

CREATION, IMPLEMENTATION AND ENSURING THE EFFECTIVENESS OF OIL AND GAS PROJECTS

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Abstract

the article examines important aspects of the creation, implementation and ensuring the efficiency of oil and gas projects. The adopted regulatory framework in this area is studied. A statistical analysis of energy production volumes is conducted. Proposals and recommendations for the creation, implementation and ensuring the efficiency of oil and gas projects are developed.

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Introduction

Design, implementation and efficiency of oil and gas projects is one of the most important sectors of the economy today and is of strategic importance for countries. Projects in this area are technically complex, require the participation of highly qualified specialists and modern technologies. Each stage of the project must be well planned: from initial planning to construction and operation. Ensuring environmental safety, optimizing resources, and maintaining economic efficiency are critical tasks. Additionally, the volatility of the global energy market and technological advancements require constant monitoring of processes. Therefore, the successful implementation of oil and gas projects plays a decisive role in a country's economic stability and development.

The importance of creating, implementing and ensuring the efficiency of oil and gas projects is mainly related to energy security, economic stability and the introduction of innovative technologies. At a time when the demand for energy is growing worldwide, the development and implementation of efficient projects is important for the rational use of resources and environmental protection. In addition, successful oil and gas projects bring significant income to the national economy and contribute to the creation of new jobs.

Methods

In the process of studying this topic, we studied the literature published by foreign and domestic scientists on this topic, we familiarized ourselves with the regulatory framework, analyzed statistical data, we also widely used SWOT analysis, financial analysis, risk assessment methods, scenario analysis and feasibility study methods.

Results and discussion

Oil, gas and their derivatives occupy the main place among industrial products. Among energy resources, including water, coal, shale and nuclear energy, about two thirds are provided by hydrocarbons. It is difficult to imagine modern transport and various engines without fuels and

lubricants. These materials are mainly obtained from oil and gas. Oil and gas serve as a source of raw materials for the chemical industry.

Oil and gas projects are a complex of technical and economic activities related to the extraction, processing and delivery of natural resources. These projects include mineral exploration, field development, construction and operation. Since the projects require large capital investments and complex technologies, their successful implementation requires detailed planning, risk management and the use of modern innovative solutions. Effective oil and gas projects make a significant contribution to the development of the national economy.

We consider it necessary to perform the following actions during the construction of oil and gas projects:

- study of the economic, technical and environmental aspects of the project;
- optimal planning of resources, technologies and time;
- assessment of investments and income;
- identification of potential risks and development of strategies to minimize them;
- use of modern and effective technologies;
- continuous monitoring and analysis of project implementation.

To achieve successful results in the implementation of oil and gas projects, it is necessary to properly organize technical and economic planning, preliminary risk assessment, selection of modern technologies and control of each stage of the project. Effective resource management, cost optimization, risk management, innovation and efficient work processes are essential to ensure project efficiency. At the same time, continuous analysis and control are important in project management.

In accordance with the Resolution of the President of the Republic of Uzbekistan dated July 9, 2019 year “On measures to ensure stable supply of energy resources to the population and economy, financially rehabilitate the oil and gas sector, and improve its management system” the key task at the current stage of sector development is defined as enhancing operational efficiency and optimizing costs by involving independent foreign experts. In 2020-2022, a number of measures were taken to improve operational efficiency and optimize costs, an economic result of 2109.3 billion soums was achieved (funds were saved, optimized and additional income was received).

In order to create, implement and ensure the effectiveness of oil and gas projects in our country, the Resolution of the President of the Republic of Uzbekistan “On measures to create an educational and production cluster in the oil and gas sector” was adopted. According to it, by providing the oil and gas industry with highly qualified personnel, establishing mutual integration of education, science and production in this area, methods and forms of personnel training through improvement, it is aimed at improving the quality of education and the efficiency of using labor resources, directly applying scientific achievements in production. The decision also presents the structure of the educational and production cluster in the oil and gas sector, and we believe that this cluster will provide a worthy service in the creation, implementation and efficiency of oil and gas projects in the future (Figure 1).

