

PD-ACH-908

# final **REPORT**

*Regulatory Training Assistance to the  
Republic of Georgia State Agency for the  
Regulation of Oil and Gas Resources*

**January 28, 2004**



IOGCC

USAID Cooperative Agreement # 114-A-00-03-00114-00  
Between the U.S. Agency for International Development and the  
Interstate Oil and Gas Compact Commission

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## ACRONYMS

ADCNR	Alabama Department of Conservation and Natural Resources
ADOR	Alabama Department of Revenue
AOGB	Alabama Oil and Gas Board
CLO	Oklahoma Commissioners of the Land Office
CSRO	Council of State Regulatory Officials
DOE	United States Department of Energy
EQB	Environmental Quality Board
IOGCC	Interstate Oil and Gas Compact Commission
OCC	Oklahoma Corporation Commission
ODEQ	Oklahoma Department of Environmental Quality
OTC	Oklahoma Tax Commission
USAID	United States Agency for International Development

## EXECUTIVE SUMMARY

The Interstate Oil and Gas Compact Commission (IOGCC) is the worldwide authority on oil and gas regulation. The IOGCC is an organization of states which promotes conservation and efficient recovery of domestic oil and natural gas resources while protecting health, safety and the environment. Its members include state oil and gas directors in the United States as well as those from our international affiliate countries. IOGCC was established in 1935 and has led the way for environmentally sound production of oil and gas for almost 70 years. The IOGCC and U.S. Agency for International Development (USAID) have discussed conducting a training project for the Republic of Georgia's State Agency for Regulation of Oil and Gas (Agency) for several years. In July, 2003, USAID approved a project to train a delegation for the Republic of Georgia. The IOGCC developed an Implementation Plan to provide the recommended training for six members of the Agency (Delegation).

In September, 2003, the six members of the Agency departed Georgia to participate in this training opportunity. The training began September 29, 2003, at the offices of the IOGCC in Oklahoma City, Oklahoma, and concluded on November 13, 2003, at the offices of the Alabama Oil and Gas Board in Tuscaloosa, Alabama. During the seven-week training session, the Delegation received instructions from the personnel of eight different Oklahoma and Alabama state agencies with authority regarding (1) regulating oil and natural gas exploration, production, transportation, and refining activities; (2) lease/sale of oil and gas royalty or mineral rights; (3) collecting royalties, taxes, and assessments; and (4) budgeting the collected revenue. The Delegation, joined by the Agency's director, Gia Itonishvili, also attended the annual IOGCC meeting in Reno, Nevada, and received training in Strategic Planning and Goal Setting as well as management and supervisory training.

The training program developed and implemented allowed members of the Delegation to learn and develop at their own pace. The program covered nearly all aspects identified by an assessment of the Agency by the USAID, including management activities such as developing job descriptions and performance evaluations, budgeting, record maintenance, production accounting and auditing, inspection, enforcement, operator relations, public relations, lease sales and contract negotiations, and many other functions. The IOGCC received positive feedback from both the Delegation and the members of the state agencies (trainers) participating in the program. The trainers were direct with their communication with the Delegation and receptive to changes in the agenda to allow for a thorough and complete discussion of a topic to its natural conclusion. The trainers developed a relationship with the members of the Delegation. This relationship facilitated an open and honest dialog on the discussion topics.

The Delegation has a much clearer understanding of the role of their Agency in promoting its statutorily assigned tasks of attracting oil and gas investment to Georgia and in creating a repository of oil and gas data. Delegation members acquired skills that will allow them to adequately enforce the Agency's rules and help preserve the environment and public health and safety, and ultimately financially benefit the state. In addition, the Delegation is now aware of tools to help it steer the Agency toward success both through goal setting/strategic planning, and management and supervisory skills.

# INTRODUCTION

In 1999, the Georgia Parliament created the Georgia State Agency for the Regulation of Oil and Gas Resources (Agency). As an independent agency reporting directly to the president, it has three principal statutory functions. The first is to act on behalf of the nation to grant licenses to operate and to contract with foreign or domestic investors to explore for and produce the nation's oil and gas resources. The second function is to monitor the investors' operations and enforce the terms and conditions of the agreements. The third is to create, enact, and enforce comprehensive rules governing oil and gas exploration and production operations and to develop a program to regulate such activities. In 2003, the Agency's duties were expanded to include oil and gas refining, processing, and transportation.

The U.S. Agency for International Development ("USAID") has been playing an essential role in establishing and developing the Agency. Through its contractor, PA Consulting Group, USAID has assisted the Agency in negotiating several contracts and licenses with international oil and gas companies and provided legal and strategic guidance and training. During 2002, PA Consulting Group performed an Assessment measuring the Agency's effectiveness as a regulatory and licensing body. The report entitled "Assessment of Georgia State Agency for the Regulation of Oil and Gas Resources: Regulatory and Administrative Effectiveness" (Assessment) was published January 31, 2003.

The goal of the Assessment was to determine whether the Agency's regulations are accomplishing the purposes for which they are intended and whether the Agency is carrying out its functions in a manner that is transparent and consistent with international standards of sound public administration. The Assessment broadly measured the Agency's performance in the following areas:

- 1) The degree to which the regulations were implemented;
- 2) The level of compliance achieved by the regulated industry;
- 3) The specific actions taken by the State Agency to obtain compliance; and,
- 4) The transparency and effectiveness of the Agency's operations.

The Assessment outlined several areas for improvement and recommended additional training for Agency personnel in these areas. To satisfy the recommendations for additional training and assist in the development of an effective and transparent regulatory program as outlined in the Assessment, USAID contracted with the Interstate Oil and Gas Compact Commission (IOGCC) on July 1, 2003, to develop and implement a comprehensive training program for Agency personnel.

Initial contact between USAID and the IOGCC on this project began several years ago. The original project proposal provided upstream technical assistance for Agency personnel. However, after noting that the Agency was given the additional duties to regulate oil and natural gas midstream and downstream activities, and after discussing the training program with Agency participants, the IOGCC extended the scope to include some initial training concerning the regulation of refineries. The IOGCC desires to further extend its cooperation with the Republic of Georgia and USAID by providing more thorough and intensive training in these and other regulatory and management segments. The Delegation stressed the importance of gaining experience in these new areas. A similar program could be designed for in-depth training in these areas for the Agency.

During July, 2003, the IOGCC developed an Implementation Plan to provide the recommended training to the six Agency participants (Delegation). The Implementation Plan training matrix and training agenda are included in *Appendix A and B*, respectively.

On September 26, 2003, the Delegation departed Georgia to participate in this training opportunity. The training began on September 29, 2003, at the offices of the IOGCC in Oklahoma City, Oklahoma, and concluded on November 13, 2003, at the offices of the Alabama Oil and Gas Board in Tuscaloosa, Alabama. During the seven-week training session, the Delegation received instructions from the personnel of eight different Oklahoma and Alabama state agencies with authority regarding (1) regulating oil and natural gas exploration, production, transportation, and refining activities; (2) lease/sale of oil and gas royalty or mineral rights; (3) collecting royalties, taxes, and Assessments; and (4) budgeting the collected revenue. The Delegation, joined by the Agency's director, Gia Itonishvili, also attended the IOGCC Annual Meeting in Reno, Nevada, and received training in Strategic Planning and Goal Setting from a management consultant as well as management and supervisory training from National Seminars Group/Rockhurst College Continuing Education Center, a nationally known training group.

The training program allowed Delegation members to learn and develop at their own pace. The program covered nearly all aspects identified by the Assessment, including management activities such as developing job descriptions and performance evaluations, budgeting, record maintenance, production accounting and auditing, inspection, enforcement, operator relations, public relations, lease sales and contract negotiations, and numerous other functions. The IOGCC received positive feedback from both the Delegation and the members of the state agencies (trainers) participating in the program. The IOGCC believes that the training provided to the Delegation was useful, timely, and on-point. The trainers were direct with their communication with the Delegation and receptive to changes in the agenda to allow for a thorough and complete discussion of a topic to its natural conclusion. The trainers developed a relationship with the members of the Delegation. This relationship facilitated an open and honest dialog on the discussion topics.

The Delegation has a much clearer understanding of the role of the Agency in promoting its statutorily assigned tasks of attracting oil and gas investment to Georgia and in creating a repository of oil and gas data. Delegation members acquired skills that will allow them to adequately enforce the Agency's goals to help preserve the environmental and public health and safety, and ultimately financially benefit the state. In addition, the Delegation is now aware of tools to help steer the Agency toward success both through goal setting/strategic planning and management and supervisory skills. The IOGCC believes that the project was a success and that the project goals and objectives were accomplished in an expeditious and timely manner.

## PROJECT GOALS

The IOGCC specifically focused on using the technical assistance and expertise of its member states to assist their affiliate country, the Republic of Georgia, in developing and implementing effective upstream oil and natural gas regulatory programs and in building its regulatory capacity. The successful goal of this project is an effective, proactive, and independent problem-solving energy regulatory Agency for the Republic of Georgia.

Through a process of self-assessment, instruction, and peer interchange, the Delegation had the opportunity to enhance their abilities to regulate a private and public sector oil and natural gas industry; to acquire new skills to improve the Agency's regulatory functions and abilities; and to obtain new tools to properly structure their organization to facilitate the changing needs of the industry, citizens, and the market. The result will be a more effective and efficient regulatory program that will provide a more stable and viable investment environment. This will improve the economic environment that will mutually benefit both U.S. strategic interests and the Republic of Georgia.

## PROJECT OBJECTIVE

The objective of the project was to provide an effective forum for the Agency to acquire the capacity to improve, develop, and modify its oil and natural gas regulatory and management systems. The project guided Agency personnel through the phases of learning about regulatory programs; facilitated self-assessment; taught the value of establishing long and short-term goals and strategic planning; provided tools, examples and information necessary for proper regulatory management; and assisted in evaluating accomplishments through self-review and peer-review processes. In addition to guiding Agency personnel, the project provided the opportunity for participating Agency personnel to observe the value of an effective inter-governmental organization, the IOGCC. At the completion of this project, the Georgian Agency acquired the abilities necessary to implement a fully functioning oil and natural gas regulatory agency with more effective and efficient management, technical, and legal capacities to address regulatory issues.

This comprehensive initiative included support for developing the Agency into a modern, fully functioning oil and natural gas regulatory agency with the capabilities and expertise similar to those of a domestic (U.S.) oil and natural gas regulatory agency. The training provided to participating Agency personnel should allow the Agency to implement management and regulatory programs that are effective, efficient, coordinated, cohesive, relevant, and understood by employees, the investing entities, and the people of Georgia. A key part of this project, current and future, is the introduction to, and facilitated interactions between, oil and natural gas regulators in the United States and government officials from the Republic of Georgia. The goal is to continue to build these relationships and trust, thus creating a base from which to continue to share information, knowledge, expertise, and ideas.

# IDENTIFIED TRAINING REQUIREMENTS

The Assessment identified four general areas where further training would improve the effectiveness of the Agency. These areas were:

1. Regulatory Compliance
2. Internal Procedures
3. External Procedures and Transparency
4. Management Capability and Effectiveness

The Assessment defined "Regulatory Compliance" as encompassing three broad areas:

1. The reporting by operators that allows the Agency to monitor compliance with regulatory and contractor requirements.
2. Permitting, and the plan review process that precedes it, provide mechanisms for overseeing specific aspects of oil and gas operations and for specific enforcement of operationally related standards.
3. Enforcement is the means by which compliance with the requirements imposed on operators by contract and by law is assured.

The IOGCC provided training in the identified four general areas through the state regulatory, land management, and revenue agencies of its two member states (Oklahoma and Alabama). A detailed outline of instruction and discussion in the four general areas are as follows:

## REGULATORY COMPLIANCE

- A. Permitting, Operations, and Reporting
  1. Operational Reporting Requirements.
  2. Bonding and Operator Identification Requirements.
  3. Form Adoption and Industry Cooperation.
  4. Reporting Formats.
  5. Adherence to Rules – General Monitoring.
  6. Operator Notification of Delinquency.
  7. Permitting Policies and Procedures.
  8. Permitting Monitoring and Enforcing.
  9. Resource Conservation – gas venting/flaring, maximum production rates, and unitization of reservoirs.
- B. Environmental Permitting – Drilling and Production Waste Management
  1. Permitting Procedures and Application Review – All Types.
  2. Site Assessment and Construction – All Facilities.
  3. Surface and Ground Water Protection Methodologies.
  4. Waste Disposal and/or Land Application Permitting and Procedures.
  5. Site Inspection, Monitoring, and Enforcement.
  6. Site Closure.
  7. Operator Relations and Negotiations.

- C. Site Inspection
  - 1. Site Inspection and Assessment Procedures.
  - 2. Complaint Investigations and Resolution Procedures.
  - 3. Permitting Monitoring and Enforcement Procedures.
  - 4. Identification of Violations.
  - 5. Incident Reporting Policies and Procedures – Operator Reporting.
  - 6. Incident Reporting Policies and Procedures – Regulatory Reporting.
  - 7. Operator Relations and Negotiations.
  - 8. Operator Notification of Delinquency or Violation.
  - 9. Environmental Hazard Recognition, Abatement, and Remediation Procedures.
  - 10. Well Plugging Methodologies, Policies, and Procedures.
  - 11. Field Enforcement Procedures and Processes.
  
- D. Enforcement Procedures
  - 1. Identification of Enforceable Violations.
  - 2. Documentation and Record Maintenance Procedures.
  - 3. Operator Notification of Delinquency or Violation.
  - 4. Enforcement Applications.
  - 5. Hearing Processes and Procedures.
  
- E. Production Auditing and Financial Accounting
  - 1. Production Accounting Methods and Procedures.
  - 2. Financial Auditing and Record Reconciliation.
  - 3. Reporting Formats and Procedures.
  - 4. Report Collection and Monitoring.
  - 5. Database Creation, Maintenance, and Use.
  - 6. Royalty or Assessment Collection Processes and Procedures.
  - 7. Enforcement Procedures.
  - 8. Protest Resolution Policies and Procedures.
  - 9. Documentation and Record Maintenance.
  - 10. Production Sales Accounting Methods and Procedures.
  - 11. Operator and Purchaser Identification and Bonding Requirements.
  - 12. Operator and Purchaser Notification of Delinquency.
  - 13. Tax or Assessment Collection Processes and Procedures.
  - 14. Operator and Purchaser Identification and Bonding Requirements.
  - 15. Resource Conservation Practices.
  - 16. Identification and Establishment of Production Allowable Rates.
  
- F. Lease Sales or Tender Offers
  - 1. Identification of Property Available for Lease/Sale.
  - 2. Assessment of Fair Market Value.
  - 3. Publicity of Offering.
  - 4. Bidding Processes and Procedures.
  - 5. Terms and Conditions of Lease/Sale.
  - 6. Award of Contract/Lease.
  - 7. Operator Responsibilities.
  - 8. Operator Reporting Obligations.
  - 9. Identification of Violations of Contract/Lease Terms.
  - 10. Enforcement Processes and Procedures.

## INTERNAL PROCEDURES

- A. Written Policies and Procedures for Technical Programs.
- B. Written Policies and Procedures for Administrative and Managerial Functions.
- C. Document Maintenance.
- D. Database Creation and Data Analysis.
- E. Confidential Documents and Public Access.

**External Procedures And Transparency** were covered by brief programs that allowed the Delegation to witness interactions between the various state agencies as those agencies performed their daily functions between the regulated community and the regulators. Most importantly, the Delegation was able to see how consistency of enforcement develops a rapport between operators and regulators. This lesson will result in a more trustworthy Agency, which would result in generating new and renewed interest, along with enticing new investment, in oil and gas exploration to the Republic of Georgia. The Delegation said that this aspect was one of their most highly prioritized goals — to build economic opportunities for their country while protecting its beauty and environment. Areas of procedures covered included:

- A. Reports made to the public, public officials and other state entities.
- B. Reports and other information provided to the media and other public bodies.
- C. Routine meetings with public officials.
- D. Prompt resolution of jurisdictional and other issues with other public bodies.
- E. Development of a two-way relationship with the regulated industry, including regular meetings with industry to exchange information and discuss regulatory matters.
- F. Reports to industry on developments in the sector, and solicitation of industry participation in proposed regulatory changes.
- G. Value of public relations, methods, and identification and use of available outlets.

