

Legal Perspectives on Trans-boundary Unitization*

**In the context of the 2010 Treaty between the Kingdom of Norway and the Russian Federation concerning Maritime Delimitation and Cooperation in the Barents Sea and the Arctic Ocean*

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Table of Contents

1. Legal Structure
2. Obligations under Article 5.2 of the Treaty
3. Material Aspects of the Unitization Agreement
4. Jurisdiction – Resolution of Disagreement

Legal Structure

2010 Treaty

Unitization Agreement

Joint Operating Agreement

Standard JOA

Joint Venture

Obligations under Article 5.2 of the Treaty



If the existence of a hydrocarbon deposit on the continental shelf of one of the Parties is established and the other Party is of the opinion that the said deposit extends to its continental shelf...

... the Parties shall initiate discussions on the extent of the hydrocarbon deposit and the possibility for exploitation of the deposit as a unit.



If the hydrocarbon deposit extends to the continental shelf of each of the Parties...

...and the deposit on the continental shelf of one Party can be exploited wholly or in part from the continental shelf of the other Party..

...or the exploitation of the hydrocarbon deposit on the continental shelf of one Party would affect the possibility of exploitation of the hydrocarbon deposit on the continental shelf of the other Party...

...agreement on the exploitation of the hydrocarbon deposit as a unit, including its apportionment between the Parties, shall be reached at the request of one of the Parties (hereinafter the Unitisation Agreement) in accordance with Annex II.

Material Aspects of the Unitization Agreement

Determination and apportionment of unit reservoir

- Geographic, geophysical and geological characteristics of the reservoir
- Methodology used for data classification
- Total hydrocarbon reserves and method for calculation
- Apportionment

Obligation to require relevant licensees to enter into a Joint Operating Agreement (JOA) and appoint joint operator

Regulatory follow-up

- Grant all necessary authorizations
- Approve JOA
- Consent to drilling and commencement of operations
- Joint plan for cessation of activities
- HSE consultations
- Platform inspections
- Joint commission for consultations
- etc.

Jurisdiction – Resolution of Disagreement

Norway:

Act 29 November 1996 No. 72
relating to petroleum activities

Russia:

Federal law 21 February 1992 on
Subsoil
Federal law 30 November 1995 on
the Continental Shelf of the
Russian Federation

Resolution of disagreement

- Failure to conclude Unitization Agreement - resolution by negotiations within six months or arbitration, cf Article 3
- Failure to agree on the «*apportionment of the hydrocarbon deposit*» - resolution by an independent expert, cf Article 4
- Redetermination



Always moving forward