JOA Basics and Pitfalls: General Structure and Litigation Hotspots

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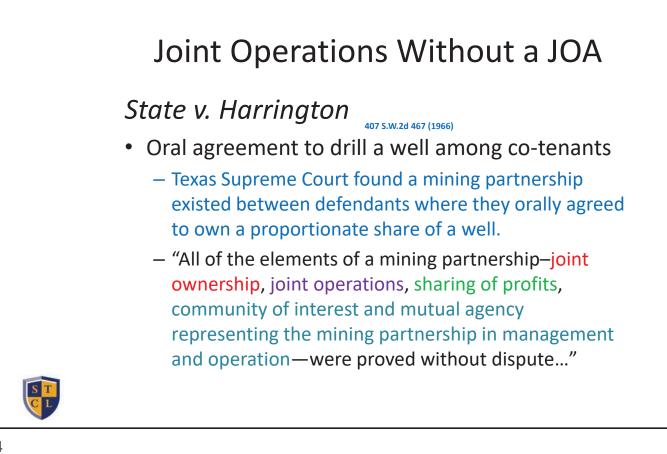
- Joint Operating Agreements ("JOAs") used when a group of O&G working interest owners in one locality decide on mutual operations.
- Defines rights and obligations of co-tenants or divided interest owners of properties in a contract area.
- Effectively "pools" the interests of the working-interest owners.
- Helps avoid disputes between the JOA parties.



1

What Happens Without a JOA?

- Joint and several liability among partners
- A thicket of common actions—*e.g.* accounting
- Oral agreements that may or may not be valid
- Fact questions about mining partnership
- So, when do we see JOAs spring up?
 - Generally, when 2 or more parties are involved in operations over the same wells
- Paper expands on JOA history & regional diffs.





Forms, Blanks & Additional Provisions

Currently, 5 AAPL domestic onshore form JOAs.

Promulgated by the American Association of Petroleum Landmen ("AAPL")—1956, 1977, 1982, 1989, and 2015.

Other Forms:

- AAPL Offshore Forms 710 and 810 (deepwater)
- RMMLF Form 2 (for Fed exploratory units)
- API Fieldwide Unit Form



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Joint Operating Agreement Basics and Pitfalls: General Structure and Litigation <u>Hotspots</u>

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