

WORKING INTEREST DISPUTES UNDER AAPL 2015 FORM 610 JOA

**Michael C. Sanders
SANDERS LLP
Houston, Texas**

**46th Annual Ernest E. Smith
Oil, Gas and Mineral Law Institute
March 27, 2020**

1

A.A.P.L. Form 610 Model Form Operating Agreement

Designed For Onshore Operations

Most Commonly Used Form Operating Agreement

- A.A.P.L. Form 610-1956
- A.A.P.L. Form 610-1977
- A.A.P.L. Form 610-1982
- A.A.P.L. Form 610-1989
- A.A.P.L. Form 610-1989-H
- A.A.P.L. Form 610-2015

2

Operator's Standard of Conduct

“ It shall conduct all such operations in a good and workmanlike manner, but it shall have no liability as Operator to the other parties for losses sustained or liabilities incurred, except such as may result from gross negligence or willful misconduct. ”

1982 Form, Article V.A.

3

Operator's Standard of Conduct

“ It Operator shall conduct ~~all such operations~~ its activities under this agreement as a reasonably prudent operator, in a good and workmanlike manner, with due diligence and dispatch, in accordance with good oilfield practice, and in compliance with applicable law and regulation, but in no event it shall it have ~~no~~ any liability as Operator to the other parties for losses sustained or liabilities incurred, except such as may result from gross negligence or willful misconduct. ”

1989 Form, Section V.A.

4

Operator's Standard of Conduct



Operator shall conduct its activities under this agreement as a reasonably prudent operator, in a good and workmanlike manner, with due diligence and dispatch, in accordance with good oilfield practice, and in compliance with applicable law and regulation. However, in no event shall it have any liability as Operator to the other parties for losses sustained or liabilities incurred in connection with authorized or approved operations under this agreement except such as may result from gross negligence or willful misconduct.



2015 Form, Article V.A.

5

Operator's Standard of Conduct

Cases Decided Under the 1982 Form:

- Exculpatory clause did not apply to breach of contract and administrative issues. *Abraxas Petroleum Corp. v. Hornburg*, 20 S.W.3d 741 (Tex. App.—El Paso 2000, no pet.), and *Cone v. Fagadau Energy Corp.*, 68 S.W.3d 147 (Tex. App.—Eastland 2001, pet. denied).
- Exculpatory clause did apply to operational issues in the field. *IP Petroleum Co., Inc. v. Wevanco Energy, L.L.C.*, 116 S.W.3d 888 (Tex. App.—Houston [1st Dist.] 2003, pet. denied).

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 \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: Working Interest Disputes under AAPL 2015 Form 610 JOA

Also available as part of the eCourse

[2020 Ernest E. Smith Oil, Gas, and Mineral Law eConference](#)

First appeared as part of the conference materials for the
46th Annual Ernest E. Smith Oil, Gas and Mineral Law Institute session
"Working Interest Disputes under AAPL 2015 Form 610 JOA"