



Association of International
Petroleum Negotiators

July 19 - 22, 2021

Above Ground Risk Workshop

Identification, Evaluation & Mitigation

Houstonian Hotel
Houston, Texas USA





Workshop Program

The Above Ground Risk Workshop: Identification, Evaluation and Mitigation is comprised of eight 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 Negotiating Risk Balanced Contracts
- SECTION FOUR: Industry “Risk-Shifting Events”, Socio-Environmental Risks, and ESG Risk 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

Monday, July 19, 2021

07:30 - 08:30 Registration and Continental Breakfast

08:30 - 09:15 Introductions, Logistics, Program Overview, and Desired Outcomes/Course Expectations

SECTION ONE

09:15 - 10:30 Introduction to Oil & Gas Industry Above Ground Risks

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.

10:30 - 10:45 Coffee Break

SECTION ONE

10:45 - 11:40 Introduction to Oil & Gas Industry Above Ground Risks (continued)

SECTION ONE

11:40 - 12:30 Exercise: Myopic Views and Inherent Bias

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.

12:30 - 13:30 Lunch

13:30 - 15:30 SECTION TWO Risk Management and Risk Families

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.

15:30 - 15:45 Coffee Break

SECTION TWO

15:45 - 17:15 Risk Management and Risk Families (continued)

In this session we will discuss the types of Security Risks and awareness of mitigation techniques and tactics.

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

A wrap up of Sections One and Two which will include a discussion, Q&A, logistics and preparation for day two.

17:30 - 19:00 Networking Reception



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Tuesday, July 20, 2021

07:30 - 08:30 Continental Breakfast

08:30 - 09:15 Country Risk Exercise

This activity will demonstrate the importance of the perceptions of corruption in host country governments and discuss relative rankings of different country's transparencies.

SECTION THREE

09:15 - 10:45 Importance of Negotiating Risk-Balanced Contracts

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.

10:45 - 11:00 Coffee Break

SECTION THREE

11:00 - 12:30 Importance of Negotiating Risk-Balanced Contracts (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 - 15:15 Importance of Negotiating Risk-Balanced Contracts (continued)

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 21, 2021

07:30 - 08:30 Continental Breakfast

08:30 - 10:30 SECTION FOUR Industry 'Risk-Shifting Events', Socio-Environmental Risks, and ESG 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

10:45 - 11:30 SECTION FOUR Case Study: Industry 'Risk-Shifting Events', Socio-Environmental Risks, and ESG 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. There will be a discussion on risk issues raised during the COVID-19 Pandemic, including Force Majeure events, contractual impacts, and government intervention.

11:30 - 12:30 SECTION EIGHT 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

13:30 - 15:30 SECTION FIVE 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

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

16:30 - 17:15 SECTION SIX 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 part of Six which will include a discussion, Q&A, logistics and preparation for day four.





Workshop Program

Thursday, July 22, 2021

07:30 - 08:30 Continental Breakfast

SECTION SIX

08:30 - 09:20 Communication of Risk (continued)

SECTION SIX

09:20 - 10:15 Exercise: Communication of Risk

This exercise illustrates different communication styles and the impacts on effective communication of risk.

10:15 - 10:30 Coffee Break

SECTION EIGHT

10:30 - 12:30 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

SECTION SEVEN & EIGHT

13:30 - 14:45 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

SECTION EIGHT

15:00 - 17:00 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

