



SPECIAL INSTITUTE ON

Joint Operations and the New AAPL Form 610-2015 Model Form Operating Agreement

November 3-4, 2016

Westin Galleria, Houston, Texas

The 12th in the Foundation's highly successful Oil and Gas Agreements series, this Special Institute will focus on what is perhaps the most common contractual arrangement among business participants in the upstream oil and gas industry—the operating agreement. In cooperation with AAPL and COPAS, this two-day course will review myriad aspects of the joint operation of petroleum properties, with a focus on **AAPL's new Form 610-2015 Model Form Operating Agreement**.

Form 610 is widely used in the onshore domestic petroleum industry to govern the relationship among owners of interests for the exploration and development of oil and gas resources. AAPL is releasing a new, fully revised Form 610—the first in 27 years. Our distinguished speakers will include members of AAPL's drafting committee, academics with special expertise in oil and gas law, and professionals with extensive experience in land management, insurance, tax, and accounting. Course materials include detailed papers by our speakers, and a forms supplement.



Both experienced lawyers and landmen and those relatively new to the practice will benefit from this important and timely institute. We hope you can join us in Houston to continue the tradition of valuable educational and networking opportunities provided by the Oil and Gas Agreements series.

Course materials and audio recordings are available in various formats if you are unable to attend. See inside for details.

DAY 1: Thursday, November 3, 2016

7:00 am – 8:00 am: Registration

8:00 am – 8:10 am: Introduction and Opening Remarks

STEVIA WALTHER, Executive Director, Rocky Mountain Mineral Law Foundation, Westminster, CO

JONATHAN HUNTER, President, Rocky Mountain Mineral Law Foundation; Shareholder, Liskow & Lewis, New Orleans, LA

STEVE WILLIAMS, Program Co-Chair, Castle Rock, CO

LEE FANYO, Program Co-Chair, Associate, Lewis, Bess, Williams & Weese P.C., Denver, CO

FREDERICK MACDONALD, Managing Member, MacDonald & Miller Mineral Legal Services, PLLC, Midvale, UT

8:10 am – 9:30 am: What's New in the 2015 Form

- New and revised provisions
 - Analysis of the Drafting Committee Notes
- FREDERICK MACDONALD, Managing Member, MacDonald & Miller Mineral Legal Services, PLLC, Midvale, UT

DORSEY ROACH, UnitPro Land Consultants, LLC, Oklahoma City, OK

9:30 am – 9:50 am: Hosted Refreshment Break

9:50 am – 10:40 am: The Basics of Joint Operations

- Joint development as co-tenants
- Joint operations prior to standard forms
- Historical development of common forms
- Field-wide units
- Overview of issues

DAVID PIERCE, Norman R. Pozez Chair in Business & Transactional Law, Professor of Law, Washburn University School of Law, Topeka, KS

10:40 am – 11:30 am: The Operator

- Selecting the operator
- Duties of the operator
- Standard of care
- Relationship to the non-operators (fiduciary, good faith and fair dealing)
- Selection of successor and voting
- Removal
- Assignment of the right to operate
- Right of affiliates and other parties with no interest in the Contract Area to operate

KEITH HALL, Director, Mineral Law Institute; Campanile Charities Associate Professor of Energy Law, Louisiana State University, Baton Rouge, LA

11:30 am – 1:00 pm: Lunch – On Your Own

1:00 pm – 1:50 pm: Property Provisions of the Joint Operating Agreement

- Title issues and property mechanisms embedded in the JOA
- Waiver of partition rights
- Preferential purchase rights
- Maintenance of uniform interest
- Surrender of leases

- Acreage and cash contributions
- Areas of mutual interest
- Renewals and extensions of leases

ALEX RITCHIE, Associate Professor of Law, Karelitz Chair in Oil & Gas Law, University of New Mexico School of Law, Albuquerque, NM

1:50 pm – 2:40 pm: Drilling and Development Operations

- Initial test well
- Subsequent operations
- Order of operations
- Proper notice of elections
- Authorization for expenditure
- Timing of subsequent operations
- Right to change election
- Non-consent operations and penalties
- Liabilities of non-consenting parties for environmental pollution and plugging

MIKE CURRY, Vice President Land & Senior Counsel, Henry Resources LLC, Midland, TX

2:40 pm – 3:00 pm: Hosted Refreshment Break

3:00 pm – 3:50 pm: Horizontal Provisions of the JOA

- Analysis of horizontal language in the 2015 form, 1989-HZ form, and 1982-HZ form
- Discussion of the "Bakken JOA" and other tailoring of the horizontal provisions

