



# Houston Association of Professional Landmen

February 1, 2017

[www.hapl.org](http://www.hapl.org)

HAPL Bulletin #458

## HAPL UPCOMING EVENTS:

### February 7

HAPL Luncheon,  
Houston Petroleum Club

### February 21

HAPL Board Meeting,  
Sullivan's Steakhouse

### February 22

HAPL Service Committee BBQ  
Dinner, Goldberg B'nai B'rith  
Towers

### March 7

HAPL Luncheon,  
Houston Petroleum Club

### March 29

HAPL 20<sup>th</sup> South Texas Social,  
Goode's Armadillo Palace

### April 4

HAPL Luncheon,  
Houston Petroleum Club

### April 8

HAPL Brookwood Softball  
Game, Brookwood Community

### April 18

HAPL 48<sup>th</sup> Technical Workshop,  
Haynes & Boone LLC

### April 18

HAPL 17<sup>th</sup> Rockies Social,  
St. Arnold Brewery

## HAPL FEBRUARY LUNCHEON SPEAKER TODD STAPLES – PRESIDENT OF TXOGA



Todd Staples is the President of the Texas Oil & Gas Association, the state's oldest and largest trade association representing every facet of the oil and gas industry, including small independents, major producers, pipelines and refineries. Staples was twice elected statewide to serve as the Texas Agriculture Commissioner and is the author of Broken Borders, Broken Promises, a book that details our nation's border and immigration challenges and provides a bold path forward. He served with distinction as a member of the Texas Senate and House and began his elected service on the city council in his hometown of Palestine. As a successful businessman and rancher, he was deeply involved in volunteer service for his local church, community and state. Today, Staples continues his passion to help make the Lone Star State the best place to do business and raise a family.



Topic: "Energy Issues in the 85<sup>th</sup> Legislative Session"

Register online at <http://www.hapl.org/events/634/>

## 2016-2017 HAPL OFFICERS



President – Justin Matthews, CPL  
Apache Corporation  
[justin.matthews@apachecorp.com](mailto:justin.matthews@apachecorp.com)  
713-296-6794



First VP – Ben Eisterhold, CPL  
ConocoPhillips Company  
[ben.eisterhold@conocophillips.com](mailto:ben.eisterhold@conocophillips.com)  
832-486-3827



Second VP - Allyson Johnstone Howard, CPL  
Helmsman Minerals, LLC  
[allyson@helmsmanminerals.com](mailto:allyson@helmsmanminerals.com)  
713-273-4242



Third VP – Eli Huffman  
Lone Star Production Company  
[eli@lonestarproduction.com](mailto:eli@lonestarproduction.com)  
713-784-7474



Secretary – Stephanie Sullivan, CPL  
Independent  
[ssullivan5001@gmail.com](mailto:ssullivan5001@gmail.com)  
713-504-9814



Treasurer – Jeffrey Klam, CPL  
Memorial Resource Development, LLC  
[jklam@memorialrd.com](mailto:jklam@memorialrd.com)  
713-898-0368



Assistant Treasurer – Wade Edington, CPL  
Surprise Valley Resources, LLC  
[wedington@surprisevalleyresources.com](mailto:wedington@surprisevalleyresources.com)  
713-834-2415



Immediate Past President – Mike Gibson, CPL  
Cinco Energy Management Group  
[migibson@cincoland.com](mailto:migibson@cincoland.com)  
713-463-6009

## 2016-2017 HAPL DIRECTORS



Director – Erica Adkins  
ConocoPhillips Company  
[erica.adkins@conocophillips.com](mailto:erica.adkins@conocophillips.com)  
832-486-2485



Director – Jonathan Click, CPL  
Click Energy  
[Jt\\_click@hotmail.com](mailto:Jt_click@hotmail.com)  
832-725-9910



Director – Bailey Coe  
Eni US Operating Co., Inc.  
[bailey.coe@enipetroleum.com](mailto:bailey.coe@enipetroleum.com)  
713-393-6136



Director – Tim Dover, CPL  
Independent  
[tim6895@att.net](mailto:tim6895@att.net)  
832-693-4515



