

# ENVT 144 Basic Contracts & Agreements

**Number of credits:** 3

**Course Description:** Drilling costs in the petroleum industry are the catalyst for several types of contracts. This course examines agreements from exploration to operation. Topics include contract components, the seismic phase, the development phase, the drilling phase, joint operating agreements, and unit operating agreements.

**Pre-/Co-requisites:** None

**Course Objectives:** It is expected that students will be able to

- Identify the legal, required components of a contract.
- Define the various types of seismic programs, and describe the process for securing consent for geophysical exploration.
- Draft agreements used in the development stage of oil & gas production, such as confidentiality agreements, joint venture agreements, letter agreements, oil & gas leases, AMI agreements, farm-outs, and production payments.
- Calculate the override percentage in cases where farm-out arrangements have been made.
- Demonstrate an understanding of when surface agreements are needed, and create surface right agreements.
- Develop a joint venture agreement that includes non-consent interests picked up by consenting parties.
- Summarize the two the types of contracts required before exploration on federal land.

**Instructor Bio:** Seth Williams; Landman, teacher/trainer and Chief Executive Officer of STC, Inc. a sales, training and consulting company located in Centennial, Colorado, Seth has accomplished many things over his career. Among those is the founding of a multi-million dollar service and supply company; successfully initiated and negotiated contracts on behalf of major companies; successfully trained hundreds of students including land and land administration professionals, provided business consulting to small businesses and start-up companies; designed highly profitable programs through marketing, training and partner relationships and guided leadership teams for multiple non-profit organizations.

**Office:** Online

**Office Hours:** Use the e-mail tool within the online course to communicate with the instructor. Course e-mail messages will be checked daily, Monday through Friday.

**Phone:** If you have a technical problem, contact the Distance Education office by calling 1-701-228-5623 or 1-888-918-5623 (toll-free) or the Moodle help desk: 1-866-940-0065.

**Email:** Use online course e-mail tool in Moodle.

**Lecture/Lab Schedule:** Online; assignments and assessments must be completed on or before due dates. Students may work ahead.

**Textbook(s):** *Contracts Used by the Land Professional*; 2009 edition; Petroleum Education Workshops, LLC

*A Comprehensive Study on the Oil & Gas Lease, Lease Obligations, and Lease Clauses*; 2007 edition; Petroleum Education Workshops, LLC

### **Course Requirements:**

**Progress Checks:** Each chapter will be followed by a graded progress check that can be completed multiple times. Only the best score will be used. Progress checks should be completed by Sunday.

**Discussion Forums:** Three graded discussions are assigned. Students are expected to post a original response and also comment on the posts of two other students. Students initial post should be submitted by each Thursday. Follow-up responses should be posted on Sunday. A 10% deduction will be given to late submissions.

**Assignments:** Seven graded assignments are given. Points vary from 25-100 each. Assignments must be turned in by Midnight on Sunday. At 10% deduction will be given to late submissions.

**Learn the Terms:** Key terminology is provided in a learning activities at the start of the course. Students can complete the activity unlimited times over the term. Only the highest score will be used.

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### **Tentative Course Outline:**

Week 1: The Essence of a Contract

Week 2: The Seismic Phase

Week 3: The Developmental Phase: Confidentiality, Joint Venture, Letter Agreements

Week 4: The Developmental Phase: The Oil & Gas Lease; Area of Mutual Interest; Farm-out

Week 5: The Developmental Phase: Production Payment

Week 6: The Drilling Phase

Week 7: Joint Operating Agreements

Week 8: Unit Operating Agreements

**General Education Goals/Objectives:** N/A

**Relationship to Campus Theme (Nature, Technology, & Beyond):** This course requires the application of science, technology, and social sciences to perform business tasks.

**Classroom Policies:**

- Regular participation is expected. Students should commit a minimum of 3 hours per week to class activities.
- Learning activities and progress checks will occur in the Moodle learning system and require Internet connectivity.
- Progress Checks can be taken multiple times to ensure understanding of the concepts. The highest score will be used. Each progress check must be completed on or before the due date.
- Assignments and discussions are due by the last day of the week in which they are assigned.

**Evaluation:** Grades for the course are calculated by dividing the total points earned by the total points possible. Letter grades are assigned using the scale below.

A--90-100%

B--80-89%

C--70-79%

D--60-69%

F--59% or lower

Total points for class (8 weeks) = 469

- Assignments = 250 pts
- Progress checks = 74 pts
- Discussion Questions (3 @ 15 pts each) = 45 pts
- Learn the Terms: 100 pts
- **Final Exam = 100 pts**

**Academic Integrity:** The academic community is operated on the basis of honesty, integrity and fair play. It is the expectation that all students, as members of the college community, adhere to the highest levels of academic integrity. This means that:

- Students are responsible for submitting their own work. Student work must not be plagiarized.
- Students must not work together on graded assignments without authorization from the instructor or get help from people, technological resources, textbooks, notes, etc. on examinations.

**Disabilities and Special Needs:** If you have a disability for which you need accommodation, contact the Learning Center to request disability support services: phone 701-228-5477 or toll-free 1-888-918-5623.

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