JEFF WEEMS, Partner, Staff Weems LLP, Houston, TX

WILSON BUSBY, Senior Staff Landman, Continental Resources, Inc., Oklahoma City, OK

3:50 pm – 4:40 pm: Insurance Broker's Observations on Indemnity and Insurance for Joint Operations

- Customary coverage requirements
- Establishing appropriate limits
- Pitfalls of the joint account insurance
- Insurance problems in the absence of a JOA
- Well control insurance

THERESA FADUL, Senior Vice President & Director of Energy, IMA Inc., Denver, CO

4:40 pm – 5:30 pm: Tax Planning for Joint Operations

- Expected economics of the trade
- Tax rules that impact the determination of the economics
- Oil and gas tax partnerships: when to use and when to avoid
- Special issues in gas balancing agreements

JOHN BRADFORD, Of Counsel, Liskow and Lewis, Houston, TX

5:30 pm – 6:30 pm: Hosted Reception for Speakers, Registrants, and Guests

DAY 2: Friday, November 4, 2016**8:00 am – 8:50 am: Respective Liabilities of the Parties**

- Costs and cost overruns
- Non-operator liability for joint account items
- Payment of royalties and other burdens on production
- Tort and other liabilities incurred in connection with joint operations
- Statutory liability of co-owners for environmental claims
- Unit and pooling reconfigurations and recoupment
- Concerns raised by financially distressed operators and non-operators

MILAM RANDOLPH PHARO, Of Counsel, Davis Graham & Stubbs LLP, Denver, CO

LORI TAYLOR, Associate, Davis Graham & Stubbs LLP, Denver, CO

8:50 am – 9:40 am: Marketing the Production

- Take in kind provisions
- The requirement to take in kind
- Options if a party fails to take its share of production in kind
- Purchase or sale by the operator during balancing
- Interpretive uncertainty in the current gas marketing environment
- Operator risks associated with marketing for non-operators
- Royalty claims concerning valuation and post production costs
- The temporary gas marketing agreement as an alternative to the model form provision

JAMIE L. JOST, Managing Shareholder, Jost Energy Law, PC, Denver, CO

9:40 am – 10:00 am: Hosted Refreshment Break**10:00 am – 10:50 am: Judicial Interpretation of the Operating Agreement**

- Operations and liabilities with an Operating Agreement
- Relationship of the parties under the Operating Agreement
- Duties and authority of the operator
- Liability for costs of operations
- Authorization for Expenditures (“AFEs”)
- Preferential rights & Statute of Frauds concerns
- AMLs and maintenance of uniform interests
- Gas balancing and sales

CHRISTOPHER S. KULANDER, Director and Professor, Harry L. Reed Oil & Gas Law Institute, Houston College of Law; Of Counsel, Haynes and Boone, LLP, Houston, CO

10:50 am – 11:40 am: Operations in the Absence of an Operating Agreement

- State by state approach
- Force pooling
- “Compulsory” JOA in some states
- Participation election
- Non-consent penalties

LAWRENCE BENDER, Shareholder, Fredrikson & Byron, P.A., Bismarck, ND

BRUCE KRAMER, Of Counsel, McGinnis Lochridge & Kilgore LLP, Keystone, CO

11:40 am – 1:10 pm: Lunch – On Your Own**1:10 pm – 2:00 pm: Mr. Green Leisure Suit Revisited: The AAPL Model Form JOA and Nonpaying Participants**

- History of financial responsibility provisions
- Collecting sums due from delinquent parties
- What operators can do about nonpaying non-operators
- What non-operators can do about nonpaying operators
- Unique challenges in enforcing JOA financial responsibility provisions in low price environments

PAUL YALE, Shareholder, Gray Reed & McGraw, P.C., Houston, TX

2:00 pm – 2:50 pm: Article XVI: Selected Provisions

- Common provisions that address asset and transaction specific issues
- Multi-state variances
- Why Article XVI creates litigation
- Discussion of best practices

TERRY I. CROSS, McClure & Cross LLP, Dallas, TX

2:50 pm – 3:10 pm: Hosted Refreshment Break**3:10 pm – 4:10 pm: Communication Ethics**

- Negotiating with non-lawyers
- Scripting client discussions with the other side
- Communicating with clients
- Separating casual and formal communications
- Considering ABA Model Rules and AAPL Standards of Practice

