

ALGIERS AUSTIN DALLAS FORT WORTH HOUSTON MONTERREY PARIS RIO DE JANEIRO

Joint Operating Agreements & Pitfalls to Avoid

(including a discussion on Eland Energy v. Seagull Energy)

South Texas College of Law

August 19-20, 2004

Garrett-Townes Hall

Houston, Texas

Presented by

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I. Introduction

The purpose of this paper is to identify problems with the 1989 AAPL JOA based on case law and to propose solutions.

II. Subsequent Operations

- (A) *Dorsett v. Valence Operating Company.*
Proper notice must be followed to impose non-consent penalties.
- (B) Pay timely or forfeit.
- (C) Cost overruns.

Subsequent Operations (Cont'd.)

Proposed Operations: If any party hereto should desire to drill any well on the Contract Area other than the Initial Well, or if any party should desire to Rework, Sidetrack, Deepen, Recomplete or Plug Back a dry hole or a well . . . *The parties to whom such a notice is delivered shall have thirty (30) days after receipt of the notice within which to notify the party proposing to do the work whether they elect to participate in the cost of the proposed operation.* If a drilling rig is on location, notice of a proposal to Rework, Sidetrack, Recomplete, Plug Back or Deepen may be given by telephone and the response period shall be limited to forty-eight (48) hours, exclusive of Saturday, Sunday and legal holidays. *Failure of a party to whom such notice is delivered to reply within the period above fixed shall constitute an election by that party not to participate in the cost of the proposed operation . . .*

Subsequent Operations (Cont'd.)

If all parties to whom such notice is delivered elect to participate in such a proposed operation, the parties shall be contractually committed to participate therein provided such operations are commenced within the time period hereafter set forth, and Operator shall, no later than ninety (90) days after expiration of the notice period of thirty (30) days (or as promptly as practicable after the expiration of the forty-eight (48) hour period when a drilling rig is on location, as the case may be), actually commence the proposed operation and thereafter complete it with due diligence at the risk and expense of the parties participating therein . . . If the actual operation has not been commenced within the time provided (including any extension thereof as specifically permitted herein or in the force majeure provisions of Article XI) and if any party hereto still desires to conduct said operation, written notice proposing same must be resubmitted to the other parties in accordance herewith as if no prior proposal had been made . . .

Valence

“Proposed” v. Current Operations.

“Such operations are commenced within the time period hereafter set forth. . . . after expiration of the Notice period of thirty (30) days.

“Commencement of Operations.”

Solution to Valence

The following sentence is suggested as a revision to the penultimate sentence of the first paragraph of Article VI.B, Subsequent Operations:

“Failure of a party to whom such notice is delivered to reply within the period fixed above shall conclusively constitute an election by that party not to participate in the cost of the proposed operation regardless of whether or not such proposed operation is commenced or completed prior to the commencement or expiration of such period.”

Pay to Play

- Operator submit AFE.
- Pay within 15 days.
- Second warning?
- No timely payment – out.

Pay to Play

Forfeiture of Interests for Non-Payment of Invoices: Notwithstanding anything to the contrary contained in the Operating Agreement, between the first and 20th of each month Operator may, in accordance with Section VII.C. hereof, submit to each Consenting Party in a drilling, reworking, recompleting, deepening, plugging back and testing operation an itemized statement or invoice for its respective share of the estimated total amount of the expense to be incurred in operations during the following month. Each Consenting Party shall pay to Operator its proportionate share of the total estimated expenditures within fifteen (15) days after such estimate and invoice is received. If such payment has not been received by Operator from a Consenting Party on or before the end of said 15-day period, Operator shall promptly thereafter notify such Consenting Party and all other Consenting Parties that such payment has not been received. Each of the Consenting Parties who has paid its share of the estimated expenditures (hereinafter sometimes called "Paying Party", or collectively called "Paying Parties"), shall have the option to acquire a part of the Non-Paying Party's interest in the well, leases and agreements attributable thereto in the proportion that such "Paying Party's" percentage or fractional interest of the Consenting Parties as stated in Exhibit "A" bears to the total interests of the other "Paying Parties".

