OIL AND GAS IB INTERVIEW PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. In A&D deals, there is usually no control premium paid for assets. Which option states this correctly?

A. A large control premium is typically paid

B. No control premium is usually paid

C. Control premium is variable and always present

D. The premium is funded by the acquirer as part of price

2. What does a high reserve replacement ratio (RRR) indicate?

A. RRR indicates lower reserve life

B. Strong ability to replenish reserves

C. RRR is only relevant to gas

D. RRR has no practical meaning

3. In Chapter 11 restructuring, which party is the debtor?

A. The creditors' association

B. The company that is in financial trouble

C. The court

D. The union workers

4. Tallgrass Energy and Blackstone are associated with which firm's deals?

A. Evercore Deals

B. Moelis Deals

C. Lazard Deals

D. Weatherford RX

5. What best describes a 'Take or Pay' contract?

A. An agreement in which the buyer will pay for a set amount of product at a set price, regardless if the buyer takes possession of it

B. A delivery option with penalties for non-take

C. A price hedging contract

D. A license to drill failure

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6. What are the two core functions of upstream E&P companies?

A. Refining crude and distributing products

B. Finding hydrocarbons and deciding whether to drill

C. Building pipelines and storing oil

D. Marketing and trading

7. Which company completed a ~$38 billion acquisition of Anadarko according to the material?

A. Oxy had a $38 billion acquisition of Anadarko.

B. Exxon acquired Anadarko for $50 billion.

C. Chevron acquired Anadarko for $15 billion.

D. Marathon Petroleum acquired Anadarko for $20 billion.

8. The uncertainty in reserve estimates arises primarily from which factors?

A. Weather conditions

B. Financial, technical, or legal difficulties

C. Marketing trends

D. Public relations issues

9. Decline rate refers to which concept in oil production?

A. The rate at which well production is expected to decline over time

B. The initial production rate

C. The rate of decline constant across all wells

D. The rate of increase in production

10. Shale is

A. A form of sedimentary rock that contains crude oil or natural gas

B. A type of crystalline rock found under mountains

C. A volcanic rock rich in sulfur

D. A metamorphic rock used for building

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Answers

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1. B
2. B
3. B
4. A
5. D
6. B
7. A
8. B
9. A
10. A

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Explanations

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1. In A&D deals, there is usually no control premium paid for assets. Which option states this correctly?

A. A large control premium is typically paid

B. No control premium is usually paid

C. Control premium is variable and always present

D. The premium is funded by the acquirer as part of price

In asset-and-deal scenarios, the concept of a control premium doesn't apply because you're buying specific assets rather than gaining control of the company's equity. A control premium is the extra price paid to obtain a controlling stake in a target by purchasing its shares. When you're purchasing assets directly, there isn't a premium paid specifically for control of the company; the price is driven by the value of the assets being acquired and any negotiated value for those assets. So saying that no control premium is usually paid correctly captures how asset deals differ from equity (stock) deals. The other options imply a premium for control or conditions that don't align with asset acquisitions.

2. What does a high reserve replacement ratio (RRR) indicate?

A. RRR indicates lower reserve life

B. Strong ability to replenish reserves

C. RRR is only relevant to gas

D. RRR has no practical meaning

The main idea being tested is how to interpret Reserve Replacement Ratio. RRR shows how much of the produced reserves are replaced in the same period, by comparing reserves added to production. A high RRR means the company is replenishing its reserves at a pace that meets or exceeds what it produces, signaling a strong ability to replenish through new discoveries, better reserve estimates, or acquisitions. In other words, the firm can sustain or grow its future production because its reserve base is being replenished effectively. It's not about reserve life, which is reserve base divided by annual production, so a high RRR doesn't automatically imply shorter or longer life. RRR is applicable to oil and gas generally, and it has practical meaning for assessing growth potential and exploration success, though it's not a perfect predictor of profitability or future output due to price, capex, and other factors.

3. In Chapter 11 restructuring, which party is the debtor?

A. The creditors' association

B. The company that is in financial trouble

C. The court

D. The union workers

In Chapter 11, the focus is on restructuring a business while it continues to operate, so the party that is the debtor is the entity that is in financial distress and files for protection—the company itself (or its subsidiary). This entity seeks to reorganize and renegotiate obligations under court supervision, often while acting as the debtor in possession. The court oversees the process, but is not the debtor. Creditors' associations and union workers are stakeholders with claims or interests in the plan, not the entity seeking reorganization.

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4. Tallgrass Energy and Blackstone are associated with which firm's deals?

A. Evercore Deals

B. Moelis Deals

C. Lazard Deals

D. Weatherford RX

The idea being tested is recognizing which investment bank is commonly linked with energy-sector deal activity involving a sponsor like Blackstone and a midstream operator such as Tallgrass Energy. Evercore has a strong track record advising on energy infrastructure M&A and has been involved in deal processes with Blackstone-backed assets, including Tallgrass Energy, making it the most plausible match here. While other firms like Moelis or Lazard do execute many energy deals as well, the pairing of Blackstone with Tallgrass is specifically associated with Evercore's deal practice. Weatherford RX isn't an investment bank, so it wouldn't fit the context of deal advisory for this type of transaction.