## MANAGEMENT CAPABILITY AND EFFECTIVENESS

Each manager has his or her own style and these can vary greatly. However, the key to good management is the ability to achieve the specified goals. The training program introduced the Delegation to a variety of managers and management styles. The program also specifically covered the following:

- A. Personnel Policies and Procedures
- B. Organizational Effectiveness
  - 1. Cross Training of Personnel
  - 2. Decision-Making Authority
  - 3. Information Sharing
- C. Financial Management and Planning
  - 1. Identification of Personnel and Operational Requirements
  - 2. Projecting of Available Revenue and Resource Value
  - 3. Investment of Generated Funds
  - 4. Budgeting Processes and Procedures
  - 5. Financial Accounting Processes and Procedures

- D. Strategic Planning
  - 1. Identification of Agency's Strengths and Weaknesses
  - 2. Identification of Agency's Needs
  - 3. Development of Vision Statement
  - 4. Development of Mission Statement
  - 5. Development of Draft Goals and Objectives
  - 6. Development of Draft Performance Measures
  - 7. Development of Short and Long Term Plans

# TRAINING AGENCIES AND ENTITIES

## OKLAHOMA STATE AGENCIES PARTICIPATING IN THE PROGRAM

**Oklahoma Corporation Commission** – The Oklahoma Corporation Commission (OCC), a State Constitutional Agency founded in 1907, has sole and exclusive authority in Oklahoma to regulate oil and gas exploration and production activities, including waste management, pipeline transportation and environmental protection activities. The OCC received authority to regulate oil and gas related activities in 1914 and enforces the federal Class II Underground Injection Control Program. The OCC serves as both a tribunal and agency of investigation, accomplishing regulation through a combination of legislative, executive, administrative and judicial powers. OCC orders carry the same weight of authority as laws enacted by the legislature and can only be appealed directly to the State Supreme Court. The OCC administers the oil and gas regulatory program through its Oil and Gas Conservation Division. The Oklahoma Corporation Commission is located at 2102 North Lincoln Boulevard, Oklahoma City, Oklahoma. Oil and Gas Conservation Director Larry Fiddler organized the training received through the OCC.

**Oklahoma Commissioners of the Land Office** – The Commissioners of the Land Office (CLO), a state constitutional Agency founded in 1907, was created to manage and control lands and funds granted to the state under the provisions of the Enabling Act. This act gave Oklahoma certain lands and funds for the support of schools and charged the CLO with the sale, rental, disposal, and management of the lands as well as the trust funds and proceeds derived. The CLO leases both surface and mineral acreage and derives partial funding through oil and gas royalties. The CLO gathers, monitors, and audits production and associated values from its leased acreage. The Commissioners of the Land Office is located at 5801 North Broadway, Suite 200, Oklahoma City, Oklahoma. Pary Shofner, Director of the Minerals Management Division, provided the training through his staff.

**Oklahoma Tax Commission** – The Oklahoma Tax Commission (OTC) is responsible for the administration and enforcement of state tax laws, the collection of a majority of all state-levied taxes, fees, and licenses, and the subsequent apportionment and allocation of revenues earmarked to various state agencies and local units of government. The OTC collects all taxes, levies, and/or Assessments, voluntary or compulsory, on all oil and gas produced and sold from wells operated in Oklahoma. It also works with the individual county assessors to determine taxable value, if any, of oil and gas related property and equipment. In its quasi-judicial capacity, the OTC has the authority to subpoena witnesses and records, to administer oaths and to render decisions appealable directly to the State Supreme Court. The Oklahoma Tax Commission is located within the M. C. Conners Building, 2501 Lincoln Boulevard, Oklahoma City, Oklahoma. Mark Hendrix, from the Tax Policy and Research Division, of the OTC, was responsible for providing the training through this Agency.

**Oklahoma Department of Environmental Quality** – The Oklahoma Department of Environmental Quality (ODEQ) is a statutory Agency founded in 1992. ODEQ implements Oklahoma's Air Quality, Water Quality, Solid Waste, and Radiation regulatory programs and has a Customer Service Department that contains complaint investigation personnel and the State's Environmental Laboratory. The air and water quality programs as well as the solid waste program govern operations at oil refineries and natural gas processing plants. The ODEQ is governed by the Environmental Quality Board (EQB) which is a 13-member body appointed by the governor with the advice and consent of the Senate. Its members are drawn from a variety of industrial, commercial, governmental and public interest backgrounds. The EQB is the rule-adopting body for ODEQ. All rule proposals were reviewed and recommended by the appropriate advisory council before presentation to the EQB for adoption. Each advi-

sory council is comprised of nine individuals representing a broad range of perspectives, all of whom have substantial experience and/or interest in those areas within the purview of that advisory council. Before taking action on any rule proposal, the councils offer the opportunity for written and oral comments by individuals and entities affected by or interested in the rule. The level of public participation is often high and helps to significantly shape the rules proposals that are eventually presented to the board. The ODEQ is located at 707 North Robinson Avenue, Oklahoma City, Oklahoma. The training pertaining to refineries was coordinated through Dave Dillon, from the Customer Service Division of the ODEQ.

## ALABAMA STATE AGENCIES PARTICIPATING IN THE PROGRAM

**Alabama Oil And Gas Board (AOGB)** – The AOGB is a regulatory agency with the statutory charge of preventing waste and promoting the conservation of oil and gas while insuring the protection of both the environment and the correlative rights of owners. The board is granted broad authority in Alabama oil and gas conservation statutes to promulgate and enforce rules and regulations to ensure the conservation and proper development of Alabama's petroleum resources. The State Oil and Gas Board of Alabama (Board) consists of three members appointed by the governor for a term of six years. The state geologist serves as state oil and gas supervisor and ex officio secretary of the Board. The supervisor is charged with the duty of enforcing all rules, regulations, and orders promulgated by the Board. The Board is authorized to collect data, make investigation and inspection, hold hearings, maintain records, and to take such action as may be reasonably necessary to enforce this article. The Board is further authorized to make such reasonable rules and orders necessary to administer and enforce the statutes, including rules governing the drilling, casing, and plugging of wells, prevention of pollution, performance bonding, prorating oil and gas production, establishing drilling units, and regulating enhanced recovery methods, including Class II injection wells. The Alabama Oil and Gas Board is located at 420 Hackberry Lane, Tuscaloosa, Alabama. Nick Tew, State Geologist and Oil and Gas Board Supervisor, coordinated the training, which was primarily conducted by Jay Masingill and Dave Bolin.

**Alabama Department Of Finance** – The Alabama Department of Finance's primary responsibilities are to work with state agencies in developing the agencies' budget requests and operations plans; monitor spending patterns to ensure compliance with approved operations plans; process revisions to operations plans based on program or spending plan changes that have been approved by the governor and state budget officer; prepare legislative bills, substitutes and amendments as requested by the governor, finance director, and other administration officials; and provide up-to-the-minute information on bill status and the effect of certain legislation on state government finances. In addition to these responsibilities, the Department of Finance confers with the state's economic advisors in order to project revenues for future fiscal years. It is upon this group's consensus revenue estimate that the governor bases the executive budget proposal submitted to the legislature for consideration. The Department of Finance office is located at 11 South Union Street, Room 237, Montgomery, Alabama. The training program was coordinated through Carolyn Middleton, Deputy State Budget Officer, and Laneita Littleton, Budget Analyst, for the Alabama Department of Finance.

**Alabama Department of Conservation and Natural Resources** – The Department of Conservation and Natural Resources (ADCNR) is a statutory executive and administrative department of the state of Alabama. The commissioner of the ADCNR, appointed by the governor as a member of his cabinet, advises the governor and legislature on management of freshwater fish, wildlife, marine resources, waterway safety, state lands, state parks, and other natural resources. A 10-member Conservation Advisory Board appointed by the governor advises the commissioner on the Agency's functions. The

department's scope of operations includes the administration, management and maintenance of 24 state parks, 23 public fishing lakes, three freshwater fish hatcheries, 34 wildlife management areas, two waterfowl refuges, two wildlife sanctuaries, a mariculture center with 35 ponds, and 645,000 acres of trust lands managed for the benefit of several state agencies, the general fund and the Alabama Trust Fund. The department's major goal is to promote the statewide stewardship and enjoyment of Alabama's natural resources, and to ensure that future generations will be able to enjoy these resources. The Alabama Department of Conservation and Natural Resources is located at 64 N. Union Street, Suite 468, Montgomery, Alabama. Will Brantley with ADCNR provided the training.

**Alabama Department Of Revenue (ADOR)** – The ADOR is responsible for the administration and enforcement of state tax laws, the collection of a majority of all state-levied taxes, fees and licenses, and the subsequent apportionment and allocation of revenues earmarked to various state agencies and local units of government. The ADOR collects all taxes, levies, and/or Assessments, voluntary or compulsory, on all oil and gas produced and sold from wells operated in Alabama. The ADOR is located at 50 Ripley Street, Montgomery, Alabama. Curtis Stewart with ADOR coordinated the training.

## IOGCC ANNUAL MEETING

The IOGCC Annual Meeting provided the Delegation with many opportunities for learning and networking. The meeting featured a meeting of the Council of State Regulatory Officials that Gia Itonishvili participated in as the representative from Georgia. The rest of the Delegation sat in on the meeting and was able to hear about different issues going on in the states as well as the other international affiliate countries. The General Session included talks by five different Governors, and two key United States Department of Energy (DOE) officials. Other sessions included: Legal and Regulatory Affairs, Public Lands, Environmental and Safety, Public Outreach and Energy Resources, Research and Technology. The Delegation was very active at the meeting and attended many of the talks. They met many good contacts and learned about key regulatory issues and new technologies. The agenda for the IOGCC Annual Meeting is included in *Appendix C*.

### STRATEGIC PLANNING

**Terry O'Connor** of Dotlich-O'Connor, a qualified executive transition consultant specializing in strategic planning, performance measurement, organizational structure, and managerial development provided the training concerning strategic planning and organizational goal setting. The training was provided at the conclusion of the IOGCC's Annual Meeting in Reno, Nevada. Terry O'Connor is located at 15009 NW 43<sup>rd</sup> Avenue, Vancouver, Washington. The strategic planning training agenda and workbook, developed especially for the Delegation and Mr. Gia Itonishvili, Director of the Agency, is included in *Appendix D*. A first draft of the Agency's strategic plan is included in *Appendix E*.

### MANAGEMENT TRAINING

**Daniel Kline** of Rockhurst University, a nationally known continuing education center that is utilized widely by business, taught a training course entitled "Coaching, Criticism and Discipline Skills for Managers and Supervisors." The objectives of the course included encouragement for employees and developing a productive staff. An agenda and evaluation form for the management training is included in *Appendix F and G*, respectively.

## TRAINING ACCOMPLISHMENTS

The IOGCC received positive feedback from the Delegation and the training agencies concerning this program. Agency personnel from the states of Oklahoma and Alabama provided training and technical assistance.

The Georgian Delegation consisted of six people, five from the Agency, and one from the state oil company, Saknaftobi. Members and their titles or field of expertise were:

**Alexander Chabukiani** – Deputy Head of the Agency – responsible for upstream oil sector: oil and natural gas exploration, exploitation, production; oil and natural gas reserves; well inspection; etc.

**Guri Gamreklidze** – Deputy Head of the Agency – responsible for oil refining and natural gas processing.

**Alexander Abaiadze** – Head of Licensing and Judicial Department.

**George Kvirtia** – Deputy Head of Financial Department – responsible for financial audit of the oil and natural gas companies.

**Irakli Mgeladze** – Field Inspector – responsible for well inspection, environment and safety.

**Elgudja Iobadze** – state oil company Saknaftobi – Lead Specialist, petroleum reserves.

Since the field of expertise and training requirements for the Delegation varied, it was necessary to organize the Delegation into two training groups, field inspection personnel and management personnel. The decision was made to maximize the training experience to best benefit the individual members of the Delegation and better achieve the overall goals and objective of the program. The training needs of field personnel vary greatly compared to the needs of management personnel. This segmentation was specified in the Implementation Plan and approved by USAID. This also lessened the requirements placed on the volunteering state agencies. Instead of training six people, each state agency had only three, with the exception of the oil and gas regulatory agencies for approximately one week each.

The assignments for which track, or segment, the Delegation followed were based on a review of their job descriptions and discussions with them regarding the areas in which they felt they needed assistance. Extra attention was paid to specific areas the Delegation mentioned in which they believed they needed more intense assistance. A significant effort was made to offer specialized assistance in those areas. Alexander Chabukiani and Irakli Mgeladze were natural choices for the field inspection segment of the program. Mr. Chabukiani leads the Agency's field inspection program and Mr. Mgeladze is one of the Agency's field inspectors. Alexander Abaiadze, Guri Gamreklidze and George Kvirtia were natural choices for the management segment. Mr. Abaiadze is the Agency's counsel. Mr. Kvirtia budgets the Agency's resources and Mr. Gamreklidze is the new manager responsible for overseeing refineries and natural gas processing plants. The IOGCC had little information prior to the Delegation's arrival concerning Mr. Iobadze's qualifications, actual job functions or interest. Mr. Iobadze originally was slotted to join the management segment of the program but this was revised based upon discussion with him and the Delegation members he works with and subsequently he was placed with the field inspection segment.

The training objectives were developed using the January 31, 2003, "Assessment of Georgia State Agency for Regulation of Oil and Gas Resources: Regulatory and Administrative Effectiveness" (Assessment) published by the United States Agency for International Development. This Assessment outlined several needs for improvement relating to regulatory compliance, internal procedures, external procedures and transparency, and management capabilities and effectiveness. The Assessment included specific conclusions and recommendations for improvement, including the training provided through this process.

Many aspects of the four recommended training needs coincide or overlap. For instance, proper regulatory compliance cannot be achieved without effective internal procedures and management capabilities and effectiveness. Regulatory compliance relies heavily on effective internal procedures and management. As stated in the Assessment, "excessive or overly rigid internal operating procedures can stifle initiative and original thought in any organization; clear statements of policy and operational guidelines are essential for the consistent application of policy and efficient handling of routine matters." Thus, it was emphasized that most written policies and procedures must remain flexible enough to allow for the better discretion of management personnel and allow for innovative ideas for improvement by staff. All written policies and procedures should be reviewed for accuracy and timeliness at least annually.

Each participating state agency reviewed their individual internal operating procedures with the Delegation. Each agency has written procedures covering most all tasks for which that agency is responsible. Each agency also has policies and procedures on non technical administrative functions such as: document retention; procurement; employee evaluation; employee corrective discipline; employee promotion and compensation; office work hours; use of sick leave; and many others. These in conjunction with the written procedures regarding technical functions were reproduced and provided to the Delegation. All documents received by the Delegation were compiled and shipped to them in Georgia at the close of the trip. They received many items that will continue to be beneficial to them in their work to improve the Agency.

The Assessment included document maintenance, database creation and data analysis, and confidential documents and public access within the internal procedure category. Each of the state agencies providing training relies on its vast history of documents to effectively manage its statutory and regulatory tasks. Each state agency has developed data management systems to assist staff in their assigned duties. Most of these systems and the information contained within are accessible to the public. The Delegation was provided instructions by each state agency on the development and use of its data management systems. The Delegation was also instructed on document retention and dissemination.

Much of the regulatory compliance aspects of the training were covered through first-hand experience with the regulatory agencies. The Delegation was taken to the field by the regulatory agencies to observe the day-to-day inspection, investigation, and enforcement activities of the agencies. During these trips, and while in the offices, the Delegation observed the interactions between the regulatory personnel and the regulated industry. This partially addresses the external procedures and transparency aspect of the training. Many of the agencies are political in nature, i.e., elected or appointed officials administer the agencies and are answerable to the public. The daily interactions between staff and the administrators were also observed. The dissemination of records and the periodic release of reports and information to the public and press also were observed and addressed in the training program.

The Delegation was exposed to many different styles of management. Management capabilities and effectiveness can vary greatly from person to person but can have similar results. Members of the Delegation were introduced to personnel management techniques, policies, and procedures and were provided written job descriptions and performance evaluations. They observed many decision-making processes and the internal sharing of relevant information. They also experienced the necessity and benefits of having staff cross-trained to perform tasks normally assigned to others when some staff members are unavailable. The Delegation was trained on many occasions by several agencies regarding the identification and use of available resources, budgeting, and planning. The Delegation was also exposed to many different organizational structures and shown that each structure, though different, can still be effective in its assigned functions. The Delegation received specific training on strategic planning and goal setting.

In addition to their training at state agencies, Delegation members attended the IOGCC Annual Meeting in Reno, Nevada, which attracts several hundred participants from around the world. Directors from all the IOGCC member states attend and participate in the Council of State Regulatory Officials (CSRO). The Delegation attended this session, and Gia Itonishvili, Director of the Agency, participated. The CSRO session updates IOGCC members on regulatory developments around the world. It allows oil and gas regulators to compare notes, and to determine which of their colleagues may be dealing with similar issues. This enables them to share key information on solutions to problems and new program ideas.

In addition to the CSRO meeting, the Annual Meeting included a general session with presentations from top DOE officials, and several of IOGCC's governors. The committee sessions consist of speakers informing attendees of current legislation and new technological advancements. The meeting provided networking opportunities for the Delegation and a chance to learn about the latest information regarding oil and gas regulation.

