workshop attendees. We recommend reserving your room as soon as possible to ensure availability. AIPN cannot guarantee room and rate availability once the room block has filled up.

### Reservations

**Reserve Online:** Reservations may be made online. Visit [aipn.org/forms/meeting/Microsite/AGR2020,2](http://aipn.org/forms/meeting/Microsite/AGR2020,2) for the direct reservation link along with more details. Please use the Group Code "6602575" while making your online reservation.

**Reserve by Phone:** Reservations may also be made by calling the hotel directly at 1-713-685-6810 or 1-800-231-2759 and identifying yourself as part of the AIPN room block.

### Traveling to Houston

Houston has two airports: Bush Intercontinental Airport (IAH) and William P. Hobby Airport (HOU). Bush Intercontinental Airport is approximately 28 miles northeast of the Galleria area, and is Houston's largest airport. Hobby Airport is approximately 19 miles southeast of the Galleria area. For more information about each airport, visit: <https://www.fly2houston.com/>.

More details about transportation options in Houston and parking at the Houstonian Hotel may be found online at: [aipn.org/forms/meeting/Microsite/AGR2020,2](http://aipn.org/forms/meeting/Microsite/AGR2020,2).



## Workshop Program

The Above Ground Risk Workshop: Identification, Evaluation and Mitigation is comprised of nine core-component sections:

- SECTION ONE: What is Risk?
- SECTION TWO: Project Life Cycle, Risk Management, Risk Families, and Risk Influencing Factors
- SECTION THREE: “EATT” and “Treating” & “Transferring” Risk in Negotiating HGC & EPC’s, Importance of Risk Balanced Contracts and Negotiations
- SECTION FOUR: Industry “Risk-Shifting Events”, Operational & Socio-Environmental Risks and Trends
- SECTION FIVE: Quantifying and Monetizing Risks
- SECTION SIX: Communication of Risks
- SECTION SEVEN: Tools Used for Identification, Evaluation and Mitigation of Risks
- SECTION EIGHT: Team Exercise and Development of Risk Mitigation Plan
- SECTION NINE: Industry Organizations and Information, References and Resources

### Monday, June 29, 2020

<b>07:30 - 08:30</b>	<b>Registration and Continental Breakfast</b>	<b>12:30 - 13:30</b>	<b>Lunch</b>
<b>08:30 - 09:15</b>	<b>Introductions, Logistics, Program Overview, and Desired Outcomes/Course Expectations</b>	<b>13:30 - 15:30</b>	<b>SECTION TWO Risk Management and Risk Families</b> Section Two will start with a discussion on the various checkpoints in the project life cycle when the AGR Process should be conducted and the applicable discipline structure for the team conducting the AGR Process. We will continue to classify and review the five industry risk families, and the distinctions between project risks and portfolio risks. Participants will study some case examples of expropriation and corruption risks and will be introduced to the UN socio-environmental risks. This section will also include a short country ranking activity regarding perceived political risks.
<b>09:15 - 10:30</b>	<b>SECTION ONE Introduction to Oil &amp; Gas Industry Above Ground Risks</b> Section One will examine the definitions of risk, the historical evolution of risks in the oilfield, the consequences of poor risk evaluation, how to deal with subjective risk evaluations, and introduce the ISO 31000:2018 and AIPN’s AGR football.		
<b>10:30 - 10:45</b>	<b>Coffee Break</b>	<b>15:30 - 15:45</b>	<b>Coffee Break</b>
<b>10:45 - 11:30</b>	<b>SECTION ONE Introduction to Oil &amp; Gas Industry Above Ground Risks (continued)</b>	<b>15:45 - 17:15</b>	<b>SECTION TWO Risk Management and Risk Families (continued)</b> In this session we will discuss the types of Security Risks and awareness of mitigation techniques and tactics, along with a case study.
<b>11:30 - 12:15</b>	<b>SECTION ONE Exercise: Myopic Views and Inherent Bias</b> This exercise demonstrates how people have confidence in their views and beliefs, sometimes leading to an inaccurate assessment. After the exercise, the faculty will give a short brief on key take-aways.	<b>17:15 - 17:30</b>	<b>Wrap-up, Discussion and Q&amp;A</b> A wrap up of Sections One and Two which will include a discussion, Q&A, logistics and preparation for day two.
<b>12:15 - 12:30</b>	<b>SECTION ONE Wrap-up, Discussion and Q&amp;A</b>	<b>17:30 - 19:00</b>	<b>Networking Reception</b>



## Workshop Program

**Tuesday, June 30, 2020**

**07:30 - 08:30 Continental Breakfast**

**SECTION THREE**

**08:30 - 10:30 Importance of Risk-Balanced Contracts and Negotiations**

Now it is time to “EATT”. Section Three will be interactive and decide which course of action can be taken for different types of risk: Eliminate, Accept, Treat or Transfer. We will explore negotiation strategies for Commercial/ Contractual/Control Risks in a Host Government Contract and the importance of protecting it with a good Dispute Resolution Provision. Partner strategies and hedging for mitigating risks will also be covered.

**10:30 - 10:45 Coffee Break**

**SECTION THREE**

**10:45 - 12:30 Importance of Risk-Balanced Contracts and Negotiations (continued)**

Section Three will continue identifying risks typically encountered later on in projects and the importance of negotiations and ‘risk-balanced’ contracts on oil and gas projects. It will review typical risk areas in EPC (Engineering Procurement and Construction) contracts and tactics for managing these risks, as well as provide an introduction to indemnity principles, insurance, and dispute resolution as contractual tools for mitigation of risks.

**12:30 - 13:30 Lunch**

**SECTION THREE**

**13:30 - 14:30 Importance of Risk-Balanced Contracts and Negotiations (continued)**

**SECTION THREE**

**14:30 - 15:15 Exercise: Red Card – Green Card**

This exercise will show the importance of reaching for “win-win” opportunities in mitigating risks.