Director – Tiffany Ganer  
Swift Energy Company  
[tiffany.ganer@swiftenergy.com](mailto:tiffany.ganer@swiftenergy.com)  
281-874-2881



AAPL Director, Region IV – Joel Loshak  
Independent  
[jloshak@gmail.com](mailto:jloshak@gmail.com)  
713-444-6613



Director – Daniel Negrón, RPL  
Independent  
[danielnegrón03@gmail.com](mailto:danielnegrón03@gmail.com)  
972-898-4112



Director – William O'Neal  
Castex Energy, Inc.  
[woneal@castexenergy.com](mailto:woneal@castexenergy.com)  
281-447-8601x145

## 2016-2017 HAPL DIRECTORS (Cont'd)



Director – Amanda L. Van Deusen, CPL  
Haynes & Boone, LLC  
[Amanda.vandeusen@haynesboone.com](mailto:Amanda.vandeusen@haynesboone.com)  
713-574-2417



Director – Andy Wetherell, CPL  
Chevron  
[andy.w@chevron.com](mailto:andy.w@chevron.com)  
713-372-9914



Director – Tyler Woodruff  
Alamo Resources II, LLC  
[twoodruff@alamoresources.com](mailto:twoodruff@alamoresources.com)  
713-224-2500

## 2016-2017 HAPL COMMITTEE CHAIRMEN

AAPL ANNUAL AWARDS – Lauren Williams Sims, RPL  
EP Energy  
[lauren.sims@epenergy.com](mailto:lauren.sims@epenergy.com)  
713-997-4257

AUDIT – Jeffrey Klam, CPL  
Memorial Resource Development LLC  
[jklam@memorialrd.com](mailto:jklam@memorialrd.com)  
713-898-0368

AWARDS BANQUET – Brett Jennings, RPL  
BP America Production Co.  
[brett.jennings@bp.com](mailto:brett.jennings@bp.com)  
281-504-0826

Kelly Dickerman Quiring  
Apache Corporation  
[kelly.quiring@apachecorp.com](mailto:kelly.quiring@apachecorp.com)  
713-296-6592

EDITORIAL – Eli Huffman  
Lone Star Production Company  
[eli@lonestarproduction.com](mailto:eli@lonestarproduction.com)  
713-784-7474

EXECUTIVE NIGHT – Tiffany Ganer  
Swift Energy Company  
[tiffany.ganer@swiftenergy.com](mailto:tiffany.ganer@swiftenergy.com)  
281-874-2881

## 2016-2017 HAPL COMMITTEE CHAIRMEN

GOLF – Justin Ezell  
Apache Corporation  
[justin.ezell@apachecorp.com](mailto:justin.ezell@apachecorp.com)  
281-302-2531

GOVERNMENTAL AFFAIRS – Mike Gibson, CPL  
Cinco Energy Management Group  
[mgibson@cincoland.com](mailto:mgibson@cincoland.com)  
713-463-6009

INFORMATION TECHNOLOGY – Jaime Lossada  
Independent  
[jlosada87@hotmail.com](mailto:jlosada87@hotmail.com)  
832-477-6261

LUNCHEONS – Allyson Johnstone Howard, CPL  
Helmsman Minerals LLC  
[allyson@helmsmanminerals.com](mailto:allyson@helmsmanminerals.com)  
713-273-4242

MEMBERSHIP – Vernon Henry  
Val Verde Minerals, LLC  
[vernon.henry@valverdeminerals.com](mailto:vernon.henry@valverdeminerals.com)  
713-859-8566

MENTORING PROGRAM – Cole Hierholzer  
Scala Energy  
[chierholzer@scalaenergy.com](mailto:chierholzer@scalaenergy.com)  
832-813-2153

NOMINATING – Mike Gibson, CPL  
Cinco Energy Management Group  
[mgibson@cincoland.com](mailto:mgibson@cincoland.com)  
713-463-6009

OUTSTANDING LANDMAN – Stephanie Sullivan, CPL  
Independent  
[ssullivan5001@gmail.com](mailto:ssullivan5001@gmail.com)  
713-504-9814