The members of the Delegation participating in the management segment of the program visited each of the eight participating agencies. Each state agency specializes in separate and distinct regulatory or necessary function of state government. The program outlined many training requirements of the Delegation. Each agency could fulfill some but not all of the requirements. Separate learning objectives were developed for the Delegation during their time with each agency. In most instances, portions of all four overall training requirements (regulatory compliance, internal procedures, external procedures and transparency, and management capability and effectiveness) were covered in the program at each state agency. In brief, each participating state agency established learning objectives for the Delegation. These were as outlined under the headings of the state agencies below.

**Oklahoma Commissioners of the Land Office (CLO)** – This Agency controls the leasing of all Oklahoma state-owned mineral properties for oil and gas exploration, development, and production. The CLO also collects and invests all royalties received by such exploitation. The leasing or sale of the Republic of Georgia's mineral interests and the collection of royalties are duties provided to the Agency. An agency report and activity agenda is included in *Appendix H*. The CLO provided training in the following areas:

**Production Auditing and Financial Accounting** – This segment covered production accounting methods and procedures; financial auditing and record reconciliation; reporting formats and procedures; report collection and monitoring; database creation, maintenance, and use; operator notification of delinquency; royalty or assessment collection processes and procedures; enforcement procedures; protest resolution policies and procedures; review of written policies

and procedures; documentation and record maintenance; employee performance evaluation and job descriptions.

**Lease Sales or Tender Offers** – This segment included the identification of property available for lease/sale; assessment of fair market value; publicity of offering; bidding processes and procedures; terms and conditions of lease/sale; award of contract/lease; operator responsibilities; operator reporting obligations; identification of violations of contract/lease terms; enforcement processes and procedures; documentation and record maintenance; and review of written policies and procedures.

**Budgeting and Financial Resource Projection** – The CLO provided training on the identification of personnel and operational requirements; projecting of available revenue and resource value; investment of generated funds; budgeting processes and procedures; and financial accounting processes and procedures.

**Oklahoma Tax Commission (OTC)** – This agency is responsible for the collection of all taxes and Assessments on oil and natural gas production in Oklahoma. Along with this function, the OTC collects data from the product purchaser on all sales of oil and natural gas in Oklahoma and audits the purchasing and producing companies. It also provides the state legislature with revenue projections for the current and upcoming fiscal years. Whereas the Agency does not collect the taxes in the Republic of Georgia, it does have the authority to collect production data and to audit oil and natural gas production companies to ensure proper royalties and assessments are being remitted to the state. The training objectives developed by the OTC are as follows:

**Production Auditing and Financial Accounting** – Production sales accounting methods and procedures; financial auditing and record reconciliation; operator and purchaser identification and bonding requirements; reporting formats and procedures; report collection and monitoring; database development, maintenance, and use; operator and purchaser notification of delinquency; tax or Assessment collection processes and procedures; enforcement procedures; protest resolution policies and procedures; review of written policies and procedures; documentation and record maintenance; and employee performance evaluation and job descriptions.

**Budgeting and Financial Resource Projection** – Identification of personnel and operational requirements; projecting of available revenue and resource value; budgeting processes and procedures; and financial accounting processes and procedures.

**Oklahoma Corporation Commission (OCC)** – The OCC is very similar to the Agency in its statutory regulatory mandates and functions. This similarity made the OCC the key state agency for the Oklahoma segment of the training and was the reasoning for the length of stay by the Delegation at this agency. The OCC permits or regulates all oil and natural gas exploration, development, production, waste management, and environmental protection activities, including transportation by pipeline and motor carriage. The learning objectives for the Delegation from the OCC were many. Both segments of the Delegation (field and management) were at the OCC. The field component of the Delegation spent all three weeks of their stay in Oklahoma with the OCC. The objectives were:

**Environmental Permitting – Drilling and Production Waste Management** – Aspects of this phase of training include activities associated with drilling, operations, non-commercial and commercial pit facilities, land application sites, Class II Underground Injection Control enhanced recovery and disposal wells; permitting procedures and application review – all types; site Assessment and construction – all facilities; surface and ground water protection methodologies (storm water best management practices {BMPs}); waste disposal and/or land application permitting and procedures; site inspection, monitoring, and enforcement; site closure and reclamation activities; operator relations and negotiations; documentation and record maintenance procedures; and review of written policies and procedures.

**Site Inspection for Drilling, Production, Active, Temporarily Abandoned, Permanently Abandoned, and Orphan Oil, Gas, Injection, Disposal, and Service Wells** – Site inspection and Assessment procedures; complaint investigations and resolution procedures; permitting, monitoring and enforcement procedures; identification of violations; incident reporting policies and procedures – operator reporting; incident reporting policies and procedures – regulatory reporting; operator relations and negotiations; operator notification of delinquency or violation; environmental hazard recognition, abatement, and remediation procedures; well plugging methodologies, policies, and procedures; field enforcement procedures and processes; documentation and record maintenance procedures; review of written policies and procedures; and exploration and production waste minimization practices.

**Enforcement Procedures (Internal Administrative Court System)** – Identification of enforceable violations; documentation and record maintenance procedures; operator notification of delinquency or violation; enforcement applications; hearing processes and procedures; and review of written policies and procedures.

**Production Auditing and Financial Accounting** – Production accounting methods and procedures; operator and purchaser identification and bonding requirements; reporting formats and procedures; report collection and monitoring; database creation, maintenance, and use; operator and notification of delinquency; resource conservation practices; identification and establishment of production allowable rates; enforcement procedures; review of written policies and procedures; and documentation and record maintenance.

**Permitting, Operations, and Reporting** – Operational reporting requirements; bonding and operator identification requirements; form adoption and industry cooperation; reporting formats; adherence to rules – general monitoring; operator notification of delinquency; permitting policies and procedures; permitting monitoring and enforcing; resource conservation – gas venting/flaring, maximum production rates, and unitization of reservoirs; review of written policies and procedures; record maintenance policies and procedures; document dissemination; and employee performance evaluation and job descriptions.

**Budgeting and Financial Resource Projection** – Identification of personnel and operational requirements; projecting of available revenue and resource value; budgeting processes and procedures; and financial accounting processes and procedures.

**Public Relations** – Value of public relations and publicity; methods of publicity; and identification and use of available public relations outlets (media, Internet, etc.).

**Oklahoma Department of Environmental Quality (ODEQ)** – The ODEQ was added to the agenda the week of September 29, 2003, by special request of the Delegation and training was provided on October 14, 2003. ODEQ regulates refineries in Oklahoma and the members of the Delegation wanted training on refinery regulation. The Agency has newly acquired jurisdiction over refineries in the Republic of Georgia. The training objective at this agency was short and concerned air quality, water quality, and waste management at refineries.

**ConocoPhillips** – As a special request, the IOGCC coordinated a trip to a large refinery operated by ConocoPhillips in Ponca City, Oklahoma. The overview of refinery operations and health and safety aspects of refinery operations occurred on October 16, 2003. ConocoPhillips also provided a driving tour of the facility so that the Delegation could witness first-hand the operations of a first-class refinery.

**Alabama Oil and Gas Board (AOGB)** – The AOGB regulates all oil and natural gas activities in Alabama. The Agency has duties similar to the board. The AOGB permits or regulates all oil and natural gas exploration, development, production, waste management, and environmental protection activities. The learning objectives developed by the AOGB are similar to those of the OCC's but included underground gas storage, secondary recovery operations by waterflood, natural gas production from coal seams drilling, production, completion, and fracturing operations, and a tour of an onshore treating facility (production platform in the Gulf of Mexico) operated by ExxonMobil.

**Environmental Permitting – Drilling and Production Waste Management** – Aspects of this phase of training included activities associated with drilling, operations, non-commercial and commercial pit facilities, land application sites, Class II Underground Injection Control enhanced recovery and disposal wells; permitting procedures and application review – all types; site assessment and construction – all facilities; surface and ground water protection methodologies (storm water best management practices {BMPs}); waste disposal and/or land application permitting and procedures; site inspection, monitoring, and enforcement; site closure and reclamation activities; operator relations and negotiations; documentation and record maintenance procedures; and review of written policies and procedures.

**Site Inspection for Drilling, Production, Active, Temporarily Abandoned, Abandoned, and Orphan Oil, Gas, Injection, Disposal, and Service Wells** – Site inspection and assessment procedures; complaint investigations and resolution procedures; permitting monitoring and enforcement procedures; identification of violations; incident reporting policies and procedures – operator reporting; incident reporting policies and procedures – regulatory reporting; operator relations and negotiations; operator notification of delinquency or violation; environmental hazard recognition, abatement, and remediation procedures; well plugging methodologies, policies, and procedures; field enforcement procedures and processes; documentation and record maintenance procedures; review of written policies and procedures; and exploration and production waste minimization practices.

**Enforcement Procedures (Internal Administrative Court System)** – Identification of enforceable violations; documentation and record maintenance procedures; operator notification of delinquency or violation; enforcement applications; hearing processes and procedures; and review of written policies and procedures.

**Production Auditing and Financial Accounting** – Production accounting methods and procedures; operator and purchaser identification and bonding requirements; reporting formats and procedures; report collection and monitoring; database creation, maintenance, and use; operator and notification of delinquency; resource conservation practices; identification and establishment of production allowable rates; enforcement procedures; review of written policies and procedures; and documentation and record maintenance.

**Permitting, Operations, and Reporting** – Operational reporting requirements; bonding and operator identification requirements; form adoption and industry cooperation; reporting formats; adherence to rules – general monitoring; operator notification of delinquency; permitting policies and procedures; permitting monitoring and enforcing; resource conservation – gas venting/flaring, maximum production rates, and unitization of reservoirs; review of written policies and procedures; record maintenance policies and procedures; document dissemination; and employee performance evaluation and job descriptions.

**Alabama Department of Finance** – The Finance Department is responsible for developing and assisting the governor, legislature, and state agencies of Alabama in the preparation of their annual budgets. The Finance Department projects the state's annual revenue. The learning objectives developed were brief due to the limited time available. The Finance Department provided training on revenue projections and budgeting procedures. This training was provided to allow the Delegation to see different systems of tracking and collection of royalties including database development and monitoring.

**Alabama Department of Conservation and Natural Resources (ADCNR)** – The ADCNR is responsible for leasing all state mineral acreage for oil and natural gas exploration and development. It also collects, invests, and distributes all royalty payments due to the state from these activities. The learning objectives developed by the ADCNR were similar to those of the Oklahoma CLO.

**Production Auditing and Financial Accounting** – This segment covered production accounting methods and procedures; financial auditing and record reconciliation; reporting formats and procedures; report collection and monitoring; database creation, maintenance, and use; operator notification of delinquency; royalty or Assessment collection processes and procedures; enforcement procedures; protest resolution policies and procedures; review of written policies and procedures; documentation and record maintenance; employee performance evaluation and job descriptions.

**Lease Sales or Tender Offers** – This segment included the identification of property available for lease/sale; Assessment of fair market value; publicity of offering; bidding processes and procedures; terms and conditions of lease/sale; award of contract/lease; operator responsibilities; operator reporting obligations; identification of violations of contract/lease terms; enforcement processes and procedures; documentation and record maintenance; and review of written policies and procedures.

**Alabama Department Of Revenue (ADOR)** – The ADOR collects taxes and assessments due to the state on all oil and natural gas production and sales. The process differs from that in Oklahoma in that Alabama collects its taxes directly from the operating entity; Oklahoma collects its taxes from the purchaser of the product. It was the hope of the IOGCC that the Delegation would be able to spend more time with the people at ADOR but due to scheduling problems and ADOR activity, the time was limited to one day. ADOR relies on the production values reported to the Alabama Oil and Gas Board

to assess the amount of taxes due from each producing entity. The ADOR does not have an elaborate computer system to monitor oil and natural gas taxes due and remitted. Instead the ADOR relies on a manual filing system and Excel spreadsheets. The IOGCC believed that by instructing the Delegation in manual methods of tracking, maintaining, and disseminating records it would benefit the Agency in its record maintenance procedures. The Delegation was also exposed briefly to Alabama's auditing procedures.

**Strategic Planning – Terry O'Connor** – On October 21, 2003, after the IOGCC's Annual Meeting in Reno, Nevada, Mr. O'Connor provided instructions to the Delegation and the Agency's director, Gia Itonishvili, on the development of long- and short-term strategic plans, establishing goals and objectives, developing a mission statement and an Agency vision. The training was well received and believed to be quite successful. The most important part of this training was that it resulted in actual outcomes. Mr. O'Connor walked the Delegation through the process of developing these items, and even gave them a curriculum of homework with deadlines to implement their self-developed goals when they returned home.

**Management Training – Daniel Kline** – On October 22, 2003, Mr. Kline provided intensive training on management skills. Several of those in the Delegation were in managerial positions and this training is meant to improve teamwork as well as development and accomplishment of common goals. The training focused on increasing employee performance and effective problem solving. The assessment mentioned several areas that required increased training in managerial skills. This training was an effective tool to facilitate these issues.

## CONCLUSIONS & RECOMMENDATIONS

The IOGCC believes that the training program developed, implemented, and delivered was very effective. The Delegation (leadership of the Agency) now has a first-hand understanding of how efficient regulatory agencies operate and organize. Already the benefits of this project are evident. The Agency is implementing the strategic planning assignments created by them through the tutelage of Terry O'Connor. The Agency also developed a mission statement and outlined operational and individual values and practices that they will strive to follow. Coincidentally, these values and practices are cooperation, coordination and honesty. The Agency developed six goals in this process and has reported to this office that they are in the midst of integrating these goals into their everyday activities with an eye toward consistency and efficiency. The reports from the participating agencies and from the members of the Delegation have been positive. Forms completed by the Delegation which evaluated the overall IOGCC training program are included in *Appendix I*.

Feedback from the Delegation was split into two evaluation forms. One was filled out by each of the two groups the Delegation was divided into. The evaluation form explored many areas of the training, including lodging, interpreters, program, etc. The managerial Delegation group gave an average of 4.833 for quality of program on a scale of 1 to 5 – with 5 being the highest score. The other component, which included the field inspection track participants, gave the quality of program a 5. The other items on the evaluation form were asked to provide IOGCC input regarding choices for interpreters, lodging and transportation for upcoming projects.

The training provided was accomplished both by the content of the activities the Delegation experienced during their trip to the United States as well as the actual observation of the agencies' multitude of activities while they were there. The IOGCC believes that further on-site training will be necessary to assist the Agency in realizing its full potential, especially in their new aspects of jurisdiction. The Agency has so many needs for improvement and this program, although very effective, could not fully cover all these needs with the resources and time available. Many of the needs simply cannot be adequately addressed by explaining, teaching or through observation. These needs can be properly addressed only through first-hand observation of the training recipient performing the task, so that immediate feedback can be provided and corrections made and explained. The IOGCC encourages the USAID to continue its partnership program with the Agency, and stands ready to assist its affiliate member state in future endeavors.

The Agency has a tremendous ability to impact the economic stability in Georgia. A strong economy is vital to the Republic of Georgia's future. Therefore, the training focused on making the Agency a consistent, effective and efficient governmental entity. The Delegation, as the leaders of the Agency, are very passionate about making the Agency a fully functioning, efficient, honest and successful organization. The Agency has great potential as the members of the Delegation are devoted to its success, and have a great understanding of the possibilities that their Agency can create for their country.

The IOGCC believes that the goals and objectives of this project were successfully delivered and accomplished. We look forward to the possibility of continued work with the Agency to improve their program framework regarding their new responsibilities to also regulate oil and gas downstream activities. These new responsibilities provide a great challenge in that refineries, and other related downstream industries, can result in the greatest impacts to the environment. IOGCC is confident that a similar program to this one can be developed to focus on these new responsibilities for the Agency can be done quickly and effectively. We look forward to a response from USAID regarding interest in continued partnership to work with the Agency in the Republic of Georgia.

## IOGCC BACKGROUND & HISTORY

The Interstate Oil and Gas Compact Commission (IOGCC) is a compact of states ratified by the United States Congress in 1935. Its headquarters is in Oklahoma City, Oklahoma. The IOGCC represents the governors of 30 oil and gas producing states and seven associate states. The governors of each state use the IOGCC to promote its mission, which is the prudent development of each state's petroleum resources while protecting health, safety, and the environment. Additionally, the IOGCC works to ensure that the states, which are the nation's best regulatory resources, continue to oversee this development and environmental protection.

Since its inception, the IOGCC has accomplished its mission by encouraging states to share regulatory expertise and by serving as a unique forum for state and federal regulators, the industry, and concerned public interest groups and citizens. It also organizes regular meetings to facilitate the exchange of views and information, together with an opportunity to hear presentations from experts on the many varied issues with which state regulators are constantly required to deal. Toward these ends, the IOGCC drafted model statutes and regulations for states and developed guidelines on numerous regulatory issues. Additionally, the IOGCC provides appropriate training to assist member states in an ongoing program to upgrade the knowledge and ability of their employees.