Pay to Play (Cont'd.)

Each Party electing to exercise such option shall give written notice to that effect to the Non-Paying Party within five (5) days of the end of the fifteen (15) day period provided for above. If notice is not given it will be considered an election not to exercise the option. If the option is exercised, the Non-Paying Party shall promptly thereafter execute and deliver to those who exercise their option a recordable assignment or assignments of the Non-Paying Party's interest in the well, leases and agreements free and clear of any liens, encumbrances or burdens against production placed thereon by the Non-Paying Party. [Consider limiting assignment to affected wells and spacing units or depths and excluding non-affected wells.]

Pay to Play (Cont'd.)

The exercise of the above option shall not relieve such Non-Paying Party of any obligation or liability incurred prior to the time such option is exercised and Operator and other Parties do not hereby waive any other rights they may have with respect to such previously incurred indebtedness or obligation nor in the collection or enforcement thereof. Except as altered hereby with respect to the non-payment of shares of estimated future expenditures and consequences resulting therefrom, the above referred to Agreement shall remain in full force and effect according to its terms.



**Just because you are certifiably
paranoid does not mean people
are not**

TRYING TO SCREW YOU!

***IP Petroleum Company, Inc. v. Wevanco Energy,
L.L.C.***

ARTICLE V. OPERATOR

A. Designation and Responsibilities of Operator:

_____ shall be the Operator of the Contract Area, and shall conduct and direct and have full control of all operations on the Contract Area as permitted and required by, and within the limits of this agreement. In its performance of services hereunder for the Non-Operators, Operator shall be an independent contractor not subject to the control or direction of the Non-Operators except as to the type of operation to be undertaken in accordance with the election procedures contained in this agreement. Operator shall not be deemed, or hold itself out as, the agent of the Non-Operators with authority to bind them to any obligation or liability assumed or incurred by Operator as to any third party. Operator shall conduct its activities under this agreement as a reasonable prudent operator, in a good and workmanlike manner, with due diligence and dispatch, in accordance with good oilfield practice, and in compliance with applicable law and regulation, *but in no event shall it have any liability as Operator to the other parties for losses sustained or liabilities incurred except such as may result from gross negligence or willful misconduct.*

Operator Liability

- Operations v. Other Activities
- Fair Notice and Express Negligence
- Common Goals and No Profit
- “Contorts”

Designation and Responsibilities of Operator

- **SHALL BE THE OPERATOR OF THE CONTRACT AREA, AND SHALL CONDUCT AND DIRECT AND HAVE FULL CONTROL OF ALL OPERATIONS ON THE CONTRACT AREA AS PERMITTED AND REQUIRED BY AND WITHIN THE LIMITS OF THIS AGREEMENT. IT SHALL CONDUCT ALL SUCH OPERATIONS IN A GOOD AND WORKMANLIKE MANNER, BUT, NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN CONTAINED, OPERATOR SHALL HAVE NO LIABILITY, IN CONTRACT, TORT, OR OTHERWISE, TO THE OTHER PARTIES FOR LOSSES OR LIABILITIES, WHETHER OR NOT SUCH LOSSES OR LIABILITIES ARE CAUSED BY THE NEGLIGENCE, SOLE OR CONCURRENT, OF OPERATOR INCURRED, ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OR ADMINISTRATION OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY PAYMENT OF ROYALTY, ACCOUNTING, MARKETING, PURCHASING OR GOVERNMENTAL FILINGS, OR OPERATIONS PERFORMED HEREUNDER OR ON THE CONTRACT AREA, EXCEPT SUCH AS MAY RESULT FROM GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF OPERATOR."**

ARTICLE VII.