OUTSTANDING SENIOR AWARD – Mike Gibson, CPL  
Cinco Energy Management Group  
[mgibson@cincoland.com](mailto:mgibson@cincoland.com)  
713-463-6009

PAST PRESIDENT'S COUNCIL – Alan Morgan, CPL  
Remora Oil Company  
[amorgan1@flash.net](mailto:amorgan1@flash.net)  
281-980-6455



## 2016-2017 HAPL COMMITTEE CHAIRMEN (Cont'd)

SALTWATER FISHING TOURNAMENT–Jerry Niekamp/Katie Eisterhold  
Dunn Exploration Company, LLC  
[jniekamp@dunnexploration.com](mailto:jniekamp@dunnexploration.com) / [keisterhold@dunnexploration.com](mailto:keisterhold@dunnexploration.com)  
713-533-1217

SATURDAY SEMINAR (FALL) – Zach Morgan  
Marathon Oil Company  
[zmorgan@marathonoil.com](mailto:zmorgan@marathonoil.com)  
713-296-3952

Stewart O'Neal, RPL  
ConocoPhillips Company  
[stewart.oneal@conocophillips.com](mailto:stewart.oneal@conocophillips.com)  
832-486-2662

SATURDAY SEMINAR (SPRING) – Joey Moppert, RPL  
ConocoPhillips Company  
[Edward.J.Moppert@conocophillips.com](mailto:Edward.J.Moppert@conocophillips.com)  
281-206-5165

SCHOLARSHIP – Stephanie Sullivan, CPL  
Independent  
[ssullivan5001@gmail.com](mailto:ssullivan5001@gmail.com)  
713-504-9814

SERVICE – Mimi McGehee  
[mrm1915@aol.com](mailto:mrm1915@aol.com)  
Independent  
713-784-0166

Erica Adkins  
ConocoPhillips Company  
[erica.adkins@conocophillips.com](mailto:erica.adkins@conocophillips.com)  
832-486-2485

SHALE PLAY SEMINAR – Jonathan Click, CPL  
Click Energy  
[jt\\_click@hotmail.com](mailto:jt_click@hotmail.com)  
832-725-9910

SKEET SHOOT – Wade Edington, CPL  
Surprise Valley Resources, LLC  
[wedington@surprisevalleyresources.com](mailto:wedington@surprisevalleyresources.com)  
713-834-2415

SOCIAL (ENERGY ENTREPRENEURS) – Laura Cass, CPL  
Independent  
[laurakass@gmail.com](mailto:laurakass@gmail.com)  
713-865-2963

SOCIAL (NEXT GENERATION LANDMAN) – Hunter M. Arbuckle  
EP Energy  
[Hunter.arbuckle@epenergy.com](mailto:Hunter.arbuckle@epenergy.com)  
713-997-5452

SOCIAL (OFFSHORE) – Bailey Coe  
Eni US Operating Co., Inc.  
[bailey.coe@enipetroleum.com](mailto:bailey.coe@enipetroleum.com)  
713-393-6136

## 2016-2017 HAPL COMMITTEE CHAIRMEN (Cont'd)

SOCIAL (PERMIAN BASIN) – Scott Davis, CPL  
R.D. Davis & Associates, LLC  
[scott\\_davis@rddinc.net](mailto:scott_davis@rddinc.net)  
832-377-2290x105

SOCIAL (ROCKIES) – Mark Metz, CPL  
Independent  
[marktmetzcpl@gmail.com](mailto:marktmetzcpl@gmail.com)  
832-526-2400

SOCIAL (SHALE PLAY) – Jonathan Click, CPL  
Click Energy  
[jt\\_click@hotmail.com](mailto:jt_click@hotmail.com)  
832-426-4386

SOCIAL (LOUISIANA) – Eric M. Thomas, CPL  
SunCoast Land Services, Inc.  
[erict@suncoastland.com](mailto:erict@suncoastland.com)  
713-375-3300

SOCIAL (SOUTH TEXAS) – Joe Diciara, RPL  
BAYTEX Energy  
[joseph.diciara@baytexenergy.com](mailto:joseph.diciara@baytexenergy.com)  
713-402-1934