IOGCC meeting participants consistently have included state and federal regulators, as well as representatives of the oil and natural gas industry and public interest and environmental organizations. The IOGCC meetings serve an important role as neutral forums in which these stakeholders meet and discuss their ideas and concerns in a problem-solving environment.

The IOGCC also has an international program. The Interstate Oil and Gas Compact Commission International is a global organization of government officials who are responsible for maximizing the benefit of their countries' energy resources while protecting health, safety and the environment. The commission created its international program in 1995 and accepted its first affiliate in 1996. IOGCC currently has seven international affiliates, including the Republic of Georgia, which joined in 2001. Other International Affiliates are Alberta, British Columbia, Egypt, Newfoundland & Labrador, Nova Scotia, and Venezuela. The IOGCC plays a unique role as a non-profit organization serving as a vast repository of expertise that has the capacity to act as a catalyst for improving and developing more effective governmental energy management and regulatory programs, policies, and procedures.

The recognition of the tremendous value of sharing information with other nations developing their oil and natural gas resources led to the formation of the IOGCC International program. At various times during its 68-year history, representatives of foreign governments have attended IOGCC meetings. The requests from other countries for IOGCC guidelines and publications increased in the mid-1990s. This interest in information and the opportunity to share and discuss issues and ideas involving oil and natural gas conservation and environmental regulations stimulated the establishment of IOGCC International.

IOGCC International envisions a world where the production of oil and natural gas resources occurs without waste or environmental degradation. The vision of international cooperation, resource sharing, and improved communication results in greater economic benefits for a country developing its oil and natural gas resources. By improving economic benefits a country improves the lives and standard of living of its citizens, as well as the world's citizens, by providing employment, infrastructure development and investment for economic growth. This resource development reinforces the principles and benefits of a market economy and of democratic government.

**Training Matrix: Georgia State Agency for the Regulation of Oil and Gas Resources**

	<b>TRAINING REQUIREMENTS</b>	<b>TRAINING METHOD(S)</b>	<b>TRAINING AGENCY(IES)</b>
<b>REGULATORY COMPLIANCE</b>			
<b>Permitting, Operations, and Reporting</b>			
	Operational Reporting Requirements	Observation and Instructional	OCC, OCLO, AOGB, AREV
	Bonding and Operator Identification Requirements	Observation and Instructional	OCC, OTC, OCLO, AOGB
	Form Adoption and Industry Cooperation	Instructional	OCC, AOGB
	Reporting Formats	Instructional	OCC, OTC, OCLO, AOGB, AREV, ADCNR
	Adherence to Rules – General Monitoring	Observation and Instructional	OCC, OTC, OCLO, AOGB, AREV, ADCNR
	Operator Notification of Delinquency	Instructional	OCC, OTC, OCLO, AOGB, AREV, ADCNR
	Permitting Policies and Procedures	Observation and Instructional	OCC & AOGB
	Permitting Monitoring and Enforcing	Observation and Instructional	OCC & AOGB
	Resource conservation – gas venting/flaring, maximum production rates, and unitization of reservoirs	Instructional	OCC & AOGB
	Gas Processing and Underground Storage	Observation and Instructional	AOGB
	Oil Refinery	Observation and Instructional	ODEQ
	Oil Production Platform	Observation and Instructional	AOGB
<b>Environmental Permitting – Drilling and Production Waste Management</b>			
	Permitting Procedures and Application Review – All Types.	Observation and Instructional	OCC & AOGB
	Site Assessment and Construction – All Facilities	Observation and Instructional	OCC & AOGB
	Surface and Ground Water Protection Methodologies	Observation and Instructional	OCC & AOGB
	Waste disposal and/or Land Application Permitting and Procedures	Observation and Instructional	OCC & AOGB
<p>OCC - Oklahoma Corporation Commission, OCLO - Oklahoma Commissioners of the Land, OTC - Oklahoma Tax Commission, ODEQ - Oklahoma Department of Environmental Quality, AOGB - Alabama Oil and Gas Board, AREV - Alabama Department of Revenue, ADCNR - Alabama Department of Conservation and Natural Resources, AFIN - Alabama Department of Finance, O'Connor - Terry O'Connor, Dotlich-O'Connor</p>			

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	<b>TRAINING REQUIREMENTS</b>	<b>TRAINING METHOD(S)</b>	<b>TRAINING AGENCY(IES)</b>
<b>REGULATORY COMPLIANCE - Continued</b>			
<b>Environmental Permitting – Drilling and Production Waste Management - Continued</b>			
	Site Inspection, Monitoring, and Enforcement	Observation and Instructional	OCC & AOGB
	Site Closure	Observation and Instructional	OCC & AOGB
	Operator Relations and Negotiations	Observation and Instructional	OCC & AOGB
	Oil Refinery	Observation and Instructional	ODEQ
<b>Site Inspection</b>			
	Site Inspection and Assessment Procedures	Observation and Instructional	OCC & AOGB
	Complaint Investigations and Resolution Procedures	Observation and Instructional	OCC & AOGB
	Permitting Monitoring and Enforcement Procedures	Observation and Instructional	OCC & AOGB
	Identification of Violations	Observation and Instructional	OCC & AOGB
	Incident Reporting Policies and Procedures – Operator Reporting	Observation and Instructional	OCC & AOGB
	Incident Reporting Policies and Procedures – Regulatory Reporting	Observation and Instructional	OCC & AOGB
	Operator Relations and Negotiations	Observation and Instructional	OCC & AOGB
	Operator Notification of Delinquency or Violation	Observation and Instructional	OCC & AOGB
	Environmental Hazard Recognition, Abatement, and Remediation Procedures	Observation and Instructional	OCC & AOGB
	Well Plugging Methodologies, Policies, and Procedures	Observation and Instructional	OCC & AOGB
	Field Enforcement Procedures and Processes	Observation and Instructional	OCC & AOGB
OCC - Oklahoma Corporation Commission, OCLO - Oklahoma Commissioners of the Land, OTC - Oklahoma Tax Commission, ODEQ - Oklahoma Department of Environmental Quality, AOGB - Alabama Oil and Gas Board, AREV - Alabama Department of Revenue, ADCNR - Alabama Department of Conservation and Natural Resources, AFIN - Alabama Department of Finance, O'Connor - Terry O'Connor, Dotlich-O'Connor			

**Training Matrix: Georgia State Agency for the Regulation of Oil and Gas Resources**

	<b>TRAINING REQUIREMENTS</b>	<b>TRAINING METHOD(S)</b>	<b>TRAINING AGENCY(IES)</b>
	<b>REGULATORY COMPLIANCE - Continued</b>		
	<b>Site Inspection - Continued</b>		
	Gas Processing and Underground Storage	Observation and Instructional	AOGB
	Oil Refinery	Observation and Instructional	ODEQ
	Oil Production Platform	Observation and Instructional	AOGB
	<b>Enforcement Procedures</b>		
	Identification of Enforceable Violations	Observation and Instructional	OCC, OTC, OCLO, AOGB, AREV, ADCNR
	Documentation and Record Maintenance Procedures	Observation and Instructional	OCC, OTC, OCLO, AOGB, AREV, ADCNR
	Operator Notification of Delinquency or Violation	Observation and Instructional	OCC, OTC, OCLO, AOGB, AREV, ADCNR
	Enforcement Applications	Observation and Instructional	OCC & AOGB
	Hearing Processes and Procedures	Observation and Instructional	OCC & AOGB
	<b>Production Auditing and Financial Accounting</b>		
	Production Accounting Methods and Procedures	Observation and Instructional	OCC, OTC, OCLO, AOGB, AREV, ADCNR
	Financial Auditing and Record Reconciliation	Observation and Instructional	OTC & AREV
	Reporting Formats and Procedures	Observation and Instructional	OCC, OTC, OCLO, AOGB, AREV, ADCNR
	Report Collection and Monitoring	Observation and Instructional	OCC, OTC, & AOGB
	Database Creation, Maintenance, and Use	Observation and Instructional	OCC, OTC, OCLO, AOGB, AREV, ADCNR
	Royalty or Assessment Collection Processes and Procedures	Observation and Instructional	OCLO, OTC, AREV & ADCNR
	Enforcement Procedures	Observation and Instructional	OCC, OTC, OCLO, AOGB, AREV, ADCNR
	Protest Resolution Policies and Procedures	Instructional	OCLO, OTC, AREV & ADCNR
	Production Sales Accounting Methods and Procedures	Observation and Instructional	OCLO, OTC, AREV & ADCNR

OCC - Oklahoma Corporation Commission, OCLO - Oklahoma Commissioners of the Land, OTC - Oklahoma Tax Commission, ODEQ - Oklahoma Department of Environmental Quality, AOGB - Alabama Oil and Gas Board, AREV - Alabama Department of Revenue, ADCNR - Alabama Department of Conservation and Natural Resources, AFIN - Alabama Department of Finance, O'Connor - Terry O'Connor, Dotlich-O'Connor

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	<b>TRAINING REQUIREMENTS</b>	<b>TRAINING METHOD(S)</b>	<b>TRAINING AGENCY(IES)</b>
	<b>REGULATORY COMPLIANCE - Continued</b>		
	<b>Production Auditing and Financial Accounting - Continued</b>		
	Operator and Purchaser Identification and Bonding Requirements	Observation and Instructional	OCLO, OTC, AREV & ADCNR
	Operator and Purchaser Notification of Delinquency	Observation and Instructional	OCLO, OTC, AREV & ADCNR
	Tax or Assessment Collection Processes and Procedures	Observation and Instructional	OTC & AREV
	Resource Conservation Practices	Instructional	OCC, OCLO, AOGB & ADCNR
	Identification and Establishment of Production Allowable Rates	Observation and Instructional	OCC & AOGB
	<b>Lease Sales or Tender Offers</b>		
	Identification of Property Available for Lease/Sale	Observation and Instructional	OCLO & ADCNR
	Assessment of Fair Market Value	Observation and Instructional	OCLO & ADCNR
	Publicity of Offering	Observation and Instructional	OCLO & ADCNR
	Bidding Processes and Procedures	Observation and Instructional	OCLO & ADCNR
	Terms and Conditions of Lease/Sale	Observation and Instructional	OCLO & ADCNR
	Award of Contract/Lease	Observation and Instructional	OCLO & ADCNR
	Operator Responsibilities	Observation and Instructional	OCLO & ADCNR
	Operator Reporting Obligations	Instructional	OCLO & ADCNR
	Identification of Violations of Contract/Lease Terms	Instructional	OCLO & ADCNR
	Enforcement Processes and Procedures	Instructional	OCLO & ADCNR
<p>OCC - Oklahoma Corporation Commission, OCLO - Oklahoma Commissioners of the Land, OTC - Oklahoma Tax Commission, ODEQ - Oklahoma Department of Environmental Quality, AOGB - Alabama Oil and Gas Board, AREV - Alabama Department of Revenue, ADCNR - Alabama Department of Conservation and Natural Resources, AFIN - Alabama Department of Finance, O'Connor - Terry O'Connor, Dotlich-O'Connor</p>			

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**Training Matrix: Georgia State Agency for the Regulation of Oil and Gas Resources**

	<b>TRAINING REQUIREMENTS</b>	<b>TRAINING METHOD(S)</b>	<b>TRAINING AGENCY(IES)</b>
<b>INTERNAL PROCEDURES</b>			
	Written Policies and Procedures for Technical Programs	Instructional and Materials Supplied	OCC, OCLO, OTC, AOGB, AREV, ADCNR
	Written Policies and Procedures for Administrative and Managerial Functions	Instructional and Materials Supplied	OCC, OCLO, OTC, AOGB, AREV, ADCNR
	Document Maintenance	Observation and Instructional	OCC, OCLO, OTC, AOGB, AREV, ADCNR
	Database Creation and Data Analysis	Observation and Instructional	OCC, OCLO, OTC, AOGB, AREV, ADCNR
	Confidential Documents and Public Access	Observation and Instructional	OCC, OCLO, OTC, AOGB, AREV, ADCNR
<b>EXTERNAL PROCEDURES AND TRANSPARENCIES</b>			
	Reports made to the public, public officials and other State entities	Observational	OCC, OCLO, OTC, AOGB, AREV, ADCNR & AFIN
	Reports and other information provided to the media and other public bodies	Instructional and Observation	OCC, OCLO, OTC, AOGB, AREV, ADCNR & AFIN
	Routine meetings with public officials	Observational	OCC, OCLO, OTC, AOGB, AREV, ADCNR & AFIN
	Prompt resolution of jurisdictional and other issues with other public bodies	Observational	OCC, ODEQ, AOGB
	Development of a two-way relationship with the regulated industry, including regular meetings with industry to exchange information and discuss regulatory matters	Observational	OCC, ODEQ, AOGB
	Reports to industry on developments in the sector, and solicitation of industry participation in proposed regulatory changes	Observational	OCC & AOGB
	Value of public relations, methods, and identification and use of available outlets	Instructional and Observation	OCC

OCC - Oklahoma Corporation Commission, OCLO - Oklahoma Commissioners of the Land, OTC - Oklahoma Tax Commission, ODEQ - Oklahoma Department of Environmental Quality, AOGB - Alabama Oil and Gas Board, AREV - Alabama Department of Revenue, ADCNR - Alabama Department of Conservation and Natural Resources, AFIN - Alabama Department of Finance, O'Connor - Terry O'Connor, Dotlich-O'Connor

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**Training Matrix: Georgia State Agency for the Regulation of Oil and Gas Resources**

	<b>TRAINING REQUIREMENTS</b>	<b>TRAINING METHOD(S)</b>	<b>TRAINING AGENCY(IES)</b>
	<b>Management Capability And Effectiveness</b>		
	<b>Personnel Policies and Procedures</b>		
	Organizational Effectiveness	Observational	OCC, OCLO, OTC, AOGB, AREV, ADCNR
	Cross Training of Personnel	Instructional and Observational	OCC, OCLO, OTC, AOGB, AREV, ADCNR
	Decision-Making Authority	Observational	OCC, OCLO, OTC, AOGB, AREV, ADCNR
	Information Sharing	Observational	OCC, OCLO, OTC, AOGB, AREV, ADCNR
	<b>Financial Management and Planning</b>		
	Identification of Personnel and Operational Requirements	Instructional	OCC, OCLO, OTC, AOGB, AREV, ADCNR
	Projecting of Available Revenue and Resource Value	Instructional	OCC, OCLO, OTC, AOGB, AREV, ADCNR
	Investment of Generated Funds Projecting of Available Revenue and Resource Value	Instructional	OCLO, ADCNR
	Budgeting Processes and Procedures	Instructional	OCC, OCLO, OTC, AOGB, AREV, ADCNR & AFIN
	Financial Accounting Processes and Procedures	Instructional	OCC, OCLO, OTC, AOGB, AREV, ADCNR & AFIN
	<b>Strategic Planning</b>		
	Identification of Agency's Strengths and Weaknesses	Instructional and Participatory	O'Connor
	Identification of Agency's Needs	Instructional and Participatory	O'Connor
	Development of Vision Statement	Instructional and Participatory	O'Connor
	Development of Draft Goals and Objectives	Instructional and Participatory	O'Connor
	Development of Draft Performance Measures	Instructional and Participatory	O'Connor
	Development of Short and Long Term Plans	Instructional and Participatory	O'Connor
<p>OCC - Oklahoma Corporation Commission, OCLO - Oklahoma Commissioners of the Land, OTC - Oklahoma Tax Commission, ODEQ - Oklahoma Department of Environmental Quality, AOGB - Alabama Oil and Gas Board, AREV - Alabama Department of Revenue, ADCNR - Alabama Department of Conservation and Natural Resources, AFIN - Alabama Department of Finance, O'Connor - Terry O'Connor, Dotlich-O'Connor</p>			

**IMPLEMENTATION PLAN TIMELINE CHART**  
**FOR THE**  
**REPUBLIC OF GEORGIA**  
**STATE OIL AND GAS REGULATORY AGENCY**

**INSPECTORS AND ENVIRONMENTAL SPECIALISTS TRAINING SCHEDULE**

TASK	LOCATION	WEEK 1 9/29-10/3/2003	WEEK 2 10/6-10/2003	WEEK 3 10/13-17/2003	WEEK 4 10/20-24/2003	WEEK 5 10/27-31/2003	WEEK 6 11/3-11/7/2003	WEEK 7 11/10-14/2003
Environmental Permitting	Oklahoma Corporation Commission							
Site Inspection	Oklahoma Corporation Commission							
Enforcement Procedures	Oklahoma Corporation Commission							
IOGCC Annual Meeting	Reno, Nevada							
Strategic Planning	Reno, Nevada							
Environmental Permitting	Colorado Dept. of Natural Resources							
Site Inspection	Colorado Dept. of Natural Resources							
Enforcement Procedures	Colorado Dept. of Natural Resources							

**AUDITORS, ATTORNEYS AND MANAGEMENT PERSONNEL TRAINING SCHEDULE**

TASK	LOCATION	WEEK 1 9/29-10/3/2003	WEEK 2 10/6-10/2003	WEEK 3 10/13-17/2003	WEEK 4 10/20-24/2003	WEEK 5 10/27-31/2003	WEEK 6 11/3-11/7/2003	WEEK 7 11/10-14/2003
Auditing and Financial Accounting	Okla. Commissioners of Land Office							
Lease Sales/Tender Offers	Okla. Commissioners of Land Office							
Budget & Finance Resource Projection	Okla. Commissioners of Land Office							
Auditing and Financial Accounting	Oklahoma Tax Commission							
Budget & Finance Resource Projection	Oklahoma Tax Commission							
Auditing and Financial Accounting	Oklahoma Corporation Commission							
Permitting, Operations, & Reporting	Oklahoma Corporation Commission							
Budget & Finance Resource Projection	Oklahoma Corporation Commission							
Public Relations	Oklahoma Corporation Commission							
IOGCC Annual Meeting	Reno, Nevada							
Strategic Planning	Reno, Nevada							
Auditing and Financial Accounting	Colorado Department of Revenue							
Budget & Finance Resource Projection	Colorado Department of Revenue							
Production Auditing & Accounting	Colorado Dept. of Natural Resources							
Permitting, Operations, & Reporting	Colorado Dept. of Natural Resources							
Budget & Finance Resource Projection	Colorado Dept. of Natural Resources							
Public Relations	Colorado Dept. of Natural Resources							

# **Official Program and Meeting Agenda**



**2003  
Annual Meeting  
Energy Policy For a Secure Future  
October 19-21  
Silver Legacy Hotel  
Reno, Nevada**

## Schedule of Events

### Sunday, October 19

#### **Registration**

Royal Salon Area  
6:30 a.m. - 10 a.m. and 1 p.m. - 6 p.m.

