

PRESENTED AT

42nd Annual Ernest E. Smith
Oil, Gas and Mineral Law Institute

April 15, 2016
Houston, Texas

The Model Form Meets the 21st Century

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Synopsis

I.	Introduction.....	2
II.	Revisions to the 1989 Horizontal Form JOA.....	3
	A. Article I – Definitions	4
	[1] Affiliate.....	4
	[2] Consenting Party/Drilling Party	5
	[3] Deepen/Extend.....	5
	[4] Lateral.....	6
	[5] Workover.....	6
	B. Article III – Interests of Parties	6
	[1] Article III.B – Operator’s right to amend Exhibit “A”.....	7
	[2] Article III.B – Allocation of Lease Burdens.....	8
	C. Article IV – Titles	9
	[1] Article IV.A: Title Examination.....	9
	[2] Article IV.B: Loss or Failure of Title	10
	D. Article V – Operator.....	11
	[1] Article V.A: Designation and Responsibilities of Operator	12
	[2] Article V.B: Resignation or Removal of Operator and Selection of Successor	15
	[3] Article V.D: Rights and Duties of Operator	17
	E. Article VI – Drilling and Development.....	18

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Jeff would like to thank Matthew Savage of Porter Hedges LLP for his help on an earlier version of this paper.

[1] Article VI.B: Subsequent Operations	18
[2] Article VI.D: Other Operations	20
[3] Article VI.E: Deviations from Approved Proposal	21
[4] Article VI.F: Abandonment of Wells	21
F. Article VII – Expenditure and Liability of Parties	22
[1] Article VII.C: Advances	22
[2] Article VII.D: Defaults and Remedies	22
G. Article VIII – Acquisition, Maintenance or Transfer of Interest	23
[1] Article VIII.A: Defaults and Remedies	23
[2] Article VIII.D: Assignment; Maintenance of Uniform Interest	23
H. Article X – Claims and Lawsuits	24
I. Article XII – Notices	25
J. Article XIV.C – Compliance with [Regulatory Agencies]	25
K. Article XV.A – Execution	26
L. Article XVI – Other Provisions	26
III. Conclusion	26

I. Introduction

In 1956, the American Association of Petroleum Landmen (“*AAPL*”)¹ published the first standardized joint operating agreement known as the AAPL Form 610 Model Operating Agreement (together with its later versions, generally referred to herein as “*Model Form JOA*”). This agreement, and its later versions, has proven immensely popular with the industry as the primary contractual document focused on governing the relationships among parties looking to jointly develop the oil and gas resources in a particular area. Since its inception, the AAPL periodically has revised the Model Form JOA to address both developments in the oil and gas industry and specific legal interpretations of earlier forms. In 2011, the AAPL formed a Task Force to revise the Model Form JOA that had been published in 1989 (the “*1989 Model Form*”).

¹ The AAPL later changed its name to the American Association of *Professional* Landmen.

JOA”) in order to incorporate standard industry practices and documentation relating to the increased use of horizontal drilling techniques to develop oil and gas reserves. Based on the Task Force’s recommendations in 2013, the AAPL released a modified version of the 1989 Model Form JOA (“**1989 Horizontal Form JOA**”) incorporating the Task Force’s revisions related to horizontal drilling and development. After the AAPL released the 1989 Horizontal Form JOA, the Task Force turned its attention to revising the entire Model Form JOA to address additional operational realities in energy development and the wide range of judicial decisions interpreting the 1989 Model Form JOA.

Recently, the AAPL Executive Committee and Board of Directors approved the Task Force’s newest work, the 2015 Horizontal Form JOA (“**2015 Model Form JOA**”). This 2015 Model Form JOA is intended to be used for both horizontal and vertical operations, and currently is set for release in the next few months.

Before launching into a discussion of the changes found in the 2015 Model Form JOA, a reminder of the purpose of any Model Form JOA is in order. Always remember that a Model Form JOA is a template designed to reflect nationally-accepted standards for joint operations. It is not intended to have every answer for every situation. That is the purpose of Article XVI, which allows the parties to create and insert language that will govern their specific needs and desires for their specific operations for their specific project.

II. Revisions to the 1989 Horizontal Form JOA

To create the 2015 Model Form JOA, the Task Force began with the 1989 Horizontal Form JOA. Several articles published after the release of the 1989 Horizontal Form JOA specifically discuss the differences between the 1989 Model Form JOA and the 1989 Horizontal Form JOA,²

² See Jeff Weems and Amy Tellegen, *The New Horizontal Agreement and the Prospect of an Entirely New Form*, State Bar of Texas, 31st Annual Advanced Oil, Gas and Energy Resources Law Course, October 3-4, 2013; see also

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First appeared as part of the conference materials for the
42nd Annual Ernest E. Smith Oil, Gas and Mineral Law Institute session
"The New 2015 JOA: The Model Form Meets the 21st Century"