ENERGY LAND MANAGEMENT

This course presents a broad overview of the most needed information related to petroleum land management with significant time focused on the role land personnel in the development of oil and gas plays, the oil and gas lease, oil and gas contracts and understanding critical petroleum land title issues and solutions. Specific topics include types of land ownership, severance of minerals, land descriptions, determination of mineral ownership, including undivided interests, the rule of capture and the role of the recording system. Students will understand how leases are acquired and how to evaluate lease provisions. We will briefly review pooling and unitization and the role of state and federal regulatory agencies. Students will understand how to calculate royalties, overriding royalties, working interests and net revenue interests and the importance of lease administration. We will review the "due diligence" process used when buying and selling mineral interests and critical title curative problems, title opinions, and the use of affidavits, curative conveyances and stipulations in order to "cure" title problems. Finally, key oil and gas contracts are reviewed including the fundamentals and critical specific details concerning leases, farmouts, support agreements and joint operating agreements. Internet tools and ethics in the oil and gas industry are also discussed. Cases and practical exercises are included.

The course covers topics that include real property and oil and gas law including key issues related to acquiring and properly protecting oil and gas interests. Also included are economic and financial decision-making and the role of taxation in such decisions. The role of leases, contracts and land titles will be discussed in depth including joint operating agreements (the AAPL Model Form), and farmout agreements. Internet tools and ethics in the oil and gas industry are also discussed. Cases and practical exercises are included.

OIL AND GAS LAW FOR THE PETROLEUM INDUSTRY

This course provides a tremendous amount of information in only two days. It is perfect for anyone seeking to understand how oil and gas law drives the oil and gas industry and the activities of oil and gas participants including lenders, investors, lessors, working interest owners, government regulators, attorneys, landmen and others. To compete, and excel, in this industry, one simply must understand the property interests that are commonly created in oil and gas and the land from which they are produced. This course provides that, and more. The course begins with a review of the nature of the landowner’s interest in oil and gas, the nature and characteristics of mineral interests, the rights and duties between surface and mineral owners, the creation and duration of mineral leases, and different kinds of royalty and mineral interests. Students will learn the law governing oil and gas ownership, development, marketing, and transfer. The oil and gas industry uses a number of unique contractual arrangements to explore for, develop, produce, and market oil and gas and this course includes not only a good overview of key clauses of the oil and gas lease and conveyancing, but also examines the law governing farmout agreements, agreements for the sale and exchange of producing properties, operating agreements, drilling contracts, production sales contracts, the law governing oil and gas development on federal public lands, pooling agreements and unitization agreements. (State oil and gas conservation issues are better understood by understanding some of the history of the oil and gas industry including the evolution of the “rule of capture” and “doctrine of correlative rights” and how this led to regulation of drilling and production and the importance of understanding spacing rules and pooling and unitization). Finally, sometime is devoted to environmental laws that apply to the exploration, development, and production of oil and gas.

CRITICAL TITLE ISSUES FOR PETROLEUM LAND MANAGEMENT

This class covers crucial information for the land professional dealing with critical title issues and conveyances that impact how oil and gas interests are calculated and maintained. Numerous title problems will be reviewed including acreage discrepancies, "after acquired title," "after discovered" or omitted property, the Duhig Rule, execution defects, mechanics' and materialmen's liens, the rule related to interest conveyed vs., land described; descent & distribution; homestead, life tenancy issues and term mineral conveyances. We briefly present key aspects regarding curative methods and the role of different types of title opinions.
UNDERSTANDING AND NEGOTIATING THE OIL & GAS LEASE

This course provides a solid understanding of the more common provisions and the legal significance of an oil and gas lease. Students will better understand Termination vs. Savings clauses and will be able to evaluate alternative wording and the implications of striking or modifying the following:

1. the granting clause, which outlines the purpose of the lease and the substances that can be explored and produced;
2. limits and rights regarding surface operations;
3. the duration of the lease;
4. extension of the primary and secondary terms of the lease;
5. the royalty clause, which allocates to the landowner a certain portion of the substances produced;
6. surface damages;
7. "pooling," i.e., consolidating the leased premises with adjoining leased tracts;
8. the assignment clause, which permits both the lessor and the lessee the unrestricted privilege of assigning their rights under the lease and limitations;
9. the warranty clause, which binds the landowner to defend interest in, or title to, the leased premises;
10. the lessee's right to free water, oil, and gas;
11. the force majeure clause, which protects the oil companies from liability and loss of the lease whenever causes beyond their control suspend operations; and
12. Other clauses the landowner may demand.