EXPENDITURES AND LIABILITY OF PARTIES

A. Liability of Parties:

The liability of the parties shall be several, not joint or collective. Each party shall be responsible only for its obligations, and shall be liable only for its proportionate share of the costs of developing and operating the Contract Area. Accordingly, the liens granted among the parties in Article VII.B. are given to secure only the debts of each severally, and no party shall have any liability to third parties hereunder to satisfy the default of any other party in the payment of any expense or obligation hereunder. It is not the intention of the parties to create, nor shall this agreement be construed as creating, a mining or other partnership, joint venture, agency relationship or association, or to render the parties liable as partners, co-ventures, or principals. *In their relations with each other under this agreement, the parties shall not be considered fiduciaries or to have established a confidential relationship but rather shall be free to act on arm's-length basis in accordance with their own respective self-interest, subject, however, to the obligation of the parties to act in good faith in their dealings with each other with respect to activities hereunder.*

“Good Faith Covenant”

“A covenant that neither party will do anything which injures the right of the other party to receive the benefit of the agreement.

Recommend:

- Negate the Covenant
- Negate any Fiduciary Duty
- Negate Punitive Damages

The last sentence of Article VII, Paragraph A, Liability of Parties, is deleted and the following substituted therefor:

In their relations with each other under and in performance of this agreement, and any unitization agreement or other agreement relating to this agreement or the Contract Area including the marketing of gas, the parties shall not be considered fiduciaries or to have a fiduciary or confidential relationship (subject to the confidentiality provisions of this Operating Agreement) *or duty of good faith or similar duty but rather shall be free to act on an arm's-length basis in accordance with their own respective self-interests.* **NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY HERETO FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL OR INDIRECT LOSSES OR DAMAGES (IN TORT, CONTRACT OR OTHERWISE) UNDER OR IN RESPECT OF THIS AGREEMENT OR FOR ANY FAILURE OF PERFORMANCE RELATED HERETO, HOWSOEVER CAUSED, WHETHER OR NOT ARISING FROM SUCH PARTY'S SOLE, JOINT, OR CONCURRENT NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, OR OTHER FAULT OR RESPONSIBILITY.**

Operator Duties Gas Marketing

If Selling:

Negate fiduciary duty

Negate highest or best price

Negate same price?

Standard: "in a manner commercially reasonable under the circumstances"

If Buying:

State Arms length

State No fiduciary or good faith duty

State Define price clearly

Proposed Addition to Marketing Clause

- If Operator sells any gas of a Non-Operator pursuant to Article VI.G., Operator shall conclusively be deemed to have satisfied all its obligations with respect to any gas sold by Operator for a Non-Operator, if (1) the net price received by the Non-Operator for the sale of such gas is not less than the price received by Operator for gas produced from the same well, and (2) any charges, costs or fees paid by Operator to an affiliate for services in connection with the sale of such gas and deducted from the price received by the Non-Operator are not greater than those charged by such affiliate to others in arm's-length transactions. [Consider detailing specific permitted deductions.]
- The failure of Operator to obtain such net price or the incurring of affiliated charges greater than those specified above shall not be deemed to prove any breach of Operator's obligations.

Eland Energy, Inc. v. Seagull Energy ELP, Inc.

Problem

Assignor not liable for operations including plugging after assignment.

Solution

Preferential Right Covenant – **NOT!**

Assignment



Assignment

Subject to the other provisions of this paragraph, this agreement shall binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors and assigns, and the terms hereof shall be deemed to run with the Leases or Interests included within the Contract Area. If any obligations under *this agreement are assigned, the assigning party shall continue to be liable for all its obligations under the agreement arising prior to [or after] the effective date of such assignment [provided that the assigning party shall not be liable for any obligations resulting from any amendment or other change to this agreement made by the party to which such obligations are assigned.]* No party to this agreement may assign its obligations hereunder without the written consent of the other parties hereto, provided that such consent may not be withheld unless the assignee, in the [reasonable/sole] opinion of the withholding party, is not financially responsible. The Operator may not assign or otherwise transfer its rights as an Operator under this agreement, either separately or together with all or part of its Interest in the Contract Area. Any assignment that is made in breach of this Section shall be void and of no force and effect.”