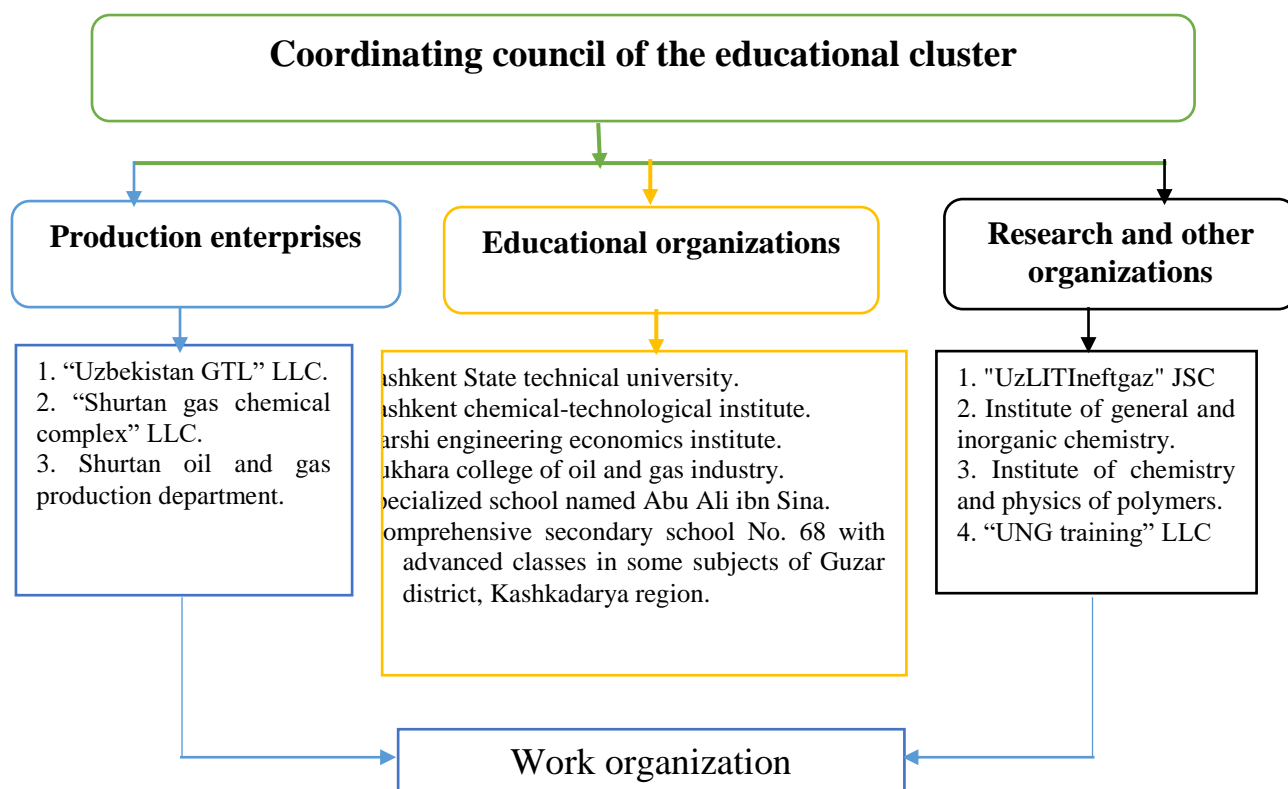


Figure 1. Structure of the educational and production cluster in the oil and gas sector¹.

In projects of economic assessment and risk analysis of oil and gas companies, the following factors are important: efficient development of fields, investment decision-making, budgeting and planning. These processes are complicated by the capital intensity of the oil and gas industry, and the volatility of technological and macroeconomic conditions. To effectively manage these complexities, companies need to standardize economic calculations, conduct scenario analysis, and implement secure data management systems.