OIL AND GAS CONTRACTS AND THEIR EFFECTIVE USE

This course assumes some knowledge of mineral conveyancing and addresses, in more depth, the Farmout Agreement and Joint Operating Agreement with a review of numerous other contracts and a brief summary of the required elements found in an enforceable contract and defenses to a breach of contract case. We will look at special issues such as what to do about gas balancing problems, the use of area of mutual interests "AMIs," problems such as costs of completing and reworking wells, dealing with non or underperforming operators and how to remove them, earning conditions, interests assigned and reserved, tax considerations, committing leases to Farmout Agreements, dealing with minimum depth in Farmout Agreements, cost overruns in jointly drilled wells, critical issues for Joint Operating Agreements including understanding the AAPL model form, interests of the various parties, proper conduct of operations and what to do about defaulting parties. We will also look at some of the more challenging and critical issues regarding the oil and gas lease.

CURING OIL AND GAS LEASE AND PETROLEUM LAND TITLE DEFECTS

This course presents that most important function known as curing land titles. The purpose of a title opinion, whether it is for lease acquisition, drilling, division order, security, or production purchase purposes, will control the format of the opinion, the information reported in the opinion, and what title defects lead to title requirements. To get it right, one needs to know exactly what a title opinion is and how and why we have a need to “cure.” In this course we will review and discuss key ideas concerning the drilling title opinion, the supplemental title opinion, the division order title opinion, types of curative instruments including lease amendments, designation or change in depository, amendment of description, extension of primary term, amendment of lease, affidavits including various types such as affidavit of identity, affidavit of heirship and marriage history, affidavit of use and possession, affidavit of adverse possession, affidavit of non-production, affidavit of production, and corroborating affidavit. We will review other curative instruments such as ratification and/or consent to pool, release of oil and gas lease, release of deed of trust or lien, subordination of lien, tax certificates, statement of tenant, quitclaim deed, stipulation of interest, certified or exemplified copies, e.g. power of attorney or divorce decree, and the role of other documents in the curative process.
CALCULATING OIL AND GAS INTERESTS
This course is intended to equip Land Professionals with critical skills for calculating Working Interests, Net Revenue Interests and other interests found in leases, assignments, operating agreements and associated documents. This course will begin with simple examples and progress towards complex examples, teaching the fundamental calculations for Royalties, ORRIs, Net Revenue Interests and Working Interests. After attending this workshop, students will better understand the fundamental progressions and calculations of WI & NRI as an un-leased mineral interest becomes leased and progresses to become part of a producing tract, oil unit, gas unit, and field-wide unit. Students will learn the consequences of changing WI & NRI for Leases, Assignments, Unitizations, Farmout BPO/APO scenarios and JOA Non-Consent Penalties. Students will better understand the role of convertible and terminating interests, e.g. when a Farmor's ORRI is converted to a partial WI at “payout” and the impact on the NRI for Farmor and Farmee or when a non-operator goes “non-consent” when they have signed a JOA and do not approve an AFE and enter the “penalty phase.”

FARMOUTS: CRITICAL CONCEPTS AND PRACTICES
This course provides an overview of the widely used “Farmout” Agreement beginning with its history and how it is typically defined and distinguished from other relationships. Requirements for validity are reviewed and a review of how particular Farmout agreements and terms have been used and misused is considered. Specific included topics and issues include checkerboard arrangements-divided interests, undivided interests, Farmouts combined with other agreements, Farmouts involving limitations as to depth or formation, assignments, drilling requirements, simple Farmouts subject to “back-in” provisions, and whether Farmouts create a “carried interest.” Costs recoverable by the Farmee are discussed such as blowout expenses, interest on expenditures for mineral exploration and litigation expenses. We consider Farmor's retained interests and the extents of interests conveyed and discuss Farmouts as creating various interests or relationships. Also included are Farmouts and gas balancing agreements, overriding royalty payments, triggering a working interest option, preferential purchase rights, and effect of hold harmless clauses, performance, breach and damages when things go wrong. Students will negotiate various farmout agreements involving various deal terms.