Resignation or Removal of Operator and Selection of Successor:

1. Resignation or Removal of Operator: Operator may resign at any time by giving written notice thereof to Non-Operators. If Operator terminates its legal existence, no longer owns an interest hereunder in the Contract Area, or is no longer capable of serving as Operator, Operator shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor. *Operator may be removed only for good cause by affirmative vote of Non-Operators owning a majority interest based on ownership as shown on Exhibit "A" remaining after excluding the voting interest of Operator; such vote shall not be deemed effective until a written notice has been delivered to the Operator by a Non-Operator detailing the alleged default and Operator has failed to cure the default within thirty (30) days from its receipt of the notice or, if the default concerns an operation then being conducted, within forty-eight (48) hours of its receipt of the notice. For purposes hereof, "good cause" shall mean not only gross negligence or willful misconduct but also the material breach of or inability to meet the standards of operation contained in Article V.A. or material failure or inability to perform its obligations under this agreement.*

Subject to Article VII.D.1., such resignation or removal shall not become effective until 7:00 o'clock A.M. on the first day of the calendar month following the expiration of ninety (90) days after the giving of notice of resignation by Operator or action by the Non-Operators to remove Operator, unless a successor Operator has been selected and assumes the duties of Operator at an earlier date. Operator, after effective date of resignation or removal, shall be bound by the terms hereof as a Non-Operator. A change of a corporate name or structure of Operator or transfer of Operator's interest to any single subsidiary, parent or successor corporation shall not be the basis for removal of Operator.



Tipperary

Facts

Vote to remove and elect new operator.

Determination made under Article V.B. to support removal for cause.

Ct

Rejected agreement that judicial ruling required to remove
Status quo was removal of operator and election of new operator.



Adopt Tipperary Approach

“A judicial determination that good cause exists for the removal of the Operator shall not be a condition precedent to the removal of the Operator for good cause becoming effective, provided that an Operator removed for good cause shall be deemed reinstated as Operator if and when a valid judgment, which holds that good cause did not exist for such removal, becomes final and non-appealable. The Non-Operators would suffer irreparable harm if the removal of an Operator for good cause is not made effective as provided above and the Non-Operators shall be entitled to injunctive or other equitable relief to enforce any such removal of Operator.”

Operator Removal

Resignation or Removal of Operator and Selection of Successor:

If Operator terminates its legal existence, assigns or transfers all its interest hereunder in the Contract Area, no longer holds record and beneficial title to at least a _____ expense bearing interest in the Contract Area (whether or not caused by the sale of all or part of its interest) or is no longer capable of serving as Operator, Operator shall be deemed to have resigned without any action by Non-Operators, except the selection of a successor.

Maintenance of Uniform Interest

A. Assignment; Maintenance of Uniform Interest:

For the purpose of maintaining uniformity of ownership in the Contract Area in the Oil and Gas Leases, Oil and Gas Interests, wells, equipment and production covered by this agreement no party shall sell, encumber, transfer or make other disposition of its interest in the Oil and Gas Leases and Oil and Gas Interests embraced within the Contract Area or in wells, equipment and production unless such disposition covers either:

1. The entire interest of the party in all Oil and Gas Leases, Oil and Gas Interests, wells, equipment and production; or
2. An equal undivided percent of the party's present interest in all Oil and Gas Leases, Oil and Gas Interests, wells, equipment and production in the Contract Area.

