

JOA's – THE BASICS



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Introduction



- Is it necessary to have an operating agreement?
- If so, why?
- What are the important functions of a JOA?
- How does each part work?
- What do I need to pay particular attention to within each part?

Purpose



- Is it necessary to have an operating agreement?
- If so, why?

Purpose



Purpose



- Oil and gas is a competitive business.
 - Mineral ownership is highly fractionated in most areas.
 - Divided ownership results in more than one party owning the right to develop the oil and gas leasehold estate.
 - Multiple operators is not practical.
- Oil and gas is a complex and expensive business



Purpose



- QUESTION: What happens when multiple owners come together to jointly develop a property without an operating agreement?

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