#### **Technical Tour**

Steamboat Geothermal Power Plant  
7:45 a.m.

This tour will provide a behind-the-scenes look at the Steamboat II and III binary power plants. Meet in the Royal Salon area.

#### **Council of State Regulatory Officials**

Expo A  
1:30 p.m. - 5:30 p.m.

#### **Host Committee Welcome Reception**

Harrah's Auto Museum  
6 p.m. - 8 p.m.

### Monday, October 20

#### **Registration**

Royal Salon Area  
6:30 a.m.

#### **Spouse/Guest Program**

Mezzanine  
8:45 a.m.

#### **Resolutions Committee**

Silver Salon  
7 a.m. - 8 a.m.

#### **General Session**

Expo B  
8 a.m. - 11:45 a.m.

#### **Welcome & Introductions**

Vice Chairman Lynn Helms, Master of Ceremonies

#### **Pledge of Allegiance**

Don Mason

#### **Welcome Remarks**

Gov. Kenny Guinn, Nevada

#### **Chairman's Report**

Gov. John Hoeven, North Dakota

#### **Presentation of Marland Award**

Gov. John Hoeven

#### **General Session, continued**

#### **Remarks**

Gov. Frank Murkowski, Alaska

#### **Video Remarks**

Gov. Dave Freudenthal, Wyoming

#### **National Petroleum Council Report**

C. Michael Smith & James A. Slutz  
Fossil Energy Office, U.S. Department of Energy

#### **Chairman's Stewardship Awards**

Gov. John Hoeven

#### **Strategic Plan Discussion**

Lynn Helms, Vice Chairman

#### **Luncheon**

Expo C  
Noon - 1 p.m.

#### **Remarks**

Gov. Bill Richardson, New Mexico

#### **Afternoon Sessions**

#### **Legal & Regulatory Affairs Session**

Silver Baron A  
1:15 p.m. - 3 p.m.

Chairman: William Wynne, Arkansas

#### **Presentations:**

#### **Presentation of the Revised IOGCC Model Conservation Statute**

**Dr. Owen L. Anderson** - Professor, University of  
Oklahoma College of Law

#### **Coalbed Methane Production: New Technology Opening New Opportunities**

**Dan Behrendt** - CDX Gas, LLC

#### **Coalbed Methane Development in the Inter-Mountain West: Legal Issues and Challenges**

**Professor Gary Bryner** - Brigham Young  
University

## Schedule of Events

### Monday, October 20, continued

#### **Public Lands Session**

Silver Baron E  
1:15 p.m. – 3:30 p.m.

Chairman: Lynn Helms, North Dakota

#### **Presentations:**

#### **Bureau of Land Management and the President's Energy Policy**

**Kathleen Clarke** – Director,  
Bureau of Land Management

#### **DOE Rocky Mountain Primer**

**James A. Slutz** – Deputy Asst. Secretary,  
Natural Gas & Petroleum Technology, U.S.  
Department of Energy

#### **Environmental & Safety Session**

Silver Baron A  
3 p.m. – 4:15 p.m.

Chairman: Hal Fitch, Michigan

#### **Presentations:**

#### **Lake Oologah Oilfield Cleanup Project**

**Larry Fiddler** – Director, Oil & Gas Division,  
Oklahoma Corporation Commission

#### **United States Coast Guard OPA '90 Program**

**Miguel Bella** – U.S. Coast Guard

#### **NPDES Phase II Status Regarding Oil and Gas Exploration and Production Activities**

**Anthony Moore** – U.S. EPA Water Office

#### **Public Outreach Session**

Silver Baron E  
3 p.m. – 4:15 p.m.

Chairman: Clint Hurt, West Virginia

#### **Presentations:**

#### **Community Outreach for the Oil & Gas Industry**

**Brian Engel** – Manager of Public Affairs,  
Devon Energy Corporation

### **Public Outreach Session, continued**

#### **The Resource Conservation Challenge**

**Tom Aalto** – Environmental Scientist,  
U.S. EPA Region 8

### Tuesday, October 21

#### **Finance Committee**

Silver Baron 3  
7 a.m. – 8 a.m.

#### **International Session**

Expo B  
7 a.m. – 8:30 a.m.

#### **Presentations:**

#### **Republic of Georgia's Legal and Regulatory Environment**

**Gia Itonishvili** – Head, State Agency for Oil & Gas  
Regulation, Republic of Georgia

#### **Canadian Province Update**

**Jim Dilay** – Alberta  
**Sandy MacMullin** – Nova Scotia  
**Boris Tyzuk** – British Columbia  
**Fred Allen** – Newfoundland

#### **Energy Resources, Research & Technology Session**

Expo B  
8:30 a.m. – 10 a.m.

Chairman: John King, Michigan

#### **Presentations:**

**Preservation of Cores and Samples**  
**Marvin P. Carlson** – Chairman, AAPG Committee  
on Preservation of Cores and Samples

#### **Methane Hydrates**

**Dr. Bill Lawson** – Director,  
National Petroleum Technology Office

# Schedule of Events

## Tuesday, October 21, continued

### **State Review Session**

Expo B  
10 a.m. – 11:45 a.m.

Chairman: Hal Fitch, Michigan

#### **Presentations:**

#### **Panel Discussion**

**Leslie Savage** – Texas  
**Hal Fitch** – Michigan  
**Bob Wilson** – Virginia  
**Gary Ross** – Louisiana

### **Business Session**

Silver/Gold Salon  
Noon - 1 p.m.

### **Steering Committee**

Platinum Salon  
1 p.m. - 3 p.m.

## Wednesday, October 22

### **Council of Oil & Gas Attorneys**

Gold Salon  
8 a.m. – Noon; 1 p.m. – 5 p.m.

### **Training: Management Skills**

Silver Salon  
8 a.m. – Noon; 1 p.m. – 5 p.m.

### **General Meeting Information**

The general session and committee sessions all will be held here at the Silver Legacy – room names are designated on the agenda inside this program. Sometimes, last-minute changes are unavoidable. You will be notified at registration of any changes in the agenda or room assignments.

### **Questions?**

The IOGCC on-site office and press room is located in the Bronze Salon. If you have a question or need assistance, please feel free to ask an IOGCC staff member or visit the registration desk. We're here to help you make the most of your visit.

### **IOGCC Staff On-Site**

Gerry Baker  
*Associate Executive Director*

Kevin Bliss  
*Washington, D.C.  
Representative*

Tod Bryant  
*Communications  
Manager*

Mark Carl  
*Federal Projects Director*

Michelle Evans  
*Federal Projects Manager*

Mary Oberly  
*Administrative  
Assistant*

Dee Thurlow  
*Business Director*

Rosemary Marmen  
*Meeting Planner*

### **Mark your calendar now...**

**2004 Midyear Meeting**  
May 23-26, 2004  
Hilton Hotel Columbus  
Columbus, Ohio

**2004 Annual Meeting**  
October 17-19, 2004  
Renaissance Hotel  
Oklahoma City, Oklahoma

### **2003 IOGCC Officers**

Gov. John Hoeven, North Dakota  
*Chairman*

Lynn Helms, North Dakota  
*Vice Chairman*

Don Mason, Ohio  
*Second Vice Chairman*

Gov. Bill Richardson, New Mexico  
*Chairman-Elect*

Christine Hansen  
*Executive Director*

### **2003-2004 IOGCC Officers**

Gov. Bill Richardson, New Mexico  
*Chairman*

Don Mason, Ohio  
*Vice Chairman*

Randy Ruedrich, Alaska  
*Second Vice Chairman*

Gov. Frank Murkowski, Alaska  
*Chairman-Elect*

Christine Hansen  
*Executive Director*

### **Sponsors**

BP America  
Makoil, Inc.

Eagle Exploration  
Merit Energy Company  
California Independent Petroleum  
Association

DMC Oil Marketing  
Western General Inc.  
Sigma Oil Company  
The Trees Oil Company  
Roy Pitcock, Geologist  
IHS Energy  
Murfin Drilling

SAROGR  
Summary of Meeting  
Strategic Planning  
Reno, Nevada  
October 21, 2003

**Introduction**

The Director and Deputies met for the day to both learn how to plan strategically, as well as begin the decision making on key components of SAROGR strategic direction.

The meeting resulted in draft decisions made on Future 2007, Mission, Goals, Agency-wide Programs and Values. See SAROGR Strategic Plan Workbook attached.

The post-workshop feedback from each participant was unanimous on expectations *being exceeded* for both the outcomes and learnings.

**Approach of Workshop**

- learn strategic planning while completing components of SAROGR's strategic plan

**Objectives of Workshop**

- success at 5:00pm on October 21 is to have draft documents for future 2007, mission, goals, agency-wide programs (2004) for involvement of others, expansion and refinement
- to know the instructional materials in packet so to guide yourselves in completing SAROGR's strategic plan

**What are Benefits of a Strategic Plan**

- improvement of today's processes
- prepare for future changes
- perspective on oil/gas industry
- better quality of life for Georgians
- analysis of industry trends

**Strategic Planning Disciplines**

- Analyze
- Think
- Decide
- Codify
- Implement

**Terry O'Connor's Beliefs about Leading Change**

- managers/leaders make things happen
- agency-wide programs best led by teams
- government service is bettering the lives of Georgians
- organizations that are social and investing in people makes a difference
- goals point us and our organizations towards preferable futures

**Action Plan**

- More analysis: Business Environment (pg. 10-17 of Instructions)
- Agency-wide programs: Leaders come to a meeting convened by the Director with completed "yellow page" (12/1). See assignments below:
- Draft Strategic Plan Workbook/Summary of Reno Meeting distributed (11/7)

**GURI:**

- Department functions-midstream
- Regulatory framework-midstream
- Search new partners

**GEORGE:**

- Department functions-financial
- Industry incentives (with Alex A.)

**TG:**

- Department functions-environmental
- Regulatory framework-downstream
- Search new partners

**GIA:**

- Partnerships-existing
- Public information
- Outreach to other agencies
- Technology education
- Management education

**ALEX A.:**

- Department function-legal
- Industry tax incentives (with George)

**ALEX C.**

- New partners
- Department function-geological
- Regulatory framework-upstream

Terry O'Connor  
11-1-03

*SAROGR*

AGENCY STRATEGIC  
PLAN

2003 - 2007

Workbook

**DRAFT**

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- ◆ *INTRODUCTION*
- ◆ *FUTURE 2007*
- ◆ *MISSION*
- ◆ *VALUES AND PRACTICES*
- ◆ *ASSUMPTIONS*
- ◆ *STRATEGY*
- ◆ *GOALS*
- ◆ *PERFORMANCE MEASURES*
- ◆ *AGENCY-WIDE PROGRAMS*
  - 
  - 
  - 
  - 
  -
- ◆ *FINANCIAL PERFORMANCE*

# ***FUTURE 2007***

*Future 2007 is the ultimate rationale for the organization and provides all with a justification for their work.*

**The director and deputies defined the characteristics of SAROGR's future, December 2007. Work already underway today, and the work to be done in coming months organized within a strategic plan will create the following realities:**

- Extraction of crude oil is 1 million tons (150,000 tons in 2003).
- Refining facilities have increased capacity to 1 million ton (800,000 ton in 2003).
- Nine (at least) refineries, meeting standards, are operating.
- \$150 million annual contribution to the Treasury from refining.
- \$10-\$15 million annual contribution to Treasury from export.
- Political stability is advanced in regions because of SAROGR's successes.
- \_\_\_\_\_ new jobs are created contributing to national economic development.
- \_\_\_\_\_ students are studying for careers in the oil and gas industry contributing to our growing expertise, specifically in refining.
- Regulatory processes are well established and streamlined resulting in Georgia being ranked by the industry in the "top five" among countries most attractive for investment.

# *Mission*

*Mission articulates our business, how our business is different from other businesses, and what distinguishes our business endeavors.*

## **Our mission is to facilitate investment:**

- to become a self-sufficient country regarding oil and gas resources
- to build an investment friendly environment
- to protect the rights of investors
- to protect the rights of our country
- to conserve our oil and gas resources
- to contribute to the improvement of the quality of life of Georgians

# *Values and Practices*

*Values and Practices are an organization's rules of thumb: "The way we do things around here."*

- **Cooperation & coordination: no duplication of effort**
- **Honesty**
- **Not corrupted**
- 
- 
-

# *Assumptions*

*The environmental scan of the economy, demographics, competitors, etc., has produced a number of facts and trends that have significance for the future success of the organization. The most significant are listed. They are to be monitored closely as we implement Company-wide Programs.*

# *Strategy*

*Strategy is a pattern of purpose, policies, programs, actions, decisions and resource allocations that define what an organization is, what it does and why it does it.*

# *Goals*

*Goals define the general areas where things will be made to happen. They direct us towards the organization's vision.*

- **Develop/Finalize Organization Structure including Financial Stability**
- **Retain/Grow Critical Expertise**
- **Fiscal (State Budget)**
- **Downstream/Midstream/Upstream Improvements**
- **Public Information: Internal & External**
- **Partnerships: Improve Existing & Attract New**

# *Performance Measures*

*Performance measures are the dials and indicators in an airplane cockpit.  
Successful flying (managing) relies on monitoring a number of interrelated focuses.*

# *Agency-wide Programs*

*Agency-wide programs are action plans involving people throughout the organization. They contain the specific measurable objectives for supporting the strategy and the milestones for monitoring.*

(The eight Agency-wide Programs of highest priority are identified with the name of one of the Team members. He has volunteered to further develop the details of the Program. See Action Plan attached.)

## **Develop/Finalize Organization Structure Including Financial Stability**

- Hiring the “right” people—a state agency combines employees which have economical, technical and practical knowledge
- Organize the structure to achieve future goals
- Department overview and functions:
  - (Alex C.) Geological
  - (Guri) Downstream
  - (Alex A.) Legal
  - (George) Financial
  - (TG) Environmental/Safety

## **Retain/Grow Critical Expertise**

- To be aware of the new technological information in the oil and gas field
- To maintain close contacts with partners and operators

## **Fiscal (State Budget)**

- Complete the calculations/analyses of tons, export, percent returned to treasury
- Lead in establishing new laws including tax attractiveness for investors

### **Downstream/Midstream/Upstream Improvements**

- Regulatory framework-downstream (TG)
  - New application forms
  - New checklists for different operators
  - Digital database
  - New forms of reporting and data information
- Regulatory framework-upstream (Alex C.)
  - Refining and Processing
- Regulatory framework-midstream (Guri)
  - Refining and Processing
- Incorporate science and technology into regulations

### **Public Information: Internal & External**

- National educational outreach programs (Gia/Niko)
  - Website
  - Public outreach
  - Educate
  - Meetings with citizens of the area of operations
  - Informational notices
- Outreach to other agencies through agency informational brochures (Gia/Niko)

### **Partnerships: Improve Existing & Attract New**

- Inventory/improvement plan for existing partnerships including training in negotiations skills (Gia)
- Search out and sign new partners (Guri/Alex/TG)

# *Financial Performance*

--

# SAROGR : Agency-wide Program

*Program Title:* \_\_\_\_\_

*Contributing to which Agency/National Goal:* \_\_\_\_\_

*Objective:* \_\_\_\_\_

\_\_\_\_\_

*Description (include opportunity, requirements and cost benefit):* \_\_\_\_\_

\_\_\_\_\_

(attach additional pages)

**ACTION PLAN:**

Milestones	By Whom	Completion Date
•		
•		
•		
•		
•		

Participants in creating this Plan:	Project Leader:
_____	_____
_____	_____
_____	_____



# *Action Plan*

**Our first Strategic Planning meeting concluded on October 21, 2003 with members agreeing to the follow-up actions listed below:**

- More analysis of Business environment (pg. 10-17 of Instructions)
- Agency- wide programs: Leaders come to a meeting convened by the Director with completed "yellow page" (12/1). See assignments below:
- Draft Strategic Plan Workbook/Summary of Reno Meeting distributed by Michelle and Terry (11/7)

## GURI:

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- Industry incentives (with Alex A.)