Solution to Maintenance Clause

“Notwithstanding the provisions of this Agreement and of the accounting procedure attached hereto as Exhibit “C”, the parties to this Agreement specifically agree that in no event during the term of this Agreement shall Operator be required to make more than one billing for the entire interest credited to each party on Exhibit “A”. It is further agreed that if any party to this Agreement (hereinafter referred to as “Selling Party”) disposes of part of the interest credited to it on Exhibit “A”, the Selling Party will be solely responsible for billing its assignee or assignees, and shall remain primarily liable for such interests. [Deal with voting?].

Furthermore, if in the good faith judgment of Operator or if Operator is the Selling Party, a majority of the interests excluding Operator, Selling Party, by its actions, causes the need for separate facilities, including measurements or tankage, Selling Party or its qualified assignee shall bear all costs associated with such facilities including without limitation their acquisition and operation.”



THOMPSON & KNIGHT

ALGIERS AUSTIN DALLAS FORT WORTH HOUSTON MONTERREY PARIS RIO DE JANEIRO

Preferential Rights

DELETE IT

Preferential Rights

Delete It

Avoid the Texas Two Step

Sufficiency of Notice

“Sale”

Same Terms – “Good Faith”

Implementation of Right

Did I mention . . .

DELETE IT



Solution

Delete It

Preferential Right

To address all the issues raised, except the “two step” issue, the following clause is suggested:

“If any party desires to sell or otherwise transfer all or part of its interest in any oil and gas lease or in any oil and gas interest that is to be developed and operated for purposes of this agreement (collectively called in this section, an “Operating Interest”), such party (“Selling Party”) shall promptly give written notice to the other parties owing an interest in the Contract Area with full information concerning the proposed transaction. It is expressly agreed that this preferential right shall not apply to any overriding royalty interest, net profits interest, royalty interest, or other non-operating interest. The notice must (a) include the name and address of the prospective transferee (who must be ready, willing, and able to purchase), the purchase price, and all other terms of the desired transaction (collectively, the “Desired Terms”); (b) include a copy of any proposed or executed written agreement that sets forth the Desired Terms, including all exhibits, schedules and related agreements; and (c) be accompanied by a written purchase and sale (“Sale Offer”) signed by the Selling Party that provides for sale of all of the Operating Interest that the Selling Party will sell under the desired transaction. The Sale Offer shall provide for the sale of the Operating Interest to the other parties, in proportion to the interest owned by such other parties in the Contract Area, on the same terms as the Desired Terms, provided that the Sale Offer shall not include any terms or conditions that were included for the purpose of defeating or avoiding this preferential purchase right. The other parties that own an interest in the Contract Area shall then have the right for a period of _____ days (“Exercise Period”) after the notice and Sales Offer is delivered to purchase the Operating Interest which the Selling Party proposes to sell on the Desired Terms except for any terms or condition that were included for the purpose of defeating or avoiding the preferential purchase right contained herein. If this preferential purchase right is exercised, the purchasing parties shall share the purchased interest in the proportions that the interest of each bears to the total interest of all purchasing parties in the Contract Area.

Preferential Right (Cont'd.)

A party shall be deemed to have exercised its preferential purchase right (1) on the date that it executes and returns the Sales Offer or (2) if such party disputes in good faith that the Sales Offer provides for a sale on the same terms as the Desired Terms (except for any terms or condition that were included for the purpose of defeating or avoiding the preferential purchase right contained herein), on the date that its written notice exercising its preferential purchase right is actually delivered to the Selling Party. If no party exercises its preferential purchase right, the Selling Party may enter into a binding agreement or proceed to close on any such agreement already executed to transfer such Operating Interest on terms and conditions no less favorable to the Selling Party than the Desired Terms during a period ("Third Party Sale Period") ending _____ days after the Exercise Period. If, however, no such binding agreement is entered into during the Third Party Sale Period or no closing occurs during the Third Party Sale Period pursuant to such binding agreement and the agreement is thereafter terminated, then no sale may thereafter be entered into by the Selling Party without first again complying with this Section.