**15:15 - 15:30 Coffee Break**



**15:30 - 17:15**

**SECTIONS SEVEN & EIGHT**

**Introduction to Tools used in Identification, Evaluation, and Mitigation of Risks & Risk Mitigation Plan Team Exercise**

This session will introduce and explain the team exercise to develop a Risk Matrix, Risk Register, RACI Chart, and Risk Mitigation Plan. Workshop participants will be put into teams and become familiar with the overall objectives, San Felipe Resources Hypothetical, Lantana Bid Round, and expected deliverables upon completion of the team exercise on day four.

**17:15 - 17:30**

**Wrap-up, Discussion and Q&A**

A wrap up of Section Three which will include a discussion, Q&A, logistics and preparation for day three.



## Workshop Program

### Wednesday, July 1, 2020

**07:30 - 08:30 Continental Breakfast**

**SECTION FOUR**

**08:30 - 10:30 Industry ‘Risk-Shifting Events’, Operational & Socio-Environmental Risks, and Risk Trends**

Section Four will cultivate in-depth discussions and illustrate how some major oil & gas catastrophic events changed the perceptions of risks on future oil and gas projects. It will look at Operational Risk with a deep-dive into one of the most famous oilfield catastrophes. In addition, emerging risks under the Socio-Environmental risk umbrella will be examined, particularly how these newer emotionally-charged risks are influencing risks assessments, investment opportunities, and ultimately, oil and gas operations all over the world. Since risks have an element of foreseeability, Black Swan events will be explained and how they can be mitigated.

**10:30 - 10:45 Coffee Break**

**SECTION FOUR**

**10:45 - 11:30 Case Study: Industry ‘Risk-Shifting Events’, Operational & Socio-Environmental Risks, and Risk Trends**

Several mini-case studies will be presented for illustration on how our Socio-Environmental concerns are influencing project risks. A list of evolving risks and what to be prepared for in the next decade will be reviewed.

**SECTION EIGHT**

**11:30 - 12:30 Risk Mitigation Plan Team Exercise**

This session is allocated to the team exercise to develop a Risk Matrix, Risk Register, RACI Chart, and Risk Mitigation Plan, which will be completed on day four. Participants will break into their teams to continue work on this exercise.

**12:30 - 13:30 Lunch**

**SECTION FIVE**

**13:30 - 15:30 Quantifying and Monetizing Risks**

Section Five will explain the benefits of performing quantitative risk analysis and demonstrate frequently used tools in quantitative risk assessment and management, particularly the use of probabilistic and

deterministic decision tree analysis. The ISO 31000:2018 standards will be explained as they relate to assessment of risks, along with the concepts around development of a risk assessment matrix, tools employed for managing long term risks, and how Black Swan events may be modeled.

**15:30 - 15:45 Coffee Break**

**SECTION FIVE**

**15:45 - 16:30 Quantifying and Monetizing Risks (continued)**

**SECTION SIX**

**16:30 - 17:15 Communication of Risk**

Section Six will highlight the importance of effective communication of risks and the barriers in today’s workplace that prevent effective communications. There will be a discussion on the difficulties in communicating risks in an organization, how to inform and manage internal and external stakeholders with due consideration for confidentiality, different communication styles and body language, and its impact on effective communication. With personnel transitions currently impacting the oil and gas industry, special attention will be given to how ‘millennials’ communication style differs from that of the ‘boomers’ and how it can impact effective communication of risk.

**17:15 - 17:30 Wrap-up, Discussion and Q&A**

A wrap up of Sections Four, Five and Six which will include a discussion, Q&A, logistics and preparation for day four.





## Workshop Program

### Thursday, July 2, 2020

**07:30 - 08:30 Continental Breakfast**

**08:30 - 09:15** SECTION SIX  
**Communication of Risk (continued)**

**09:15 - 10:00** SECTION SIX  
**Exercise: Communication of Risk**  
This exercise illustrates different communication styles and the impacts on effective communication of risk.

**10:00 - 10:15** SECTION SIX  
**Wrap-up, Discussion and Q&A**

**10:15 - 10:30 Coffee Break**

**10:30 - 12:30** SECTION EIGHT  
**Risk Mitigation Plan Team Exercise**  
Considerable time will be spent explaining the risk tools used to Identify, Assess, Manage and Evaluate risk on oil and gas projects. These tools will tie-in with real world examples to illustrate where there were project successes or deficiencies. The ISO 31000:2018 standards along with other sources of authority on Enterprise Risk Management (ERM) will be referenced in the use of the tools.

**12:30 - 13:30 Lunch**

**13:30 - 14:45** SECTION SEVEN & EIGHT  
**Tools used in Identification, Evaluation, and Mitigation of Risks & Risk Mitigation Plan Team Exercise**

The San Felipe Resources (SFR) Hypothetical and Lantana Bid Round will be continued from earlier work. Each team will identify, assess, and propose risks for the SFR example.

**14:45 - 15:00 Coffee Break**

**15:00 - 17:00** SECTION EIGHT  
**Risk Mitigation Plan Team Exercise**  
Referring to the San Felipe Resources (SFR) Hypothetical and Lantana Bid Round, teams will finalize their Risk Registers, Risk Matrix, RACI Chart, and Risk Mitigation Plans. Teams will gain exposure to risk management tools, such as the Bow-Tie Tool, and understand the risk identification and management processes. Instructors will provide observations and feedback to each team.

**17:00 - 17:15** **Wrap-up, Discussion and Q&A**  
A wrap up of day four which will include a discussion and Q&A.

**17:15 - 17:30** **Workshop Conclusion, Review and Summary, Feedback, Evaluation**