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- Public information
- Outreach to other agencies
- Technology education
- Management education

## ALEX A.:

- Department function-legal
- Industry tax incentives (with George)

## ALEX C.

- New partners
- Department function-geological
- Regulatory framework-upstream

*SAROGR*

AGENCY STRATEGIC  
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♦ *AGENCY-WIDE PROGRAMS*

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- to protect the rights of our country
- to conserve our oil and gas resources
- to contribute to the improvement of the quality of life of Georgians
- Georgian Environment Protection

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# *Values and Practices*

*Values and Practices are an organization's rules of thumb: "The way we do things around here."*

- **Cooperation & coordination: no duplication of effort**
- **Honesty**
- **Not corrupted**
- **Firmness of purpose**
- **Initiative**
- **Flexibility, Transparency and Effectiveness**

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# *Assumptions*

*The environmental scan of the economy, demographics, competitors, etc., has produced a number of facts and trends that have significance for the future success of the organization. The most significant are listed. They are to be monitored closely as we implement Company-wide Programs.*

- State Policy and Strategy
- Political and Economical situation in Country
- Inhabitant Opinion in the area where operations are conducted
- Domestic Market Situation and Needs
- International Oil and Gas Industry events (New technologies, New Programs and Normative Acts in various countries regarding Environmental and Technical safety issues)
- Oil Price
- Our Financial and Technical possibility

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# *Strategy*

*Strategy is a pattern of purpose, policies, programs, actions, decisions and resource allocations that define what an organization is, what it does and why it does it.*

- Institutional and Financial strength of State Agency and further Development
- Cooperation with international organizations and Donor Countries
- Control of Existing and Inviting new Companies
- Make new normative base for increasing the efficiency of existing Refineries
- Minimize the negative effect of Oil and Gas activity on Environment and People health
- Transparency of State Agency activity

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# *Goals*

*Goals define the general areas where things will be made to happen. They direct us towards the organization's vision.*

- **Develop/Finalize Organization Structure including Financial Stability**
- **Retain/Grow Critical Expertise**
- **Fiscal (State Budget)**
- **Downstream/Midstream/Upstream Improvements**
- **Public Information: Internal & External**
- **Partnerships: Improve Existing & Attract New**

# Performance Measures

*Performance measures are the dials and indicators in an airplane cockpit. Successful flying (managing) relies on monitoring a number of interrelated focuses.*

- *On the meeting the Strategic Planning Group will come up to the final document establishing the system of coordination and determination of functions and responsibilities of State Agencies departments and the authorized person will monitor the course of affairs, if there is need, person will give the recommendations to the Strategic Group about changes.*
- *Implementation of the duties makes obvious professionalism of our staff, experts in sector are interested to work in Agency.*
- *Investor's initiative increases to improve operational process and make changes in Regulations.*
- *People are more interested and the issues they didn't like before become more understandable for them.*
- *Investors are more interested in Tender held by State Agency*

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## Agency-wide Programs

*Agency-wide programs are action plans involving people throughout the organization. They contain the specific measurable objectives for supporting the strategy and the milestones for monitoring.*

he eight Agency-wide Programs of highest priority are identified with the name of one of the Team members. He has volunteered to further develop the details of the Program. See Action Plan attached.)

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  - (Guri) Downstream
  - (Alex A.) Legal
  - (George) Financial
  - (TG) Environmental/Safety

#### **Retain/Grow Critical Expertise**

- To be aware of the new technological information in the oil and gas field
- To maintain close contacts with partners and operators

#### **Fiscal (State Budget)**

- Complete the calculations/analyses of tons, export, percent returned to treasury
- Lead in establishing new laws including tax attractiveness for investors

#### **Downstream/Midstream/Upstream Improvements**

- Regulatory framework-downstream (TG)
  - New application forms
  - New checklists for different operators
  - Digital database
  - New forms of reporting and data information
- Regulatory framework-upstream (Alex C.)
  - Refining and Processing
- Regulatory framework-midstream (Guri)
  - Refining and Processing
- Incorporate science and technology into regulations

**Public Information: Internal & External**

- National educational outreach programs (Gia/Niko)
  - Website
  - Public outreach
  - Educate
  - Meetings with citizens of the area of operations
  - Informational notices
- Outreach to other agencies through agency informational brochures (Gia/Niko)

**Partnerships: Improve Existing & Attract New**

- Inventory/improvement plan for existing partnerships including training in negotiations skills (Gia)
- Search out and sign new partners (Guri/Alex/TG)

# *Financial Performance*

# SAROGR : Agency-wide Program

Program Title: \_\_\_\_\_

Contributing to which Agency/National Goal: \_\_\_\_\_

Objective: \_\_\_\_\_

\_\_\_\_\_

Description (include opportunity, requirements and cost benefit): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(attach additional pages)

**ACTION PLAN:**

Milestones	By Whom	Completion Date
•		
•		
•		
•		
•		

Participants in creating this Plan:	Project Leader:
_____	_____
_____	_____
_____	Date: _____

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# *Action Plan*

**Our first Strategic Planning meeting concluded on October 21, 2003 with members agreeing to the follow-up actions listed below:**

- More analysis of Business environment (pg. 10-17 of Instructions)
- Agency- wide programs: Leaders come to a meeting convened by the Director with completed "yellow page" (12/1). See assignments below:
- Draft Strategic Plan Workbook/Summary of Reno Meeting distributed by Michelle and Terry (11/7)

## GURI:

- Department functions-midstream
- Regulatory framework-midstream
- Search new partners

## GEORGE:

- Department functions-financial
- Industry incentives (with Alex A.)

## TG:

- Department functions-environmental
- Regulatory framework-downstream
- Search new partners

## GIA:

- Partnerships-existing
- Public information
- Outreach to other agencies
- Technology education
- Management education

## ALEX A.:

- Department function-legal
- Industry tax incentives (with George)

## ALEX C.

- New partners
- Department function-geological
- Regulatory framework-upstream

# SAROGR : Agency-wide Program

Program Title: Legal Department functions

Contributing to which Agency/National Goal: Develop/Finalize Organization Structure including Financial Stability

Objective: achieve coordination between Departments, staff and smooth joining of new employees

Description (include opportunity, requirements and cost benefit): accomplish the program will give us the possibility to implement our duties in time and in workmanlike manner. Requirement – high priority in comparison with other programs, compliance with other Departments functions, Cost benefit – few amount of stuff and effectiveness, economy use of State Budget funds, Increase of productivity and quality.

(attach additional pages)

**ACTION PLAN:** Two members of Department will devote ten hours every week to accomplish the Program, they will prepare the project and for the end of week will discuss new proposals. The Project will be compared with Charter of Agency after it's adopted. 2<sup>nd</sup> phase: after we hire new employees, the program group shall monitor Department functioning and systematically receive new ideas from other Departments according cooperation between Departments.

Milestones	By Whom	Completion Date
• Prepare draft project	G.Kvinikadze	Feb. 06. 2004
• Finalize project	A.Abaiadze	Feb. 13. 2004
• Provide Management with final Project	A.Abaiadze	1 week after adopting the Charter of Agency
•		

Participants in creating this Plan:	Project Leader:A.Abaiadze
	Date: 26.01.04

# SAROGR : Agency-wide Program

Program Title: New Report Forms

Contributing to which Agency/National Goal: Full Reports from Operating companies

Objective: To receive full information from Operating Companies

**Description** (include opportunity, requirements and cost benefit): Analyses of the existing foreign (USA) and Georgian Reporting Forms and creation of new forms according the Regulations. This will increase the quality of reports and help their future analyses.

(attach additional pages)

**ACTION PLAN:** First stage: translation of existing Forms and their analyses, draft new forms.  
 Second Stage: Analyses of Draft forms by Agency employers  
 Third Stage : analyses of remarks of Agency employers and creation of new reporting forms

Milestones	By Whom	Completion Date
• Translation of existing forms	Translator	Jan 2004
• Draft of the new forms	I.Nakashidze R.Rostomashvili A.Abaiadze V.mikeladze	Jan 2004
• Analyses of Draft, remarks and proposals	Agency employeers	Feb 2004
• Creation of New Reporting Forms	I.Nakashidze R.Rostomashvili A.Abaiadze G.kvinikadze	Mar 2004

Participants in creating this Plan:  
 R.Rostomashvili, V.Mikeladze

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Project Leader: A.Chabukiani

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Date: January 8, 2004

# SAROGR : Agency-wide Program

Program Title: Changes in Regulations

Contributing to which Agency/National Goal: Regulation of Operations of Underground Gas Storages

Objective: rules and Regulations of Operation and building of underground gas Storages

Description (include opportunity, requirements and cost benefit): Translation and analyses of existing Rules on underground gas Storages of US, Creation of Regulations of operations of underground gas storages, taking in account existing laws and regulations of Georgia.

(attach additional pages)

ACTION PLAN: First stage: translation of existing rules and their analyses, draft new regulations.  
 Second Stage: Analyses of Draft Regulation by Agency employers  
 Third Stage : analyses of remarks of Agency employers and creation of final regulations and rules

Milestones	By Whom	Completion Date
• Translation of existing rules	translator	Jan 2004
• Analyses of existing Rules and creation of Draft of Regulations	I.Nakashidze R.Rostomashvili G.Kvinikadze V.mikeladze	Feb 2004
• Analyses of Draft of the Regulations By agency Employers		Mar 2004
• Analyses of remarks and proposals of the Agency employers	I.Nakashidze R.Rostomashvili A.Abaiadze g.Kvinikadze	Apr 2004
• Creation of new Regulations	I.Nakashidze R.Rostomashvili A.Abaiadze g.Kvinikadze	Apr 2004
•		

Participants in creating this Plan:  
 I.Nakashidze, R.Rostomashvili, A.Abaiadze

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Project Leader: A.Chabukiani

---

Date: January 8, 2004

# SAROGR : Agency-wide Program

Program Title: Electronic Data Base

Contributing to which Agency/National Goal: Digital information for License Blocks

Objective: Digital (electronic) data base

*Description (include opportunity, requirements and cost benefit): Program will be fulfilled in 3 stages. At stage 1 will be selected information from existing reports, maps, geofisical data. At stage 2 this information will be digitised and at stage 3 will be created structure of database and database itself, using PC-s of State Agency*

(attach additional pages)

ACTION PLAN: Stage 1: Selection of Information  
 Stage 2: creation of Digital version of selected data  
 Stage 3: Creation of structure of Database and Database itself

Milestones	By Whom	Completion Date
• Selection of information	R.Rostomashvili O.Kalandadze V.Mikeladze V.Urushadze G.Jaoshvili I.Nakashidze	2004
• Digitising of selected data	V.urushadze G.Jaoshvili O.Kalandadze	2004-05
• Structure of Database	PC operator	2005
• Final Database	PC operator R.Rostomashvili O.Kalandadze V.Mikeladze V.Urushadze G.Jaoshvili	end of 2005

Participants in creating this Plan: R.Rostomashvili V.Mikeladze, G.Jaoshvili, Consultant on Database	Project Leader: A.Chabukiani
© 1993 Terry O'Connor	Date: <u>10.01 2004</u>

# SAROGR : Agency-wide Program

Program Title: Checklists for Field Inspectors

Contributing to which Agency/National Goal: Inspection of Field operations

Objective: Creation of Checklists for inspection of oil/gas field operations

Description (include opportunity, requirements and cost benefit): Analyses of the existing foreign (USA) and Georgian Checklists and creation of new checklists according to the Regulations. This will increase the quality of reports on inspection of field operations and help their future analyses. And to make decisions.

(attach additional pages)

ACTION PLAN: First stage: translation of existing Checklists and their analyses, draft new Checklists.  
 Second Stage: Analyses of Draft Checklists by Agency employers  
 Third Stage : analyses of remarks of Agency employers and creation of new Checklists

Milestones	By Whom	Completion Date
• Translation of existing checklists	translator	Feb 2004
• Analyses of Translated checklists Creation of Draft Checkjlists	T.Gotsiridze R.Rostomashvili I.Nakashidze V.Mikeladze M.Abesadze G.Kvinikadze	Feb 2004
Analyses of Draft Checklists	Agency Employers	Mar 2004
• Analyses of comments and proposals, Creation of Checkjlists	R.Rostomashvili V.Mikeladze G.Kvinikadze	Apr-May 2004

Participants in creating this Plan: T.Gotsiridze, R.Rostomashvili, V.Mikeladze, I.Nakashidze, G.Kvinikadze, M.Abesadze	Project Leader:
© 1993 Terry O'Connor	Date: 10.01.2004

## *SAROGR : Agency-wide Program*

*Program Title: Setting up Environmental Department and elaboration of a new regulation for the department*

*Contributing to which Agency/National Goal: Develop/Finalize Organization Structure including Financial Stability*

*Objective: Re-establish Environmental Department and to achieve maximum coordination and efficiency of all sub departments.*

*Description (include opportunity, requirements and cost benefit): Following the ammendment in the Oil and Gas Law approved by the Parliament in December 2002 the agency is responsible for the regulation of the mid Stream Oil and Gas Sector of Georgia. In order to implement new tasks it was proposed to re establish the Environmental Department as a separate entity, which will include two sub departments: Environmental monitoring and Environmental information (GIS Team)  
It is expected that staff of the department will increase from 3 to 8 people*

*The expected benefit from the reorganization is as follows: Proposed structure will significantly improve the Agency's ability to cope with environmental problems, which may arise from the Oil and Gas production and processing activities and better perform inspection functions.*

*Head of the Department and two other staff members will prepare draft new regulation for the department and for each sub departments. After assignment of the new staff members, the department will develop inspector's checklist*

**ACTION PLAN:** Project implementation divided into three phases. 1 phase drafting new regulation for the environmental department; 2-Phase Hiring new staff members. 3 Drafting job descripton and check lists for field inspectors

Milestones		
Drafting a regulation for the department T.	Gotsiridze, M. Abesadze	30.01.04
Hiring new staff members;	Administration	28.02.04
Job description for each member of the department	T.Gotsiridze M. Abesadze	10. 03.04
Preparation of Checklist for Field Inspectors	T. Gotsiridze, M. Abesadze , N. Lortkipanidze	15.03.04

Participants in creating this Plan: T. Gotsiridze-First Deputy
M. Abesadze- Head of Department

Project Leader: T. Gotsiridze
Date:

## *SAROGR : Agency-wide Program*

*Program Title: Setting up Safety Department*

*Contributing to which Agency/National Goal: Develop/Finalize  
Organization Structure including Financial Stability*

*Objective: Re-establish Safety Department and to achieve  
maximum coordination and efficiency of its all departments.*

*Description (include opportunity, requirements and cost benefit): Following the ammendment in the Oil and Gas Law approved by the Parliament in December 2002 the agency is responsible for the regulation of the mid Stream Oil and Gas Sector of Georgia. In order to implement new tasks it was proposed to establish a safety department separately from the Environmental Department Three sub department will be created including:*

*It is expected that staff of the department will increase from 3 to 8 people*

*The expected benefit from the reorganization is as follows: Proposed structure will significantly improve the Agency's ability to cope with safety problems, which may arise from the Oil and Gas production and processing activities and better perform inspection functions.*

*Since the appointment of Head of Department is still pending, the First Deputy Head of the A head of the Agency and two other staff members will prepare a new regulation for the department and for each sub departments. After assignment of the new staff members, the department will develop a checklist for field inspectors*

**ACTION PLAN:** Project implementation divided into three phases. 1 phase drafting new regulation for the Safety department; 2-Phase- Hiring new staff members. 3 Drafting job description and check lists for the field inspectors

