

JOINT OPERATING AGREEMENT (JOA): UPDATES TO THE MODEL FORM

A Review of the New AAPL Form 610-2015 Model

April 26-27, 2018
EUCI Conference Center
Denver, CO



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OVERVIEW

Since its original version drafted by the American Association of Professional Landmen (“AAPL”) in 1956, the Joint Operating Agreement (“JOA”) Form 610 has only been revised four times; in 1977, 1982, 1989, and now, 2015. In November of 2011, a Task Force was created to revise and update the 1989 JOA to better conform to current industry standards and needs. The AAPL form of JOA is widely used to manage the relationship between oil and gas lessees designating operators to explore and develop oil and gas assets. This course will address the long-awaited updates of one of the most commonly used contractual agreements in the upstream oil and gas industry. The instructor will explain and examine the various changes made in the Model Form 610-2015 JOA.

LEARNING OUTCOMES

Attendees to this course will:

- Identify the relationship between American Association of Professional Landmen (APPL) and the Joint Operating Agreement (JOA)
- Review the development of oil and gas assets
- Discuss participants of the JOA and roles of participants
- Identify term definitions and any affiliated changes
- Review the role of the operator
- Examine Articles of Form 610 and their provisions
- Analyze updates to the Articles
- Review actions for the resignation or removal of operator
- Discuss compliance with Regulatory Agencies and Government Jurisdiction
- Review the drilling and development process
- Discuss various liabilities of JOA participants
- Examine the contractual execution process
- Review of extra provisions

WHO SHOULD ATTEND?

- Oil and Gas Attorneys
- Landmen
- Oil and Gas Executives and Administration
- Oil and Gas Operators and Non-Operators
- Title Examiners
- Division Analysts
- Bankers
- Geologists
- Insurance Brokers and Adjusters
- CPA's – CoPAS
- Private Investors
- APPL Members
- All other Oil and Gas professionals and those who wish to learn more about the industry

AGENDA

THURSDAY, APRIL 26, 2018

8:00 – 8:30 am **Registration and Continental Breakfast**

8:30 am – 5:00 pm **Course Timing**

12:00 – 1:00 pm **Group Luncheon**

The Process (Creating the New Form)

Identifying the participants in a Joint Operating Agreement and explore their roles in the process from drilling to plugging and absorbing.

- The Task Force
- Polling of Operators and Non-operators
- Horizontal Modification Form
- The Peer Review Group

Term Definition Changes

Explaining the terms used in the Joint Operating Agreement, so learners can become conversant in the language of the Joint Operating Agreement.

- Affiliate
- Extension and Extended
- Deepen
- Lateral
- Routine Maintenance
- Rework and Workover
- Consenting Party and Drilling Party

Article III – Interests of Parties

The role of the operator visa-versa the other participants in the JOA.

- Changes to “Exhibit A”
- Share Obligation Clause of Subsection B
- Article III.B Operator Changes, Payment of Royalties, and Proportionate Shares
- Option No. 1 and Option No. 2

Article III (continued) - Acquisition, Maintenance or Transfer of Interest

The interworking’s of Oil and Gas leases and the various lease holders are an intricate part of the Joint Operating Agreement. This dynamic is explained.

- Surrender of Leases
- Transferor of a Working Interest
- Parties Relieved of Responsibility

Article IV – Titles

The role of the title and how the Joint Operating Agreement addresses title relative defects and failures.

- Failure of Title Provision
- Loss of Title Provision
- Arial and Depth Biases

AGENDA

THURSDAY, APRIL 26, 2018 (CONTINUED)

Article V – Operator

The key participant in the Joint Operating Agreement is the Operator.

- Definition of Operator, Responsibilities, and Rights
- Assignability and Forfeitability of Operatorship
- Authority in Pooling Declarations and Communitization Agreements
- Standard of Performance
- Liability of Operator
- Unaffiliated Contract Operator
- Non-Owning Operator

Article V (continued) - Resignation/Removal of Operator

Removal of an Operator is a sometimes-necessary process addressed in Joint Operating Agreements and is explained in detail as to the process and the results of the same.

- Article V.B
- Voluntary Resignation
- Involuntary Resignation
- Minimum Percentage of Ownership
- Operator Bankruptcy
- Selection of Successor

Article VI - Drilling and Development

The actual drilling of the well is the most complicated in the field portion of the JOA and is examined in-depth.

- Proposals
- Payments/Advanced Payments
- Abandonment of Wells
- Horizontal Modification Form

Article X – Claims and Lawsuits

The various liabilities of Joint Operating Agreement participants are a key concern of not only JOA participants, but leaders, insurance carriers, and others.

- Defense of Uninsured Party
- Pro Se Defense

FRIDAY, APRIL 27, 2018

8:00 – 8:30 am **Continental Breakfast**

8:30 am – 12:00 pm **Course Timing**

Article XII – Notices

The question of who gets what notices and when is a key to understanding the Joint Operating Agreement.