In the case of a package sale that includes all or part of Selling Party's interest in an Operating Interest or if the proposed transaction is structured as a non simultaneous, like kind exchange under Section 1031 of the Internal Revenue Code of 1986, the interest that is subject to this preferential right shall be separately valued and the notice shall state the value attributed to such interest by the prospective transferee and attributed to each of the other properties included in the desired transaction. This preferential right shall apply separately to each party interest in the Contract Area, regardless of whether it is included in the proposed transaction along with other property, whether as a sale, lease, sublease, "farm out," or non simultaneous, like kind exchange or other transfer and no provision in this Agreement shall be interpreted to defeat this preferential right.



Preferential Right (Cont'd.)

However, there shall be no preferential right to purchase in those cases where a party desires to (i) mortgage its interests; or (ii) transfer title to its interests to its mortgagee in lieu of or pursuant to foreclosure of a mortgage of its interests; or (iii) dispose of its interests by merger, reorganization, or consolidation, or by sale of all or substantially all of its assets to another party.

Remember Delete It

AMI

Should cover more than extensions or renewals of leases.

Why Competition?

Affiliates.

North Central.

AMI

The lands outlined in _____ on the map attached hereto as Exhibit ____ are designated as an Area of Mutual Interest (such Area of Mutual Interest being herein called the “AMI”), for the purposes of, and subject to the terms of, this Agreement.

The AMI shall be effective as of the date first written above and shall remain in effect until the earlier to occur of (a) _____ or (b) the date which is one year after the date on which the last oil, gas and/or mineral lease (or other interest in oil, gas and other minerals which is other than a perpetual interest) which is contributed to this agreement or jointly acquired under this Section ____ by the parties and covers lands within such AMI expires or is released insofar as it covers lands within such AMI.

AMI (Cont'd.)

Should a party acquire (the party making such acquisition being herein sometimes called the "Acquiring Party"), from any person or entity not a party to this agreement (a) an oil, gas and/or other mineral lease, an interest in an oil, gas and/or mineral lease or other interest in oil, gas and/or minerals covering lands any part of which are located within an AMI, (b) an overriding royalty, royalty, production payment, net profits interest or other interest in oil, gas and/or other minerals produced from lands any part of which are located within an AMI, or (c) a right (including, without limitation, a farm in or option) to acquire such a lease, interest in a lease, or other interest described in the preceding (a) or (b) covering lands any part of which are located within an AMI (any such properties, interests and rights described in clauses (a) and (b) so acquired, insofar and only insofar as the same cover lands within such AMI, being herein collectively called the "Applicable Interests," and singularly called an "Applicable Interest"), the Acquiring Party shall notify the other parties hereto, in writing, promptly of such acquisition, the consideration paid or to be paid for the Applicable Interest, any other obligations (including, without limitation, drilling obligations) undertaken or to be undertaken as a part of such acquisition and any other terms of such acquisition. Each of such other parties shall, within 20 days after receipt of such a notice from the Acquiring Party with respect to an acquisition, notify the Acquiring Party, in writing, whether such party wishes to participate in such acquisition. The failure of such party to respond, within the time and in the manner set forth above, shall be deemed an election not to participate. Should any such other party so request, the Acquiring Party shall make available to such other party, during such 20 day period, any data (other than data it cannot disclose under confidentiality arrangements) which such other party requests which is in the Acquiring Party's possession and on which the Acquiring Party relied in deciding to make such acquisition.

AMI (Cont'd.)