DUE DILIGENCE IN THE ACQUISITION AND DIVESTITURE OF OIL AND GAS PROPERTIES
In this course, students learn why and how to do a due diligence examination. “Due diligence” is a term that comes from provisions in the typical purchase and sale agreement that deal with the buyer's examination of the property and the seller's records. Such clauses typically provide that the buyer will have both the access and right to examine the property and pertinent files, books and records of the seller. The buyer is charged with knowledge of all defects or deficiencies he could have discovered through the exercise of due diligence in his examination of the property, the official title records and the files, books and records of the seller. Any objections to title or the physical condition of the properties not presented to the seller by a given date will be deemed to have been waived and the buyer will literally have to accept the property in an "as is, where is" condition.

"Due diligence” really means the buyer's examination of these records. The land professional has traditionally performed tasks that could be broadly described as the acquisition, development and management of individual properties. Land professionals are typically involved in matters such as title work, lease purchasing, negotiation and preparation of contracts such as operating agreements, farmout agreements, surface damage agreements, lease administration and other things that are involved in the drilling and management of wells. Inside examination covers examination of the seller's files, books and records. Outside examination covers the physical examination of the property, the environmental examination and the examination of official title records. Both the inside and outside examination are reviewed and tips are presented for coordinating the entire due diligence search in a cost effective and timely manner.

The course will be useful not only to land professionals but also to management and administrative personnel, lease record analysts, division order analysts, attorneys, paralegals and other persons who, regardless of their job titles, have been called upon to participate in the land and title aspects of acquisition and divestment.
UNDERSTANDING JOINT OPERATING AGREEMENTS

This course focuses on what may be the most common agreement for upstream oil and gas operations, the Joint Operating Agreement. We will look at the history of the AAPL model form operating agreement and some its weaknesses and some means of avoiding problems with its use. We will discuss who is the operator, basics of joint operations, duties of the operator, relationship and duties to non-operators, joint operations under pooling and unitization, property provisions, e.g. preferential purchase rights, general joint operations provisions, liabilities of the parties, cost overruns, COPAS overhead litigation, loss of lease rights, failure to reassign subleased interests, recent appellant decisions, non-consent issues, insurance and other risk management issues, tax planning for joint operations, joint operations not covered by the typical agreement, marketing production, enforcing the agreement, removing the operator, exhibits to the agreement, accounting procedures and audits. For some issues we will examine how those who are using, or may be using, either the 1956, 1977, 1982 or 1989 model 610 forms can face significantly different results, depending on the problem at hand. Selected special issues will also be included.

UNDERSTANDING AND SETTLING SURFACE DAMAGE CLAIMS

This course will cover important areas of the law related to surface damages such as the fact that as the law exists today, the owner of a mineral lease, rather than the surface estate owner, possesses the dominant estate. This dominance allows the mineral lessee to use as much of the surface owner's land as is reasonably necessary for the production of any minerals, including oil and gas. During the course of exploration and production, the surface owner's land, water, crops, or livestock are often damaged. Students will learn that how it is that the right of the mineral owner to enter the land and do what is necessary to capture the minerals has been recognized for many years. Over the years, courts have struggled to determine what duties, if any, the mineral owner owed to the landowner when the surface was used for the exploration of oil and gas. Students learn how the law concerning the mineral owner's rights to the surface emerged unyieldingly in favor of the mineral estate; progressed to recognition of surface owners' interests; and has presently evolved into varying attempts to balance the rights of the two conflicting estates. Through a review of real life examples and cases, students will learn that the ultimate conflict to be resolved in most surface damage litigation is whether the mineral estate owner's use of the surface is reasonable. The question of reasonable use is answered on a case-by-case basis by employing such concepts as 'due regard to the rights of the surface owner,' 'accommodations of rights,' and 'alternative methods of production;' however, these concepts are utilized without regularity or clear definition. As a result, there is too much uncertainty concerning likely outcomes if litigation occurs. Settlement of surface damages is a much more desirable outcome and this course deals with the goal of effective and efficient settlement, but uses cases and a workshop approach to understand what can happen if settlement is not reached and litigation results. Students will consider surface damages statutes and negotiate surface damage cases and surface use agreements.