DAVID G. EBNER, Lohf Shaiman Jacobs Hyman & Feiger PC, Denver, CO

4:10 pm – 5:10 pm: COPAS Accounting Procedure and Legal and Practical Considerations

- History, development, and purpose of the Accounting Procedure
- COPAS 2005 Model Form Accounting Procedure and Guidelines
- Legal issues that have arisen in the past and might arise in the future

JONATHAN BAUGHMAN, Partner, McGinnis Lochridge & Kilgore LLP, Houston, TX

KARLA BOWER, Joint Interest Consultant, ConocoPhillips Company, Houston, TX

5:10 pm Course Adjournment

A licensed version of the new 2015 AAPL Form 610 will be available for order directly from AAPL.

Can't attend? You can still order the course materials.

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Course materials and audio for Joint Operations and the New AAPL Form 610-2015 will be available within 4 weeks after the program.

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		Non-Member	RMMLF Member	
JOINT OPERATIONS & THE NEW AAPL FORM 610-2015 MODEL FORM OPERATING AGREEMENT INSTITUTE				
Looseleaf Manual (OGA12M)		\$225	\$195	\$
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LEE FANYO, Program Co-Chair, Lewis, Bess, Williams & Weese P.C., Denver, CO

SAMUEL D. HAAS, Series Co-Chair; Of Counsel, Thompson & Knight, Dallas, TX

MARC STRAHN, Past President (2015-2016), American Association of Professional Landmen; President, Wolf Haven Corporation, Story, WY

FREDERICK MACDONALD, Managing Member, MacDonald & Miller Mineral Legal Services, PLLC, Midvale, UT

JARED A. HEMBREE, Partner, Hinkle Shanor LLP, Roswell, NM

A licensed version of the new 2015 AAPL Form 610 will be available for order directly from AAPL.

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at www.rmmlf.org**

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November 3-4, 2016 Westin Galleria, Houston, Texas

General Information

Room Reservations: The Westin Galleria Hotel, 5060 W. Alabama St., Houston, Texas 77056, has blocked rooms for this Special Institute until October 11 at the rate of \$189 (single/double) per night. Ask for special rates for Rocky Mountain Mineral Law Foundation registrants. For reservations, contact the Westin at:

- Online <http://tinyurl.com/rockym116>
- Toll Free 888-627-8514

A limited number of government rate rooms are also available – email info@rmmlf.org for details. Trouble making room reservations? Contact us at info@rmmlf.org.

Car Rental: Hertz is offering special discounts by referencing Meeting CV#03NJ0011 and Rocky Mountain Mineral Law Foundation. Make reservations at <http://tinyurl.com/hertz2016> or call 800-654- 2240 (U.S.); 800-263-0600 (Canada); or 405-749-4434 (International).

Registration Fees: Include course materials, refreshments, and hosted functions as listed in this brochure. These fees do not include hotel costs or transportation. Registrations will be accepted only when accompanied by a check, money order, government purchase order or training form, credit card information, or wiring information. No registrations can be processed without payment.

Registration Cancellations: Refunds, less a \$50 administrative fee, will be given for cancellations received by 3:00pm on Wednesday, October 12, 2016. No refunds will be given thereafter, although substitution of attendees may be made by contacting the Foundation. Cancellations must be made in writing or email to info@rmmlf.org. Registrants not entitled to a refund will receive a link to the written materials and hard copy forms supplement. For questions on refunds,

complaints, and/or program cancellations, please contact our office at 303-321-8100.

CLE Credit: This course consists of approximately 14 hours of continuing education, including 1 hour of ethics. You must let us know, at least 45 days in advance of the conference, the states or organizations for which you will need credit (see registration form). Credit hours for states will vary and are subject to each state's approval and credit rounding rules. Foundation conferences are typically accredited by all mandatory CLE states and Canadian provinces, the AAPL, NADOA and NALTA, and other professional organizations. Attorneys from certain states may be required to pay an additional fee. The Foundation is a State Bar of California MCLE-approved provider.

CPE Credit: Rocky Mountain Mineral Law Foundation is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors through its website: www.learningmarket.org. There are no prerequisites and no advance preparation is required to attend this course. The delivery method is Group-Live, and up to 17 CPE credits are available, including 1 ethics credit. The program level is "overview."

Recording: Audio and video recording, streaming, or other types of live or stored dissemination are not permitted without express authorization from the Foundation.

Special Needs: If you have special needs addressed by the ADA, please notify us at least two weeks before the program.