

A Comparison of Non-Operator's Rights Under the Joint Operating Agreement 1982 and 1989 Model Forms

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Companies looking to purchase non-operating working interests will review longstanding operating agreements, or negotiate the terms of new operating agreements, to ensure that appropriate non-operator rights are present and enforceable. Lenders and investors are similarly interested in these rights when utilizing such non-operating interest to secure debt or as the basis for a direct investment in the form of overrides, farmouts, “drillcos”, volumetric production payments and a variety of other transactions. This article highlights some rights typically available to non-operators vis-à-vis their operator under the 1982 and 1989 versions of the model American Association of Professional Landmen Form Joint Operating Agreement (Form 610 Model Form).

The 1982 Form and the 1989 Form are commonly the basis for modern joint operating agreements. Important differences between the versions exist, and many operating agreements contain customized provisions added by the parties, which alter or add to the form’s printed terms. Therefore, it is important to carefully read every operating agreement to appreciate the rights and obligations of all parties.

To read the full alert, please click on the PDF below:

[A-Comparison-of-Non-Operators-Rights.pdf](#)