Milestones		
Drafting a regulation for the department	T. Gotsiridze, G. Tatishvili , T. Gaphrindashvili	05.02.04
Hiring new staff members;	Administration	28.02.04
Job description for each member of the department	T. Gotsiridze G. Tatishvili , T. Gaphrindashvili	10. 03.04
Preparation of Checklist for Field Inspectors	Head of Department	15.03.04

Participants in creating this Plan:  
 T. Gotsiridze-First Deputy  
 G. Tatishvili  
 T. Gaphrindashvili

Project Leader: T. Gotsiridze

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Date:

## *SAROGR : Agency-wide Program*

*Program Title: Preparation of regulations for the mid stream oil and gas sector of Georgia*

*Contributing to which Agency/National Goal: Downstream and Midstream Improvements; Develop/Finalize Organization Structure including Financial Stability*

*Objective: To attract investments in the Oil and gas Processing through creation of transparent and clear regulations*

*Description (include opportunity, requirements and cost benefit): Following the amendments in the Oil and Gas Law of Georgia, approved by the Parliament in December 2002, the agency is responsible for the regulation of the mid Stream Oil and Gas Sector of Georgia. Taking into account that there is no regulation is available for this sector, the agency plans to develop a modern regulation for the mid-stream oil and gas sector of Georgia. This will include: Preparation of Licensing and permitting Procedures for the Oil Refineries and Gas processing Plants; requirements and standards for the construction of Refineries and Gas Processing Plants, Safety and Environmental requirements,*

*It is expected that these regulation will be drafted together with American Chamber of Commerce in Georgia. Financing is provided by the USAID. Expected benefits are: Attraction of foreign Investors; Increased revenue to state budget from existing refineries; Safety and environmental Improvements*

**ACTION PLAN:** Assessment of the existing refineries operation with regard to internationally recognized standards and models; Develop Technical Standards based on international practice. Creation and management of Technical and financial database of refineries; Development of framework to perform technical audits, evaluate and suggest changes to regulatory/ licensing framework, including env. and safety concerns  
Development of enforcement criteria for licensing of production facilities

Milestones		
Drafting of New Regulations	T. Gotsiridze, G.Gamreklidze; A.Abaiadze; T. Tsertsvadze, M. Abesazde	30.05.04.
Regulations Approved by the Ministry of Justice		30.06.04

Participants in creating this Plan: T. Gotsiridze-First Deputy G. Gamreklidze T. Tsertsvadze
A. Abaiadze

Project Leaders: T. Gotsiridze; G.Gamreklidze
Date:

# Highly Effective Criticism & Discipline Skills for Managers & Supervisors

## AGENDA

### Performance Tracking: Understanding the Nonperformers

- The Three Most Formidable Challenges in Management
- Thirteen Reasons People Don't Do What They're Supposed to Do
- "Won't Do" vs. "Can't Do": Know the Difference
- Assessing the Procedure: Is It the Problem or the Solution?
- Matching Leadership Styles With the Situation: Why Different Employees Require Different Approaches

### Developing a Solid Plan

- Using Reflective Listening to Hear the Real Story
- How to Address Poor Performance and Still Leave the Employee's Esteem Intact
- Opening the Door for Honest Communication
- Discussing a Problem Without Pointing Fingers and Placing Blame
- National Seminars' Exclusive Four-Point System for Handling the Nonperforming Employee

### Performance Reviews and Team Success

- Document, Document, Document! Make Sure You Have All the Facts Before You Get Started
- Managerial Don'ts That Could Lead to Hot Water
- Eight Steps to Positive Prevention
- The Two Most Important Questions to Ask That Cover All the Bases
- Self-Rating Plans: Do They Work?
- Getting a Conversation Going During the Performance Review
- Drawing Conclusions and Future Plans for Commitment

### Managing Specific Unwanted Employee Behaviors

- What to Do When Your Employee Requires Constant Attention
- Effective Ways to Get More Commitment From Employees Just "Doing Time"
- Charge Up Apathetic Workers
- Dealing With the Work Effects of an Employee's Personal Problems

- Eliminating Unwanted Reactions to Stress
- Stop a Negative Attitude From Infecting the Workplace
- Easy Techniques to Deal With Know-It-All, Whining and Hostile Employees

### Disciplining Compassionately

- Putting the Documentation Together
- Warnings: When and How
- The 15-Point Documentation Checklist: Make Certain Your Ducks Are in a Row
- Eight Specific Signals That Let You Know Your Discipline Is On Target
- Putting Your Organization's Policies and Procedures Into Action
- Interpreting Your Company's Employee Handbook
- Establish a Misconduct Policy That Is Fair and Covers All the Angles
- How to Skillfully Confront the Serious Performance Problem

### Tackling Problems for the Last Time: Terminations and Resignations

- The Final Warning: How to Be Firm and Specific
- When to Skip the Discipline Process and Go Right to Termination
- Dismissing People From Their Jobs With Dignity
- The Necessary Steps in the Separation Process
- What to Say to the Rest of Your Staff When One Employee Is Dismissed
- Making Sure This Behavior Never Occurs in Your Workplace Again



## FUTURE TRAINING NEEDS

4. What other training do you feel you need in order to increase your productivity and promotability?

Professional Skills	Leadership/Teamwork	Computer Skills
<input type="checkbox"/> How to De-Junk Your Life	<input type="checkbox"/> How to Work as a Team	<input type="checkbox"/> Creating Web Sites
<input type="checkbox"/> Managing Multiple Priorities	<input type="checkbox"/> Motivating & Rewarding People	<input type="checkbox"/> Mastering Microsoft Office
<input type="checkbox"/> Handling Difficult People	<input type="checkbox"/> Basics of Supervision	<input type="checkbox"/> Powerpoint Presentations
<input type="checkbox"/> Business Writing & Grammar	<input type="checkbox"/> Coaching and Counseling	<input type="checkbox"/> Access - Tips & Tricks
<input type="checkbox"/> Powerful Telephone Skills	<input type="checkbox"/> Project Management	<input type="checkbox"/> Troubleshooting PCs
<input type="checkbox"/> Negativity in the Workplace	<input type="checkbox"/> Interviewing & Hiring	<input type="checkbox"/> Troubleshooting Macs
<input type="checkbox"/> Win-Win Negotiation	<input type="checkbox"/> Assertiveness Skills	<input type="checkbox"/> Using Photoshop
<input type="checkbox"/> Presentation & Training Skills	<input type="checkbox"/> Managing the Front Desk	<input type="checkbox"/> Adobe Pagemaker
<input type="checkbox"/> Stress Management	<input type="checkbox"/> Reading Financial Statements	<input type="checkbox"/> Administering Windows NT
<input type="checkbox"/> How to Win & Keep Customers	<input type="checkbox"/> Thinking Outside the Lines	

5. Would additional follow-up to this seminar in the form of self-study materials such as books and tapes (audio and video) be helpful to you?

Yes  No

6. Would you like to receive our catalog of seminars and self-study programs?  
If so, please fill out the box below.

Yes  No

DATE	10.27.03	SEMINAR TITLE	CRDS	SPEAKER	Dan Kline
YOUR NAME	George Kvirtia		YOUR TITLE		
YOUR ORGANIZATION		ORGANIZATION ADDRESS			
CITY	STATE / PROVINCE		ZIP/POSTAL CODE		
BUSINESS PHONE			BUSINESS FAX		



## FUTURE TRAINING NEEDS

4. What other training do you feel you need in order to increase your productivity and promotability?

### Professional Skills

- How to De-Junk Your Life
- Managing Multiple Priorities
- Handling Difficult People
- Business Writing & Grammar
- Powerful Telephone Skills
- Negativity in the Workplace
- Win-Win Negotiation
- Presentation & Training Skills
- Stress Management
- How to Win & Keep Customers

### Leadership/Teamwork

- How to Work as a Team
- Motivating & Rewarding People
- Basics of Supervision
- Coaching and Counseling
- Project Management
- Interviewing & Hiring
- Assertiveness Skills
- Managing the Front Desk
- Reading Financial Statements
- Thinking Outside the Lines

### Computer Skills

- Creating Web Sites
- Mastering Microsoft Office
- Powerpoint Presentations
- Access - Tips & Tricks
- Troubleshooting PCs
- Troubleshooting Macs
- Using Photoshop
- Adobe Pagemaker
- Administering Windows NT

5. Would additional follow-up to this seminar in the form of self-study materials such as books and tapes (audio and video) be helpful to you?

Yes       No

6. Would you like to receive our catalog of seminars and self-study programs?  
If so, please fill out the box below.

Yes       No

10.22.03	CRDS	Dan Kline
DATE	SEMINAR TITLE	SPEAKER
Alexander Chabukiani	Deputy Head of the Agency	
YOUR NAME	YOUR TITLE	
State Agency for Regulation of Oil and Gas Resources of Georgia	Kazbegi ave 43	
YOUR ORGANIZATION	ORGANIZATION ADDRESS	
Tbilisi	Georgia	
CITY	STATE / PROVINCE	ZIP/POSTAL CODE
(995 32) 25 33 99	(995 32) 25 33 11	
BUSINESS PHONE	BUSINESS FAX	



## FUTURE TRAINING NEEDS

4. What other training do you feel you need in order to increase your productivity and promotability?

### Professional Skills

- How to De-Junk Your Life
- Managing Multiple Priorities
- Handling Difficult People
- Business Writing & Grammar
- Powerful Telephone Skills
- Negativity in the Workplace
- Win-Win Negotiation
- Presentation & Training Skills
- Stress Management
- How to Win & Keep Customers

### Leadership/Teamwork

- How to Work as a Team
- Motivating & Rewarding People
- Basics of Supervision
- Coaching and Counseling
- Project Management
- Interviewing & Hiring
- Assertiveness Skills
- Managing the Front Desk
- Reading Financial Statements
- Thinking Outside the Lines

### Computer Skills

- Creating Web Sites
- Mastering Microsoft Office
- Powerpoint Presentations
- Access - Tips & Tricks
- Troubleshooting PCs
- Troubleshooting Macs
- Using Photoshop
- Adobe Pagemaker
- Administering Windows NT

5. Would additional follow-up to this seminar in the form of self-study materials such as books and tapes (audio and video) be helpful to you?

Yes  No

6. Would you like to receive our catalog of seminars and self-study programs?  
If so, please fill out the box below.

Yes  No

10-22-03	CRDS Management Skills	Dan Kline
DATE	SEMINAR TITLE	SPEAKER
John Kline	Supervisor, Operations Section	
YOUR NAME	YOUR TITLE	
Michigan Public Service Commission	PO Box 30221	
YOUR ORGANIZATION	ORGANIZATION ADDRESS	
Lansing	MI	48909
CITY	STATE / PROVINCE	ZIP/POSTAL CODE
517-241-6132	517-241-6994	
BUSINESS PHONE	BUSINESS FAX	



## FUTURE TRAINING NEEDS

4. What other training do you feel you need in order to increase your productivity and promotability?

### Professional Skills

### Leadership/Teamwork

### Computer Skills

How to De-Junk Your Life

How to Work as a Team

Creating Web Sites

Managing Multiple Priorities

Motivating & Rewarding People

Mastering Microsoft Office

Handling Difficult People

Basics of Supervision

Powerpoint Presentations

Business Writing & Grammar

Coaching and Counseling

Access - Tips & Tricks

Powerful Telephone Skills

Project Management

Troubleshooting PCs

Negativity in the Workplace

Interviewing & Hiring

Troubleshooting Macs

Win-Win Negotiation

Assertiveness Skills

Using Photoshop

Presentation & Training Skills

Managing the Front Desk

Adobe Pagemaker

Stress Management

Reading Financial Statements

Administering Windows NT

How to Win & Keep Customers

Thinking Outside the Lines

5. Would additional follow-up to this seminar in the form of self-study materials such as books and tapes (audio and video) be helpful to you?

Yes

No

6. Would you like to receive our catalog of seminars and self-study programs?  
If so, please fill out the box below.

Yes

No

DATE	SEMINAR TITLE	SPEAKER
YOUR NAME	YOUR TITLE	
GIA ITONISHVILI	Head of THE STATE AGENCY	
YOUR ORGANIZATION	ORGANIZATION ADDRESS	
STATE AGENCY for REGULATION of oil and GAS Resources of Republic of Georgia		
CITY	STATE / PROVINCE	ZIP/POSTAL CODE
Tbilisi		
BUSINESS PHONE	BUSINESS FAX	
01199532 253300	99532 253399	


**NATIONAL SEMINARS GROUP**  
**PARTICIPANT FEEDBACK FORM**

Today's Seminar # is  
**5017984**

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We value your opinions and want to know what you thought about today's program. Thank you.

Fill in the box <i>completely</i> with a No. 2 pencil or black/blue pen.	<input type="checkbox"/> Right	<input checked="" type="checkbox"/> Wrong
--	--------------------------------	---

EXCELLENT FAIR

1. Please give your overall impression of the seminar:

What was the most beneficial aspect of the seminar?

Were there any aspects of the seminar that were not beneficial?

2. What overall rating would you give the content presented?

What was most helpful?

What was irrelevant?

3. How would you rate the speaker?

Overall effectiveness	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knowledge of this audience	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knowledge of this subject	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Presentation skills	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

General comments:

Seminar was very interesting, speaker is very intelligent, his knowledge of this subject is very hi point

## FUTURE TRAINING NEEDS

4. What other training do you feel you need in order to increase your productivity and promotability?

Professional Skills	Leadership/Teamwork	Computer Skills
<input type="checkbox"/> How to De-Junk Your Life	<input type="checkbox"/> How to Work as a Team	<input type="checkbox"/> Creating Web Sites
<input type="checkbox"/> Managing Multiple Priorities	<input type="checkbox"/> Motivating & Rewarding People	<input type="checkbox"/> Mastering Microsoft Office
<input type="checkbox"/> Handling Difficult People	<input type="checkbox"/> Basics of Supervision	<input type="checkbox"/> Powerpoint Presentations
<input type="checkbox"/> Business Writing & Grammar	<input type="checkbox"/> Coaching and Counseling	<input type="checkbox"/> Access - Tips & Tricks
<input type="checkbox"/> Powerful Telephone Skills	<input type="checkbox"/> Project Management	<input type="checkbox"/> Troubleshooting PCs
<input type="checkbox"/> Negativity in the Workplace	<input type="checkbox"/> Interviewing & Hiring	<input type="checkbox"/> Troubleshooting Macs
<input type="checkbox"/> Win-Win Negotiation	<input type="checkbox"/> Assertiveness Skills	<input type="checkbox"/> Using Photoshop
<input type="checkbox"/> Presentation & Training Skills	<input type="checkbox"/> Managing the Front Desk	<input type="checkbox"/> Adobe Pagemaker
<input type="checkbox"/> Stress Management	<input type="checkbox"/> Reading Financial Statements	<input type="checkbox"/> Administering Windows NT
<input type="checkbox"/> How to Win & Keep Customers	<input type="checkbox"/> Thinking Outside the Lines	

5. Would additional follow-up to this seminar in the form of self-study materials such as books and tapes (audio and video) be helpful to you?

Yes  No

6. Would you like to receive our catalog of seminars and self-study programs?  
If so, please fill out the box below.

Yes  No

DATE	SEMINAR TITLE	SPEAKER
YOUR NAME	GURI GAMREKLIDZE	YOUR TITLE Deputy Head of STATE AGENCY
YOUR ORGANIZATION	STATE AGENCY FOR REGULATION OF REPUBLIC OF GEORGIA	ORGANIZATION ADDRESS OF OIL and GAS Resources
CITY	Tbilisi	STATE / PROVINCE
		ZIP/POSTAL CODE
BUSINESS PHONE	011 995 32 253311	BUSINESS FAX
	011 995 77 494494	011 995 32 253399



## FUTURE TRAINING NEEDS

4. What other training do you feel you need in order to increase your productivity and promotability?

### Professional Skills

- How to De-Junk Your Life
- Managing Multiple Priorities
- Handling Difficult People
- Business Writing & Grammar
- Powerful Telephone Skills
- Negativity in the Workplace
- Win-Win Negotiation
- Presentation & Training Skills
- Stress Management
- How to Win & Keep Customers

### Leadership/Teamwork

- How to Work as a Team
- Motivating & Rewarding People
- Basics of Supervision
- Coaching and Counseling
- Project Management
- Interviewing & Hiring
- Assertiveness Skills
- Managing the Front Desk
- Reading Financial Statements
- Thinking Outside the Lines

### Computer Skills

- Creating Web Sites
- Mastering Microsoft Office
- Powerpoint Presentations
- Access - Tips & Tricks
- Troubleshooting PCs
- Troubleshooting Macs
- Using Photoshop
- Adobe Pagemaker
- Administering Windows NT

5. Would additional follow-up to this seminar in the form of self-study materials such as books and tapes (audio and video) be helpful to you?