- Electronic Mail Notices
- Best Practices Using Multiple Methods of Providing Notice
- Telegram, Telex, and Telecopier

Article XIV – Compliance with Regulatory Agencies

Whether federal, states, or local, compliance is a key aspect of a well-functioning and profitable Joint Operating Agreement.

- Operator’s Release for Actions
- Proportionate Share of Losses
- Government Jurisdiction

AGENDA

FRIDAY, APRIL 27, 2018 (CONTINUED)

Article XV – Execution

The byplay between contractual obligations and their actual performance important to a high functioning Joint Operating Agreement.

- Insufficient Participation
- Return of Advanced Funds
- Costs Incurred Prior to Termination

Article XVI – Other Provisions

Although of various importance, other terms and conditions of the Joint Operating Agreement needs to be considered and applied.

- Horizon Modification JOA
- Priority of Operations for Horizontal Wells
- Order of Priority

Extra Provisions

No class can capture every issue that might come about with the Joint Operating Agreement, but additional provisions highlight important federal and legal issues that care often added to Joint Operating Agreements.

- Boilerplate
- Consequences of Non-Consent Elections
- Seismic, Downstream, Secondary Recovery, AMI, and SWD Coverage of Operating Agreement
- Order of Preference of Operations
- Power of Operator and Non-Operator
- DJ Basin Horizontal Offset Policy
- Arbitration

INSTRUCTOR



Ralph A. Cantafio

Partner and Attorney, Cantafio Hammond, P.C.

With an extensive history in law and knowledge of the Oil and Gas industry, Ralph practices oil and gas law in Alaska, Colorado, North Dakota, Texas, Utah, and Wyoming. Not only is Ralph a shareholder of a law firm, with office located in Denver and Steamboat Springs, Colorado, that emphasizes oil and gas law, but he is also an adjunct professor teaching oil and gas related classes. Ralph currently teaches in the Global Energy Management Program taught at the University of Colorado Denver. Mr. Cantafio has also lectured foreign professionals, primarily from Nigeria and China, focusing on international oil and gas law, industry, as well as international natural resources law.

His education includes not only a Juris Doctorate from the University of Colorado School of Law, but a Master of Science in Mineral Economics from the prestigious Colorado School of Mines and a Master of Science in Global Energy Management from the University of Colorado-Denver, where he now teaches.

With two professional oil and gas certificates in Petroleum Land Management and Energy Finance from the University of Denver, numerous professional affiliations, publications as well as numerous industry presentations, Ralph's knowledge of the oil and gas industry is extensive.

REQUIREMENTS FOR SUCCESSFUL COMPLETION

Participants must sign in/out each day and be in attendance for the entirety of the course to be eligible for continuing education credit.

INSTRUCTIONAL METHODS

Case studies and PowerPoint presentations will be used in this program.

IACET CREDITS



EUCI has been accredited as an Authorized Provider by the International Association for Continuing Education and Training (IACET). In obtaining this accreditation, EUCI has demonstrated that it complies with the ANSI/IACET Standard which is recognized internationally as a standard of good practice. As a result of their Authorized Provider status, EUCI is authorized to offer IACET CEUs for its programs that qualify under the ANSI/IACET Standard.

EUCI is authorized by IACET to offer 1.0 CEUs for the course.

EVENT LOCATION

EUCI Conference Center

4601 DTC Blvd., B-100
Denver, CO 80237

PREFERRED HOTEL

Hyatt Place Denver Tech Center

8300 E. Crescent Parkway, Greenwood Village, CO 80111 (0.9 miles away)

Call Central Reservations at **888-492-8847** and ask for the EUCI rate of US \$149 plus applicable tax (**CODE: EUCI**)

or visit [Hyatt Place Denver Tech Center - EUCI](#)

NEARBY HOTELS

Hyatt Regency Denver Tech Center

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Denver, CO 80237
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0.3 miles away

Hilton Garden Inn Denver Tech Center

7675 E. Union Ave
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Phone: 303-770-4200
0.6 miles away

Denver Marriott Tech Center

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EVENT LOCATION

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SEE NEARBY HOTELS ON PAGE 6

PLEASE REGISTER

**JOINT OPERATING AGREEMENT (JOA):
 UPDATES TO THE MODEL FORM COURSE**
 April 26-27, 2018: US \$1395,
 Early bird on or before APRIL 6, 2018: US \$1195

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OR Enclosed is a check for \$ _____ to cover _____ registrations.

Substitutions & Cancellations

Your registration may be transferred to a member of your organization up to 24 hours in advance of the event. Cancellations must be received on or before March 23, 2018 in order to be refunded and will be subject to a US \$195.00 processing fee per registrant. No refunds will be made after this date. Cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI event. This credit will be good for six months from the cancellation date. In the event of non-attendance, all registration fees will be forfeited. In case of course cancellation, EUCI's liability is limited to refund of the event registration fee only. For more information regarding administrative policies, such as complaints and refunds, please contact our offices at (201) 871-0474.