SOCIAL (SPRING SWING MEMBER DRIVE) – Will O'Neal  
Castex Energy, Inc.  
[woneal@castexenergy.com](mailto:woneal@castexenergy.com)  
281-447-8601x145

Kris Korté  
Texas Petroleum Investment Company  
[kriskorte@gmail.com](mailto:kriskorte@gmail.com)  
832-485-4348

TECHNICAL WORKSHOP – Amanda L. Van Deusen, CPL  
Haynes & Boone, LLC  
[amanda.vandeusen@haynesboone.com](mailto:amanda.vandeusen@haynesboone.com)  
713-547-2417

TRIBUTE TO EDUCATION – Stephanie Sullivan, CPL  
Independent  
[ssullivan5001@gmail.com](mailto:ssullivan5001@gmail.com)  
713-504-9814

UNIVERSITY LIASION – Kristen Hunter  
Chevron USA, Inc.  
[Kristen.hunter@chevron.com](mailto:Kristen.hunter@chevron.com)  
713-372-1708



# McCormick & Associates LLC

*Complete Land Services Anywhere in the United States by Experienced Professionals You Can Trust*

## HOME OFFICE

PO Box 13690 | Odessa, TX 79768

432-614-2169      432-248-4382 mobile

432-614-2478 fax      866-269-1829 toll free

Oklahoma

PO Box 2317

Stillwater, OK 74074

Montana

PO Box 3626

Lewistown, MT 59457

Arizona

PO Box 7584

Tempe, AZ 85281

mccormickllc@aol.com

[www.mccormickllc.com](http://www.mccormickllc.com)

---



**OIL & GAS TITLE ATTORNEYS**  
**DUPUIS & POLOZOLA**  
— ATTORNEYS AT LAW —

**TEXAS**  
2219 SAWDUST ROAD, STE 201  
THE WOODLANDS, TX 77380  
PH (832) 494-1711 • FX (888) 781-0162

**LOUISIANA**  
COLLEGE OAKS BUILDING  
900 S. COLLEGE RD, STE 302 • LAFAYETTE, LA 70503  
PH (337) 235-2232 • FX (888) 781-0162

[WWW.DUPISSOLOZOLA.COM](http://WWW.DUPISSOLOZOLA.COM)

---



**Randy Helms**  
President

13910 Champion Forest Dr.  
Suite 105  
Houston, TX 77069

Dir: 281-880-8984 Ext. 203  
Fax: 281-880-8234  
Cell: 713-516-3760

[rhelms@teaminonline.com](mailto:rhelms@teaminonline.com)

**AAPL**

**HAPL**

## DWIGHT SNELL & ASSOCIATES

Dwight Snell, CPL/ESA

P.O. Box 407 • Simonton, Texas 77476

**(281) 346-1932 • FAX (281) 346-1972**

[dwight@yourlandman.com](mailto:dwight@yourlandman.com)

Professional Land Services

Cost-Effective Time Frames

## MARK YOUR CALENDARS

### AAPL JOA SEMINAR



Format: Workshop

Location: Houston, TX

Date: February 2, 2017

Time: 8:00 AM - 4:15 PM

Credits: 7.00 CEU

Speaker: [Dorsey T. Roach, CPL](#)

The AAPL Model Form Operating Agreement is one of the most essential contracts employed by the oil and gas industry. Every oil and gas professional involved in the drilling of wells needs to have a basic understanding of the AAPL Model Form Operating Agreement, especially the rights, duties and obligations of the operator, as well as those of the non-operators.

[CLICK HERE FOR MORE INFO!](#)

### AAPL FIELD LANDMAN SEMINAR



Location: Southwestern Energy Company

Date: February 9, 2017

Time: 1:00 PM - 5:00 PM

Credits: 2.00 CEU

Speaker: [Jim R. Dewbre, CPL](#) & [Chris Pettigrew](#)

The AAPL invites you to attend a **FREE** Field Landman Seminar.