5. What best describes a 'Take or Pay' contract?

A. An agreement in which the buyer will pay for a set amount of product at a set price, regardless if the buyer takes possession of it

B. A delivery option with penalties for non-take

C. A price hedging contract

D. A license to drill failure

Take-or-pay contracts secure revenue by requiring the buyer to either take a minimum quantity of product or pay for it anyway. The buyer commits to a set volume at a predetermined price, and if they don't take delivery, they still owe for that minimum amount. This provides the seller with revenue certainty regardless of actual consumption. This is not simply a price hedge (which uses financial instruments to manage price risk rather than lock in physical volumes), and it isn't related to drilling licenses or failures.

6. What are the two core functions of upstream E&P companies?

A. Refining crude and distributing products

B. Finding hydrocarbons and deciding whether to drill

C. Building pipelines and storing oil

D. Marketing and trading

Upstream E&P focuses on locating oil and gas and then deciding whether to extract it. The two main functions are: first, finding hydrocarbons—this is exploration, using geology, geophysics, seismic data, and related tech to identify where there might be reservoirs. Second, deciding whether to drill—after a discovery, evaluating the prospect's size, economics, and risks to determine if it's worth committing capital to drill and develop the site. These steps set the stage for production, while refining, transportation, and marketing belong to downstream and midstream activities.

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7. Which company completed a ~$38 billion acquisition of Anadarko according to the material?

A. Oxy had a $38 billion acquisition of Anadarko.

B. Exxon acquired Anadarko for $50 billion.

C. Chevron acquired Anadarko for $15 billion.

D. Marathon Petroleum acquired Anadarko for $20 billion.

The main idea being tested is recognizing a major oil-and-gas M&A event and who completed it. Occidental Petroleum closed a deal valued at about $38 billion to acquire Anadarko Petroleum in 2019, a combination cash-and-stock transaction that also assumed Anadarko's debt. This move dramatically expanded Occidental's asset base, especially in the Permian Basin, and marked one of the industry's largest early-2010s consolidations. While Exxon Mobil did pursue a higher-value bid, the material specifies that the completion of the roughly $38 billion purchase was by Occidental. Chevron and Marathon Petroleum did not acquire Anadarko.

8. The uncertainty in reserve estimates arises primarily from which factors?

A. Weather conditions

B. Financial, technical, or legal difficulties

C. Marketing trends

D. Public relations issues

The main idea is that reserve estimates hinge on both what can physically be recovered from a reservoir and whether it makes economic and legal sense to develop it in the future. Uncertainty comes from a mix of technical, financial, and legal factors. Technically, we work with imperfect data about geology, rock properties, and reservoir performance, so predicting exact recoverable volumes is inherently uncertain. Financially, future oil prices, operating costs, and required capital determine whether a given volume is economically recoverable under realistic development plans. Legally, ownership, licenses, royalties, and regulatory requirements can all change the feasibility of extracting the resource. Weather or marketing trends can influence production plans or cash flows, but they're not the primary drivers of the fundamental uncertainty in the classification of reserves. Public relations issues don't affect recoverability either. Thus, the uncertainty in reserve estimates is driven mainly by financial, technical, or legal difficulties.

9. Decline rate refers to which concept in oil production?

A. The rate at which well production is expected to decline over time

B. The initial production rate

C. The rate of decline constant across all wells

D. The rate of increase in production

Decline rate measures how fast a well's production falls over time after it starts producing. In oil production, once the peak has passed, the reservoir's pressure and driving forces weaken, so the flow declines. The decline rate captures the speed of that drop, often expressed as a percentage per year or as a parameter in a decline-curve model (exponential, hyperbolic, etc.). This concept is essential for forecasting future output and estimating remaining reserves, guiding decisions on development and investment. It isn't the initial production rate, which is simply the starting flow when production begins. It isn't a universal constant across all wells—different wells have different decline behaviors based on geology, depletion, and operations. It isn't the rate of increase in production—that would be growth or uplift, not decline.

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10. Shale is

A. A form of sedimentary rock that contains crude oil or natural gas

B. A type of crystalline rock found under mountains

C. A volcanic rock rich in sulfur

D. A metamorphic rock used for building

Shale is a fine-grained sedimentary rock formed from clay- and silt-sized particles that settle in quiet environments like lakes or deep marine settings. It often contains organic matter (kerogen) that, over long periods and with burial heating, matures into hydrocarbons. This makes shale a common source rock for crude oil and natural gas, and in many cases the hydrocarbons are stored within the shale itself or in adjacent tight reservoirs. The other options describe rock types that do not match shale: crystalline rocks are not the sedimentary type that hosts hydrocarbons, volcanic rocks rich in sulfur aren't what shale is, and metamorphic rocks used for building refer to rocks like slate or marble, not shale.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://oilgasibinterview.examzify.com

We wish you the very best on your exam journey. You've got this!

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