



Conditions, requirements and sanctions of optimal production of oil and gas in the Iranian legal system. MOHSEN MASHHADI

Supervisors: Dr. Mansoor Ahmadnejad. Dr. Seyyed Mostafa Zeynoddin. Assistant Professors of Petroleum University of Technology

Abstract

Optimal production is one of those concepts that has been highly a matter of consideration and focus by the legislators and politicians in Iran, while there is no accurate, single definition for the word, "conservation", from the science of oil engineering's point of view. In this project, it has been attempted to totally specify the legislator's considered definition of the optimal production regarding the different legal articles and to evaluate the legal executive requirements and guarantee in the oil contracts; therefore, it has been reasoned that the legislator has taken two main standards for the optimal production into account: First, optimal extraction of the natural resources which is a technological concept within the process and area of the management of reservoirs and the steady pressure of the reservoir in its lifetime is one of its most important instances; second, maximizing the economic value of production out of the resources that must be carried out by changing the crude oil into the final outcome according to the revised oil law act and upstream policies of the oil and gas industry; therefore any type of planning for executing the optimal production should involve both of these standards.

Basic and Literature Review

The method of this research is analytic and descriptive and considering the lack of references in this field, it is mostly analytic and innovative.

The growing demand for energy, particularly oil and gas on the one hand and down the recovery of these resources in oil-producing countries, on the other hand, concentrating on two issues, increase the recovery and Optimal production of the owners of oil reservoirs. For this reason the owner of reservoirs Enact Specific programs and strict laws to optimal production and maximize oil production projects during the life of the reservoir. Attention to this issue also of great importance for Iran Because it is still more than half of the country's economy is dependent on oil. So Incorrect planning in the development of oil reservoirs means wrong planning to achieve capital that is hoped it will soon be used to develop the country. In other words, the wrong planning for the development of reservoirs means of Failure to achieve the other objectives of a country development program and prospects. Therefore, and because many Iranian fields in The second half of life, enforcement Optimal production policy is an unavoidable necessity for the country but due to high costs and long-term outcome, Is not taken into consideration. In other words, in most Iranian oil fields, oil extraction occurs naturally only and Since Iran's oil recovery factor is under 30 percent, In this case, more than 70 percent of the oil in the reservoir forever remains non-recoverable. This is despite the fact that an increase of one percent recovery factor of oil fields in the country, leading to an increase of one billion barrels of oil is produced every year.

Also, according to official statistics published by the Ministry of Oil, Iran has 28 common fields among them the giant South Pars gas field which world's largest gas field and also massive AZADEGAN oil fields which one of the largest oil fields in Iran and the world are. So a major part of Iran's oil and gas reserves have been shared between Iran and its neighbors in the common fields that the biggest challenge for the maintenance of national wealth and achieve Optimal production goals Which should provide with appropriate policies predispose suitable utilization of them.

Research questions

First; Based on the experience of successful countries in the field of optimal production, what are the rules and regulations governing the optimal production in legal perspective? Second; What are the sanctions of optimal production requirements?

Research presuppositions

Regulations governing the optimal production in producing countries, primarily Applies in the form of legal requirements and proper structures.

Effective sanctions must be formulated and applied to oil contracts and laws.

Conclusion and Recommendation

Sustaining the long-term interests of the country, protecting the inter-generation interests from the oil resources are bound to accurate and proper exploitation of them.

However, improper operation in exploitation of the hydrocarbonic fields in the past and the low recovery factor has caused this issue to become one of the fundamental issues in the country and the relevant sectors try to identify their own issues and solve them.

For this and for identifying the country's weak points and difficulties on the way of optimal production's guarantee, in this research the different aspects to the optimal production from the legal view are studied in three main parts including the definition, requirements, and the performances' guarantee.

Suggestions:

. The strategies of the optimal production out of Hydrocarbonic resources must be formulated and approved independently.

- Adoption of appropriate rules.
- Applying appropriate sanctions.
- In order to observe the optimal production's requirements, the structure of the Supreme Supervisory Board on petroleum resources must be reconsidered.
- Instead of giving the exploitation stage once and for all to the international companies, this would be conducted phase-to-phase in the period of 3 to 5 years if it was confirmed by the oil ministry.

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