Yes  No

6. Would you like to receive our catalog of seminars and self-study programs?  
If so, please fill out the box below.

Yes  No

DATE			SEMINAR TITLE			SPEAKER		
22.10.03			CRPS			Dan Kline		
YOUR NAME				YOUR TITLE				
Mgeladze Irakli								
YOUR ORGANIZATION				ORGANIZATION ADDRESS				
CITY			STATE / PROVINCE			ZIP/POSTAL CODE		
BUSINESS PHONE				BUSINESS FAX				

Today's Seminar # is  
 5 0 1 7 9 2 4

<input type="checkbox"/>						
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<input type="checkbox"/>						

 **NATIONAL SEMINARS GROUP**  
**PARTICIPANT FEEDBACK FORM**

We value your opinions and want to know what you thought about today's program. Thank you.

Fill in the box *completely* with a No. 2 pencil or black/blue pen.  Right  Wrong

	EXCELLENT					FAIR
1. Please give your overall impression of the seminar:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
What was the most beneficial aspect of the seminar?						
Were there any aspects of the seminar that were not beneficial?						
2. What overall rating would you give the content presented?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
What was most helpful?						
What was irrelevant?						
3. How would you rate the speaker?						
Overall effectiveness	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knowledge of this audience	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knowledge of this subject	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Presentation skills	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

General comments:

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## FUTURE TRAINING NEEDS

4. What other training do you feel you need in order to increase your productivity and promotability?

Professional Skills	Leadership/Teamwork	Computer Skills
<input checked="" type="checkbox"/> How to De-Junk Your Life	<input type="checkbox"/> How to Work as a Team	<input type="checkbox"/> Creating Web Sites
<input type="checkbox"/> Managing Multiple Priorities	<input type="checkbox"/> Motivating & Rewarding People	<input type="checkbox"/> Mastering Microsoft Office
<input checked="" type="checkbox"/> Handling Difficult People	<input checked="" type="checkbox"/> Basics of Supervision	<input checked="" type="checkbox"/> Powerpoint Presentations
<input type="checkbox"/> Business Writing & Grammar	<input type="checkbox"/> Coaching and Counseling	<input type="checkbox"/> Access - Tips & Tricks
<input checked="" type="checkbox"/> Powerful Telephone Skills	<input checked="" type="checkbox"/> Project Management	<input checked="" type="checkbox"/> Troubleshooting PCs
<input type="checkbox"/> Negativity in the Workplace	<input type="checkbox"/> Interviewing & Hiring	<input type="checkbox"/> Troubleshooting Macs
<input checked="" type="checkbox"/> Win-Win Negotiation	<input checked="" type="checkbox"/> Assertiveness Skills	<input checked="" type="checkbox"/> Using Photoshop
<input type="checkbox"/> Presentation & Training Skills	<input type="checkbox"/> Managing the Front Desk	<input type="checkbox"/> Adobe Pagemaker
<input checked="" type="checkbox"/> Stress Management	<input checked="" type="checkbox"/> Reading Financial Statements	<input checked="" type="checkbox"/> Administering Windows NT
<input type="checkbox"/> How to Win & Keep Customers	<input type="checkbox"/> Thinking Outside the Lines	

5. Would additional follow-up to this seminar in the form of self-study materials such as books and tapes (audio and video) be helpful to you?

Yes  No

6. Would you like to receive our catalog of seminars and self-study programs?  
If so, please fill out the box below.

Yes  No

DATE	SEMINAR TITLE	SPEAKER
22.12.03	CRDS	Dan Kline
YOUR NAME	YOUR TITLE	
Alexander Abaiadze		
YOUR ORGANIZATION	ORGANIZATION ADDRESS	
CITY	STATE / PROVINCE	ZIP/POSTAL CODE
BUSINESS PHONE	BUSINESS FAX	

Today's Seminar # is  
5017984

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08	09	10	11	12	13	14	15
16	17	18	19	20	21	22	23
24	25	26	27	28	29	30	31
32	33	34	35	36	37	38	39
40	41	42	43	44	45	46	47
48	49	50	51	52	53	54	55
56	57	58	59	60	61	62	63
64	65	66	67	68	69	70	71
72	73	74	75	76	77	78	79
80	81	82	83	84	85	86	87
88	89	90	91	92	93	94	95
96	97	98	99	00	01	02	03

 **NATIONAL SEMINARS GROUP**  
**PARTICIPANT FEEDBACK FORM**

We value your opinions and want to know what you thought about today's program. Thank you.

Fill in the box *completely* with a No. 2 pencil or black/blue pen.  Right  Wrong

EXCELLENT FAIR

1. Please give your overall impression of the seminar:  6  5  4  3  2  1

What was the most beneficial aspect of the seminar?

Were there any aspects of the seminar that were not beneficial?

2. What overall rating would you give the content presented?  6  5  4  3  2  1

What was most helpful?

What was irrelevant?

3. How would you rate the speaker?

Overall effectiveness  6  5  4  3  2  1

Knowledge of this audience  6  5  4  3  2  1

Knowledge of this subject  6  5  4  3  2  1

Presentation skills  6  5  4  3  2  1

General comments:

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## FUTURE TRAINING NEEDS

4. What other training do you feel you need in order to increase your productivity and promotability?

Professional Skills	Leadership/Teamwork	Computer Skills
<input checked="" type="checkbox"/> How to De-Junk Your Life	<input type="checkbox"/> How to Work as a Team	<input type="checkbox"/> Creating Web Sites
<input type="checkbox"/> Managing Multiple Priorities	<input type="checkbox"/> Motivating & Rewarding People	<input type="checkbox"/> Mastering Microsoft Office
<input type="checkbox"/> Handling Difficult People	<input type="checkbox"/> Basics of Supervision	<input type="checkbox"/> Powerpoint Presentations
<input type="checkbox"/> Business Writing & Grammar	<input type="checkbox"/> Coaching and Counseling	<input type="checkbox"/> Access - Tips & Tricks
<input checked="" type="checkbox"/> Powerful Telephone Skills	<input checked="" type="checkbox"/> Project Management	<input checked="" type="checkbox"/> Troubleshooting PCs
<input type="checkbox"/> Negativity in the Workplace	<input type="checkbox"/> Interviewing & Hiring	<input type="checkbox"/> Troubleshooting Macs
<input type="checkbox"/> Win-Win Negotiation	<input type="checkbox"/> Assertiveness Skills	<input type="checkbox"/> Using Photoshop
<input type="checkbox"/> Presentation & Training Skills	<input type="checkbox"/> Managing the Front Desk	<input type="checkbox"/> Adobe Pagemaker
<input type="checkbox"/> Stress Management	<input type="checkbox"/> Reading Financial Statements	<input type="checkbox"/> Administering Windows NT
<input type="checkbox"/> How to Win & Keep Customers	<input type="checkbox"/> Thinking Outside the Lines	

5. Would additional follow-up to this seminar in the form of self-study materials such as books and tapes (audio and video) be helpful to you?

Yes       No

6. Would you like to receive our catalog of seminars and self-study programs?  
If so, please fill out the box below.

Yes       No

CRDS		
DATE	SEMINAR TITLE	SPEAKER
YOUR NAME		YOUR TITLE
YOUR ORGANIZATION		ORGANIZATION ADDRESS
CITY	STATE / PROVINCE	ZIP/POSTAL CODE
BUSINESS PHONE		BUSINESS FAX



## COMMISSIONERS OF THE LAND OFFICE

Suite 200 Paragon Building, 5801 Broadway Extension, P.O. Box 26910, Oklahoma City, OK 73126,  
405-604-8100 Fax 405-604-8199

December 8, 2003

Mike Schmidt  
C/O IOGCC  
900 NE 23<sup>rd</sup> St.  
Oklahoma City, OK 73105

RE: The Georgians

Dear Mr. Schmidt:

Attached is the schedule that we prepared for the Georgians visit to the Oklahoma Commissioners of the Land Office. We began with a presentation on the rectangular survey system and how we keep our land records. After lunch we sat down and went through our lease agreement in detail. They were very interested in this and asked many questions. The concept of a royalty was new to them. Apparently the agreement they negotiated with Anadarko was a flat fee per metric ton. Also the concept of environmental remediation was new to them. They asked us how much we fined people for pollution. We told them that our emphasis was working with the companies to get the damage restored, not fines. Apparently over there they leave the damage and take the cash. The discussion was quite detailed and took the entire afternoon.

On Tuesday they spent the morning with our geologist who showed them how we track drilling activity and monitor for offset drainage. They spent the afternoon with the Lease Sale Team and got a detailed briefing on the application and took detailed notes. They also received a briefing on our sale procedures and evaluating bids.

On Wednesday they observed our procedures for handling incoming checks. Our internal auditor then briefed them on his role in the agency. They spent a couple of hours with the revenue accountants. They wrapped up the day with a long list of questions they had from the first two days. Thursday and Friday were spent with the Audit Division. The Audit Director reports that the discussions on audit procedures were beneficial with many notes taken and many questions asked.

In summary, I would say the most valuable lesson they learned was the concept of royalty. I think that their next agreement will include one. The other lease terms we discussed will probably also be incorporated in their next agreement. Judging by their questions we exposed them to many concepts that they had not considered before.

Sincerely,

Gary G. Shofner, Director  
Minerals Management Division

Attachments:  
Georgian Schedule

## Georgian Schedule

### Monday

9:30 Introduction to staff and welcome

10:30 Explanation of Rectangular Survey & Overview of Records system- Pary

11:30 Lunch

1:00 Lease Terms-Dave & Pary

2:00 Introduction to Lease Sale-Cecil & Mike

4:00 Return to Hotel

### Tuesday

9:00 Offset Drainage- Jon

10:15 Preview of GIS & New Database- Jim H

11:30 Lunch

1:00 Non-producing properties-Dave

2:30 Partial Releases and Division Orders-Tom

3:00 Consents to assignment-Phillip

3:30 Questions for Staff

### Wednesday

9:00 Observe Mailroom

10:00 Internal Audit Concepts-Roy

11:30 Lunch

1:00 Revenue Accounting Concepts

3:00 Final Questions for MMD-Staff

4:00 Return to Hotel

Thursday

9:00 Lease Terms and & Rules relating to Audit of Royalties

11:30 Lunch

1:00 Audit Programs

2:00 Oil Valuation and Associated Problems

4:30 Return to Hotel

Friday

9:00 Litigation for Underpaid Royalties

11:00 Well Operations

12:00 Lunch

1:30 Discussion of Energy Industry in Georgia and Application of CLO Rules

4:00 Return to Hotel

**IOGCC/REPUBLIC OF GEORGIA INTERNSHIP PROGRAM**

**Evaluation Form**

**Oklahoma**

	<u>Above Average</u>		<u>Average</u>		<u>Poor</u>
Please rate the lodging.	<u>5</u>	4	3	2	1
Transportation	<u>5</u>	4	3	2	1
Hospitality					
- Ruth	5	<u>4</u>	3	2	1
Interpreters					
- Eugene	5	4	3	2	1
- Genna	<u>5</u>	4	3	2	1
- Vera	<u>5</u>	4	3	2	1

**Oklahoma Corporation Commission**

Quality of Program	<u>5</u>	4	3	2	1
People	<u>5</u>	4	3	2	1

What were the most helpful things about the program at the OCC?

Reporting forms,

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What could have been improved about the program at the OCC?

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**Oklahoma Lands Commission (Only answer if you participated in this portion)**

Quality of Program	<u>5</u>	4	3	2	1
People	<u>5</u>	4	3	2	1

What were the most helpful things about the program at this agency?

Principle of Land Management, Rep. Forms, Data Base Management, Financing, Waste Injection

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What could have been improved about the program at this agency?

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**Oklahoma Tax Commission (Only answer if you participated in this portion)**

Quality of Program	5	<u>4</u>	3	2	1
People	<u>5</u>	4	3	2	1

What were the most helpful things about the program at this agency?

The system of Tax collection, Reporting Forms

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What could have been improved about the program at this agency?

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**Alabama**

	<u>Above Average</u>		<u>Average</u>		<u>Poor</u>
Please rate the lodging.					
Montgomery (if applicable)	<u>5</u>	4	3	2	1
Tuscaloosa	5	<u>4</u>	3	2	1
Transportation	5	4	<u>3</u>	2	1
Interpreters					
- Eugene	<u>5</u>	4	3	2	1
- Alison (if applicable)	5	4	3	2	1
- Stas (if applicable)	5	4	3	2	1

**Alabama Oil and Gas Board**

Quality of Program	<u>5</u>	4	3	2	1
People	<u>5</u>	4	3	2	1

What were the most helpful things about the program at this agency?

Regulations of Coal bed Methane Gas, Public Relation Programs, Offshore platform Regulations

What could have been improved about the program at this agency?

**Alabama Department of Revenue (if applicable)**

Quality of Program	<u>5</u>	4	3	2	1
People	<u>5</u>	4	3	2	1

What were the most helpful things about the program at this agency?

What could have been improved about the program at this agency?

**Alabama Department of Natural Resources (if applicable)**

Quality of Program	<u>5</u>	4	3	2	1
People	<u>5</u>	4	3	2	1

What were the most helpful things about the program at this agency?

What could have been improved about the program at this agency?

**Overall**

Quality of Program	<u>5</u>	4	3	2	1
People	<u>5</u>	4	3	2	1

**What were the most helpful things about the program?**

Organizations work system, Structures; Land Management and Conservation of Resources, Reporting system.

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**What could have been improved about the program?**

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**If we were to be able to develop a part two to this program what areas of concern would be of greatest benefit to you in doing your job and to the agency's program?**

More about Coal bed Methane Gas, Pipeline Transportation of Oil and Gas, Oil Refinery and Gas Processing Regulations and Related Environmental, Technical and Safety issues (Regulations)

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**IOGCC/REPUBLIC OF GEORGIA INTERNSHIP PROGRAM**  
**Evaluation Form**

**Oklahoma**

	<u>Above Average</u>		<u>Average</u>		<u>Poor</u>
Please rate the lodging.	<u>5</u> √	4	3	2	1
Transportation	<u>5</u> √	4	3	2	1
Hospitality					
- Ruth	5	<u>4</u> √	3	2	1
Interpreters					
- Eugene	<u>5</u> √	4	3	2	1
- Genna	5	4	3	2	1
- Vera	5	4	3	2	1

**Oklahoma Corporation Commission**

Quality of Program	<u>5</u> √	4	3	2	1
People	<u>5</u> √	4	3	2	1

What were the most helpful things about the program at the OCC?

Structure of OCC. Field Inspections.

Reporting, work of different structural units

What could have been improved about the program at the OCC?

**Oklahoma Lands Commission (Only answer if you participated in this portion)**

Quality of Program	5	4	3	2	1
People	5	4	3	2	1

What were the most helpful things about the program at this agency?

What could have been improved about the program at this agency?

**Oklahoma Tax Commission (Only answer if you participated in this portion)**

Quality of Program	5	4	3	2	1
People	5	4	3	2	1

What were the most helpful things about the program at this agency?

What could have been improved about the program at this agency?

**Alabama**

	<u>Above Average</u>		<u>Average</u>		<u>Poor</u>
Please rate the lodging.					
Montgomery (if applicable)	5	4	3	2	1
Tuscaloosa	<u>5<sup>v</sup></u>	4	3	2	1
Transportation Interpreters	5	<u>4<sup>v</sup></u>	3	2	1
- Eugene	<u>5<sup>v</sup></u>	4	3	2	1
- Alison (if applicable)	5	4	<u>3<sup>v</sup></u>	2	1
- Stas (if applicable)	5	<u>4<sup>v</sup></u>	3	2	1

**Alabama Oil and Gas Board**

Quality of Program	<u>5<sup>v</sup></u>	4	3	2	1
People	<u>5<sup>v</sup></u>	4	3	2	1

What were the most helpful things about the program at this agency?

Regulations of Coal bed Methane Gas and underground storages, Field inspections; Database (electronic); work of different structural units

What could have been improved about the program at this agency?

**Alabama Department of Revenue (if applicable)**

Quality of Program	<u>5<sup>v</sup></u>	4	3	2	1
People	<u>5<sup>v</sup></u>	4	3	2	1

What were the most helpful things about the program at this agency?

What could have been improved about the program at this agency?

**Alabama Department of Natural Resources (if applicable)**

Quality of Program	5	4	3	2	1
People	5	4	3	2	1

What were the most helpful things about the program at this agency?

What could have been improved about the program at this agency?

**Overall**

Quality of Program	<u>5</u>	4	3	2	1
People	<u>5</u>	4	3	2	1

What were the most helpful things about the program?

Work of different structural units: Rules and Regulations, field Inspection

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What could have been improved about the program?

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If we were to be able to develop a part two to this program what areas of concern would be of greatest benefit to you in doing your job and to the agency's program?

Gas storages, related Regulations, including Technical, Safety and Environmental issues