



Basic Petroleum Economics - BEC

COURSE

About the Course

Could you answer the following three questions for your next project? What will it cost? What is it worth? Will it earn sufficient profit? Before undertaking any project, these questions should be answered. This course will provide the fundamentals necessary to enable you to do so. Budgeting and financing, accounting, and contractual arrangements, which also significantly impact the economic viability of a project, are covered. Participants practice cash flow techniques for economic evaluations and investigate frequently encountered situations. Participants are invited to submit their own economic problems (in advance), if appropriate. Each participant will receive Economics of Worldwide Petroleum Production, written specifically for PetroSkills courses.

"I enjoyed learning about the different metrics of economics and how they can be used to evaluate projects. Instructor's real life experiences were powerful when explaining different topics during the class." - Deputy Regional Supervisor, United States

"The course was well-rounded and highly relevant to the actual running of a business. The course material was up-to-date, and we benefited greatly from the instructor's rich experience." - Participant, United Kingdom

Target Audience

Managers, engineers, explorationists, field accounting supervisors and other personnel who need to develop or improve their skill and understanding of basic economic analysis and profitability of petroleum exploration and production. Due to similarity in content, PetroSkills recommends that participants take this course if they have no previous experience in this subject. For participants with more exposure to the subject, please review the Economics of Worldwide Petroleum Production description as its course content is more advanced than Expanded Basic Petroleum Economics. Take one or the other, but not both courses.

You Will Learn

- How to evaluate the economic viability of a project
- Cash flow techniques applicable in economic evaluations
- Models to weigh risk and uncertainty
- Techniques to determine expected value
- The effect finance, budgeting, and contractual agreements have on a project
- The basic principles of accounting

Course Content

- Forecasting oil production
- Defining: reserves, operating expenses, capital expenditures, inflation, factors effecting oil and gas prices
- Cash flow techniques
- Economic criteria: interest, hurdle rate, time value of money, selection, ranking criteria
- Risk, uncertainty: types of risk, mathematical techniques, probabilistic models, uncertainty in economic analysis
- Financing, ownership in the oil and gas industry: business arrangements between operators, between mineral owners
- Accounting versus cash flow: accounting principles and definitions, differences between accounting cash numbers, depreciation, depletion, amortization
- Budgeting: types, processes, selecting of projects for the budget
- Economic analysis of operations
- Computer economics software
- Tips on economic factors in computer spreadsheet analysis
- Ethics in economic analyses

Product Details

Categories: [Upstream](#)

Disciplines: [Energy Business](#)

Levels: [Basic](#)

Product Type: [Course](#)

Formats Available: [In-Classroom](#) [Virtual](#)

Instructors: [Ronnie Tucker](#) [Tim Nieman](#) [Kent Saugier](#) [PetroSkills Specialist](#)

In-Classroom Format

24 Jun '24	28 Jun '24	- Course In-Classroom (in London)	\$5,385.00
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14 Oct '24	18 Oct '24	- Course In-Classroom (in Houston)	\$4,610.00
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Virtual Format

2 Dec '24	13 Dec '24	-	Course	Virtual (Houston UTC)	\$3,970.00
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