[CLICK HERE TO REGISTER ONLINE](#)

### HAPL MARCH LUNCHEON

The next HAPL luncheon will be held on **Tuesday, March 7<sup>th</sup>, 2017**, at the Houston Petroleum Club from 11:30am to 1:00pm. Check-in starts at 11:30 and lunch will be served at 12:00 followed by a presentation. We hope to see you there! You can register online at <http://www.hapl.org/events/635/>. **The last day to register is Monday, March 6<sup>th</sup> by 1:00pm.** Please register on time since we are required to guarantee a certain number of seats with the Petroleum Club in advance.



For more industry events, check out the HAPL calendar at <http://www.hapl.org/events/month/>



# NAPE SUMMIT

## GLOBAL PROSPECT Expo & Conference

FEBRUARY 13-17, 2017 | HOUSTON, TEXAS  
GEORGE R. BROWN CONVENTION CENTER

JOIN 10,000 E&P DEAL MAKERS  
REGISTER BY DECEMBER 30 FOR PRIORITY PRICING

ATTEND | EXHIBIT | SPONSOR AT [WWW.NAPEEXPO.COM](http://WWW.NAPEEXPO.COM)



## NAPE WEEK 2017 FEB 13-17

### NAPE SUMMIT EXPO

*featuring domestic and international prospect preview presentations*

### NAPE GLOBAL BUSINESS CONFERENCE

*where experts weigh in on E&P trends, challenges, advances and more*

### NEW AIPN SEMINAR

*hosted by NAPE; presented by the Association of International Petroleum Negotiators*

### NAPE CHARITIES LUNCHEON

*featuring General Colin L. Powell, USA (Ret.)*



### NEW OIL & GAS OVERVIEW COURSE

*hosted and presented by IPAA; sponsored by NAPE*

**NAPE**

Where Deals Happen



LAND



OCS



INTL



[www.NAPEexpo.com](http://www.NAPEexpo.com) f t in v



*HAPL OFFICER FORUM*  
*2016-2017 HAPL ASSISTANT TREASURER*  
*WADE EDINGTON, CPL*



*“Tomorrow hopes we’ve learned something from Yesterday”*

Fellow HAPL Members:

The last few years have been a challenge to all of us in the land industry. For some, this is the first downturn and for others, this is may be the second or third. Regardless of the number of downturns we have been through, they never seem to get any easier.

We all know a person or persons that have been affected by the recent changes in our industry. Unfortunately for those affected, they have had to make difficult decisions regarding their lives. Hopefully, they can take from their past experiences to better their future.

Albert Einstein once said, “Learn from yesterday, live for today, hope for tomorrow.” This year, our HAPL President, Justin Matthews, has chosen “Tomorrow hopes we've learned something from Yesterday” as our newsletter theme. I believe both lines of thought are great ways in which we can model our lives. We can learn from our past experiences and hope for a better tomorrow.

As we have seen in the past, things will get better. We have all been through a couple of very challenging years but I believe these challenges will make all of us better in the long run. I encourage everyone to take this time to reflect on your past experiences, build on them and hope for better times tomorrow.

Respectfully,



Wade Edington, CPL

HAPL Assistant Treasurer



## HAPL 20<sup>TH</sup> ANNUAL SOUTH TEXAS SOCIAL

COME JOIN US FOR BBQ, BEER,  
FUN & DOOR PRIZES!



On Wednesday, March 29, 2017, the Houston Association of Professional Landmen ("HAPL") will be hosting its annual South Texas Social from 5:00 p.m. to 8:00 p.m. For the eleventh year in a row, the Social will be held at "Goode's Armadillo Palace" on 5015 Kirby, which has been a terrific venue for the South Texas Social. We are excited to announce that we will be in their new dancehall.

We are requesting sponsor commitments in advance in order to reserve the exciting venue! A financial contribution by you or your company will ensure the success of this very special event. All sponsoring companies will be recognized at the event with the company name and level of sponsorship prominently displayed. In addition, the sponsor information will appear in the HAPL newsletter and possibly other publications. The following sponsorship levels are available:

**PLATINUM LEVEL \$1,000 or above**  
**GOLD LEVEL \$500-\$999**  
**SILVER LEVEL \$250-\$499**  
**BRONZE LEVEL \$249 or less**

In appreciation for sponsorship, this year we will raffle off a two day dove hunt for four people and a one day duck hunt for four people. **This raffle is for sponsors only!** See below on how to participate. Don't miss out on this opportunity to win this hunt!

