

The OPERATING AGREEMENT

Subsequent Operations

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Introduction – Article VI

Focus on the AAPL 1989 Horizontal & New 2015
Model Forms

Provisions relating to Subsequent Operations
are contained primarily in Article VI.

Introduction – Article VI

Focus on the AAPL 1989 Horizontal & New 2015 Model Forms

What operations are covered

How the provisions are implemented

What some of the consequences are

Article VI.A – The Initial Well

This is the project that brought the parties together.

Most of the details were negotiated before the JOA was signed

Article VI.A – The Initial Well

The Initial Well is Obligatory

The only details in the agreement are:

- The location

- The objective depth or formation

- The date by which drilling will begin

Article VI.A – The Initial Well

After the Initial Well begins drilling,
everything else is either:

- a subsequent operation, or

- is excluded from the agreement.

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