

# Shut-In and Abandonment Decision Economics

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## ABSTRACT

When should producing properties in irreversible decline be shutin? When abandoned? These questions are addressed from an economic perspective. The questions are old, but analyses reveal new, currently relevant facets of decisions to shutin and abandon producing properties.

**Keywords:** neutral condition, upstream oil & gas, real option, abandonment time, project valuation, shutin, abandonment, project economics, discount factor, asset and portfolio management

**Subjects:** Asset and Portfolio Management, Energy Economics, Project economics/valuation, Market analysis /supply and demand forecasting/pricing

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