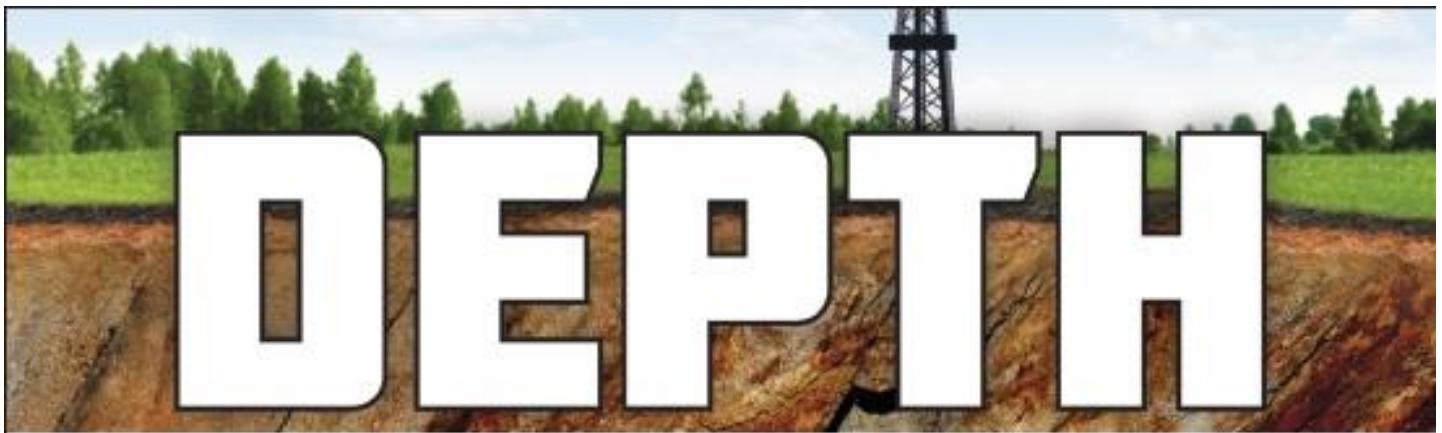
### **How to participate:**

- 1) Sponsor check must be received before 3/01/17
- 2) Must be present to win
- 3) Enter one company business card per \$250 sponsorship

Example: For a: \$1,000 sponsorship, enter 4 business cards.  
\$500 sponsorship, enter 2 business cards.  
\$250 sponsorship, enter 1 business card.

**2017 HAPL South Texas Social sponsor checks can be made payable to "HAPL" and sent to:**

HAPL South Texas Social  
c/o Joe Dichiara, RPL  
Chairman  
Baytex Energy  
713-402-1934  
1200 Smith St., Ste. 2300  
Houston, Texas 77002  
[Joseph.Dichiara@BAYTEXEnergy.com](mailto:Joseph.Dichiara@BAYTEXEnergy.com)



## In Mineral Title

### THE PROOF IS IN THE NUMBERS



Request your copy of our award-winning research at [steptoe-johnson.com/below](http://steptoe-johnson.com/below)

7,000 mineral title opinions in multiple shale plays

More than 200 energy attorneys and paraprofessionals cross-trained to understand title in 22 states

1 of the largest due diligence teams nationwide

More than 100 years of experience in energy law

20 attorney Division Order Title Opinion Team

2 attorneys in The Woodlands office Board Certified in Oil, Gas, and Mineral Law by the Texas Board of Legal Specialization

Top-ranked in energy law by *Chambers USA*, *The Best Lawyers in America*<sup>®</sup>, and AV rated by Martindale-Hubbell

**SJ** STEPTOE  
& JOHNSON  
P L L C

**Sharon O. Flanery**  
Chair, Energy and Natural Resources Department  
[sharon.flanery@steptoe-johnson.com](mailto:sharon.flanery@steptoe-johnson.com)

[www.steptoe-johnson.com](http://www.steptoe-johnson.com)

THIS IS AN ADVERTISEMENT

---

## 10 OIL & GAS CASES TO WATCH IN 2017

BY: CHRIS HALGREN & AUSTIN W. BRISTER OF MCGINNIS LOCHRIDGE

---

With the beginning of a new year, there are several oil cases pending in the Texas Supreme Court relevant to the oil and gas industry. We'll be following these cases throughout the year. Sign up as a subscriber to [oilandgaslawdigest.com](http://oilandgaslawdigest.com) to receive updates on these and other cases.