This Section shall be binding upon the parties to this agreement and their Affiliates. Without limitation of the generality of the foregoing, the parties hereto agree that if any of their Affiliates acquire Applicable Interests, such party shall be deemed to have acquired the Applicable Interests itself, and shall be responsible to the other parties hereunder for such acts, and must cause its Affiliate to offer any Applicable Interests that have been acquired by its Affiliate to the other parties hereto in accordance with the provisions of this Agreement. "Affiliate" means (a) any Person directly or indirectly owning, controlling or holding with power to vote 50% or more of the outstanding voting securities of any other Person, (b) any Person 50% or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by any other Person, (c) any Person directly or indirectly controlling, controlled by or under common control with any other Person, and (d) any officer, director, partner or sanguinal or affinal kin of any other Person or any Person described in subsection (c) of this paragraph. "Person" means an individual, an estate, a corporation, a partnership, an association, a joint stock company, a limited liability company, a joint venture, a trust and any other legally recognized entity. Any Applicable Interest shall be considered to be a renewal or replacement lease and the provisions of Article VIII.B. shall be applicable to such Applicable Interest.

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**South Texas College of Law
ENERGY LAW INSTITUTE
for Attorneys and Landmen
August 19-20, 2004 - Houston, Texas**

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13.25 MCLE hours, including 2.25 hours of legal ethics.**

**Accredited by the American Association of Professional Landmen for 13.25 RLP CE credits
and 13.25 CPL recertification credits, including 2.25 ethics credits**

Thursday, August 19, 2004

8:00	Registration and Continental Breakfast
8:55	Welcome and Opening Remarks <ul style="list-style-type: none"> James J. Alfini, <i>President and Dean, South Texas College of Law - Houston</i> Professor Olga L. Moya, <i>Director of CLE, South Texas College of Law - Houston</i>

**Morning Moderator:
Lisa Bagley Brown, *Occidental Oil & Gas Corp.***

9:00	Governmental Investigations of Oil and Gas Reserve Reclassifications <ul style="list-style-type: none"> Richard L. Jacobson, <i>Fulbright & Jaworski L.L.P. - Washington, D.C.</i>
9:30	Energy Web Sites <ul style="list-style-type: none"> Jay G. Martin, <i>Winstead Sechrest & Minick P.C. - Houston</i>
9:50	The Best Deal for Your Client: Must It Be Ethical? (<i>Ethics topic</i>) <ul style="list-style-type: none"> Dr. Alfred J. Boulos, <i>Boulos International - Houston</i>
10:35	Morning Break
10:50	Force Majeure Clauses <ul style="list-style-type: none"> Jay D. Kelley, <i>Vinson & Elkins L.L.P. - Houston</i>
11:20	Texas Railroad Commission Regulatory Issues

	<ul style="list-style-type: none"> • John R. Hays, Jr., <i>Hays & Owens L.L.P. - Austin</i>
11:50	Master Limited Partnerships <ul style="list-style-type: none"> • Philip R. Lehmberg, <i>Winstead Sechrest & Minick P.C. - Houston</i> • Paul E. Strohl, <i>Winstead Sechrest & Minick P.C. - Houston</i>
12:20	Lunch Break (Lunch provided) <i>(pick up lunch and return to the auditorium)</i>
12:35	Lunch Presentation Images of Lawyers in Film <i>(Ethics topic)</i> <ul style="list-style-type: none"> • Dean Nancy B. Rapoport, <i>University of Houston Law School - Houston</i>
1:20	After Lunch Break

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Afternoon Moderator:
Robert F. LaRaia, *Anadarko Petroleum Corporation*

1:30	FCPA: Challenges and Practice Tips <ul style="list-style-type: none"> • Robert J. Meyer, <i>Willkie Farr & Gallagher LLP - Washington, D.C.</i>
2:00	Clear Language Drafting Principles <ul style="list-style-type: none"> • Barbara J. Bordelon, <i>Barbara Bordelon Attorney at Law - Houston</i>
2:30	Practical Techniques for Drafting Oil and Gas Instruments <ul style="list-style-type: none"> • Mark K. Leaverton, <i>Rash, Chapman, Schreiber & Porter LLP - Austin</i>
3:00	Comparison of Texas and Louisiana Anti-Indemnity Statutes and Practical Drafting Techniques <ul style="list-style-type: none"> • Jeanmarie B. Tade, <i>EOG Resources, Inc. - Houston</i> • J. Ralph White, <i>Montgomery Barnett, L.L.P. - New Orleans, LA</i>
3:45	Afternoon Break
4:00	Choice of Law in Petroleum Agreements <ul style="list-style-type: none"> • P. Sean Murphy, <i>Hunt Petroleum Corporation - Dallas</i>
4:30	LNG Value Chain <ul style="list-style-type: none"> • Harry W. Sullivan, <i>ConocoPhillips - Houston</i>
5:00	Worldwide Landscapes for Independents

