

# **PE-314 Petroleum Production Economics**

## **Credit Hour**

Theory = 2

Practical = 0

## **Course Content**

### **Introduction**

Introduction to the standards and practices of economic analysis in the petroleum industry. Brief review of the principles of economic evaluation

### **Economic Indicators**

ROR and NPV analysis

### **Risk Analysis**

Definition of risk and uncertainty, decision, analysis, decision tree analysis and estimation of future money values. Typical decision making situations including risk analysis and EMV calculations.

### **Reserves Estimation**

Analysis involves reserve estimation

### **Petroleum Taxation**

Petroleum taxation regulations, profitability criteria, SPE-Petroleum resource and reserve classification. Before tax cash flow models, after cash flow models. Capital budgeting techniques. Investment selection decision making

## **Text book**

1. Dr. Richard D. Seba, "Economics of Worldwide Petroleum Production", 3rd edition, PS, 2008.

## **Reference Books**

1. Charlotte J. Wright, Rebecca A. Gallun , "Fundamentals of Oil and Gas Accounting", 5th Edition, PennWell Corp., 5th Edition, 2008
2. Hussein K. Abdel-Aal (Editor), Mohammed A. Alsahlawi , "Petroleum Economics and Engineering" , CRC Press; 3rd edition , 2013