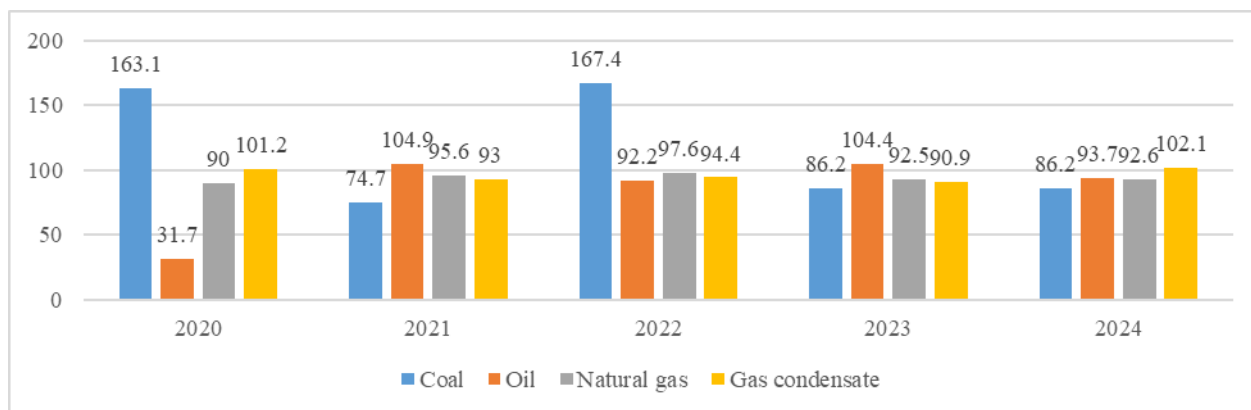


Figure 2. Volume of industrial production by large enterprises of the Republic of Uzbekistan (as of January)².

Analyzing the data provided, coal production in our country in January 2024 decreased by almost 2 times compared to the same period in 2020. Accordingly, the production of oil, natural gas and gas condensate increased.

¹ Resolution of the President of the Republic of Uzbekistan dated 07.07.2022 No. PD-309 "On measures to create an educational and production cluster in the oil and gas sector".

² www.stat.uz

Economic evaluation of oil and gas projects involves determining the cost effectiveness of developing oil and gas reserves in specific areas. The effectiveness of investment projects for exploration, evaluation and development of deposits is characterized by a system of economic indicators. These indicators are used by various groups of stakeholders to participate in tenders and auctions for acquiring land use rights. They are also utilized by government and regional authorities, project developers, and banks financing the projects³.

Effective implementation of oil and gas projects requires a comprehensive approach. First of all, it is important to optimize project costs and deadlines through careful planning. It is necessary to reduce risks and increase efficiency through the use of modern technologies and the introduction of analytical methods. Collaboration between stakeholders, project management and rapid problem solving capabilities are key, while ongoing monitoring and analysis must be carried out throughout the project.

Conclusion and suggestions

Implementing oil and gas projects effectively requires high-level project management. The integration of modern technologies and the use of analytical methods are crucial factors for success in this process. Minimizing risks, meeting environmental requirements, and optimizing costs are essential for ensuring the sustainability and profitability of the projects. Strong collaboration among stakeholders and innovative solutions are also key factors in successfully executing the project.

Effective project management in oil and gas involves several key elements:

- efficiently managing project budgets and resources is essential for maximizing profitability. This includes cost forecasting, monitoring expenditures, and finding cost-effective solutions without compromising quality;
- building strong relationships with all stakeholders, including clients, suppliers, and local communities, is important. Effective communication and collaboration can help align interests and address concerns promptly;
- adopting innovative approaches and solutions can drive project success. This includes exploring new methods, materials, and processes that can lead to improved project performance and outcomes.

By focusing on these elements, oil and gas projects can achieve their objectives more effectively and contribute to long-term success and sustainability.

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