	<i>by Keynote Speaker</i>
	<ul style="list-style-type: none"> Robert K. Reeves, <i>Senior Vice President, Corporate Affairs and Law, Anadarko Petroleum Corporation - Houston</i>
5:30	Adjourn to Keynote Speaker Reception in 6th floor reception area of the Fred Parks Law Library

Total MCLE hours for Thursday = 7.5 hours, including 1.5 hour of legal ethics

*Please join us at a
welcoming reception for our keynote speaker*
Robert K. Reeves
 Senior Vice President, Corporate Affairs and Law
 Anadarko Petroleum Corporation, Houston
Thursday, August 19, 2004
 5:30 to 7:00 p.m.
*R.S.V.P. to Ben Santillan at santillan@stcl.edu or (713) 646-2937
by August 12, 2004*

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Friday, August 20, 2004

8:00	Continental Breakfast
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Morning Moderator: N.E. "Skip" Maryan, Jr., *Thompson & Knight, LLP*

8:30	Access to OCS Lands, Incentives to Development, Current OCS Royalty and Revenue Sharing Issues <ul style="list-style-type: none"> L. Poe Leggette, <i>Fulbright & Jaworski L.L.P. - Washington, D.C.</i>
9:00	Using Insurance to Your Advantage in the Oil Patch <ul style="list-style-type: none"> Ernest Martin, Jr., <i>Haynes and Boone LLP - Dallas</i>
9:30	Land and Legal Problems Related to Horizontal Drilling <ul style="list-style-type: none"> H. Philip Whitworth, <i>Scott, Douglass & McConnico, L.L.P. - Austin</i>
10:00	Morning Break

10:15	Two Years in the Life of a Committee Chair: The AIPN International Model Contract Process and the Farmout Agreement <ul style="list-style-type: none"> N.E. "Skip" Maryan, Jr., <i>Thompson & Knight, LLP - Houston</i>
10:45	Joint Ventures in the Oil and Gas Market <ul style="list-style-type: none"> Adrienne Randle Bond, <i>Law Offices of Adrienne Bond - Houston</i>
11:15	Anatomy of an Offshore Infrastructure Acquisition <ul style="list-style-type: none"> Michael P. Darden, <i>Baker Botts L.L.P. - Houston</i>
11:45	Lunch Break (Lunch provided) <i>(pick up lunch and return to the auditorium)</i>
12:00	Lunch Presentation Judicial Process Reform <ul style="list-style-type: none"> S. Jack Balagia, Jr., <i>Exxon Mobil Corporation - Houston</i>
12:40	After Lunch Break

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**Afternoon Moderator:
Pat E. Allison, *Allsion & Schoemaker, L.L.P.***

12:55	The Eleven Commandments of Professional Responsibility <i>(Ethics topic)</i> <ul style="list-style-type: none"> Vincent E. Morgan, <i>Pillbury Winthrop LLP - Houston</i>
1:40	Onshore Drilling Contracts <ul style="list-style-type: none"> Matt Jones, <i>Liskow & Lewis, PLC - Lafayette, LA</i>
2:10	Joint Operating Agreements and Pitfalls to Avoid (including a discussion of Eland Energy v. Seagull Energy) <ul style="list-style-type: none"> Arthur J. Wright, <i>Thompson & Knight, LLP - Dallas</i>
2:55	Adjourn

Total MCLE hours for Friday = 5.75 hours, including .75 hour of legal ethics

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