

# **THE JOINT OPERATING AGREEMENT (JOA)**

*John S. Lowe*  
George W. Hutchison Professor of Energy Law  
SMU Dedman Law School  
3315 Daniel, Dallas, TX 75275-0116  
Tel: 214-768-2595  
e mail: [jlowe@smu.edu](mailto:jlowe@smu.edu)

1

## **Operating Agreement**

- Defines the rights and obligations of co-tenants or separate owners of property in a contract area.
- Effectively “pools” the interests of the owners.
- Helps avoid disputes over the rights and obligations of the parties.
- Establishes optimal relationship for tax and liability.

2

## **Operating Agreements Usually Start with a Model Form**

- Minimizes transactions costs—the costs of doing the deal.
- Apparent fairness.
- Model forms reflects industry custom and practice.
- Certainty of meaning over time.
- Parties can focus on important issues.

3

## **AAPL Model Forms**

- 1956
- 1977
- 1982
- 1989, 1989 HZ
- ????

Frederick M. MacDonald, Esq.

MacDonald & Miller Mineral Legal Services, PLLC  
7090 Union Park Ave. Ste. 400, Midvale, UT 84047  
Telephone: 801-676-0050 – Ext. 101

[www.macmillerlegal.com](http://www.macmillerlegal.com)

4

## **Other Model Forms**

- AIPN 2012
- CAPL 2007
- AMPLA 2011
- AAPL 2002 Offshore
- AAPL 2007 Deepwater
- UKOOA 2009

5

## **ESSENTIAL ISSUES OF OPERATING AGREEMENTS**

1. WHAT IS COVERED?
  - A. LAND
  - B. SUBSTANCES
  - C. INTERESTS
2. TITLES AND TITLE LOSS
  - A. INDIVIDUAL LOSS
  - B. JOINT LOSS
3. OPERATOR DESIGNATION, POWERS AND DUTIES, REMOVAL
4. INITIAL DRILLING
5. SUBSEQUENT OPERATIONS
  - A. NON-CONSENT OPERATIONS
  - B. OPERATOR'S LIENS
  - D. OTHERS

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: The Joint Operating Agreement (JOA)

Also available as part of the eCourse

[The Joint Operating Agreement](#)

First appeared as part of the conference materials for the  
2015 Fundamentals of Oil, Gas and Mineral Law session

"The Joint Operating Agreement (JOA)"