Here are ten cases that we will be watching:

### **Argued Cases**

The Supreme Court has granted a petition for review in each of the following cases and oral argument has already occurred.

1. **Production in Paying Quantities:** *BP Production Company v. Laddex, Ltd.* – A top lessee seeks a determination that a prior lease terminated for failing to produce in paying quantities. This will be one of the first Supreme Court cases to analyze the law related to production in paying quantities in quite a while.
2. **Liability for Surface Damages:** *ExxonMobil Corp. v. Lazy R Ranch, et al.* – A surface owner seeks an injunction against a lessee which would require the lessee to remediate damage to the property. The lessee contends that the cost to remediate the property would exceed the property's value, thus the relief would run afoul of longstanding Texas law which limits recovery in property damage cases to the value of the property.
3. **Parties Necessary for Royalty Litigation:** *Richard D. Crawford v. XTO Energy, Inc.* – The Supreme Court will determine whether a royalty owner who claims to have been underpaid must join any third-parties that may have received royalties which should have been paid to the plaintiff royalty owner. The royalty owner in this case claims that such a procedural requirement would place an undue burden on small royalty owners.

### **Petition Granted**

The Supreme Court has granted a petition for review in the following cases, but oral argument has not yet occurred.

4. **Fiduciary Duties:** *Longview Energy Company v. The Huff Energy Fund, LP, et al.* – This case analyzes the duties owed by board members to a company. The trial court judgment, valued by some to be just under \$1 Billion (based largely on the value of mineral interests at the time), but the appellate court held that there was insufficient evidence to support a claim for breach of fiduciary duty by usurping a business opportunity.
5. **Shut-In Wells:** *BP America Production Company v. Red Deer Resources, LLC* – Another lease termination case, the parties dispute whether a well shut-in by BP America could perpetuate the lease. At issue, among other things, is whether a well was capable of producing in paying quantities when shut-in and whether a reasonably prudent operator would continue to operate the lease.

(Continued on next page)

6. **Indemnity:** *Noble Energy, Inc. v. ConocoPhillips Company* – A purchaser of assets out of a bankruptcy estate took the assets “free and clear” of all “claims,” but an appellate court found a duty of defense and indemnity existed in connection with a \$60 million liability arising 10 years after the assets were purchased. This case should be followed by any company acquiring assets out of bankruptcy proceedings.
7. **Pooling:** *Samson Exploration, LLC v. T.S. Reed Properties, Inc., et al.* – This dispute involves several questions related to the nature of pooling and the corresponding lease obligations. Among others, this case concerns the legal effect of two overlapping units designated by Samson as well as the interpretation of lease language controlling how royalty payments are computed.<sup>1</sup>

### **Briefing on the Merits Requested**

The Supreme Court has requested full briefing on the merits, but has not yet determined whether to grant a petition for review. If the petition for review is denied, the proceeding at the Texas Supreme Court will likely be over. If it is granted, then the case will likely be set for oral argument.

8. **Offset Obligations:** *Murphy Exploration & Production Company – USA v. Shirley Adams, et al.* – The dispute concerns the obligations placed on a lessee to protect a lease from drainage. The trial court held that the lessee complied with the requirements of the lease’s offset obligations clause, but the appellate court reversed based on its holding that the lessee did not prove that an offset well drilled to comply with the lease did in fact protect the lease from drainage.
9. **Retained Acreage Clauses:** *XOG Operating, LLC, et al. v. Chesapeake Exploration Limited Partnership, et al.* – At issue is the interpretation and application of a retained acreage clause. The dispute focuses, in large part, on whether the lessee is permitted to retain all acreage it could have included in a proration unit or only the acreage which it actually included in the proration unit for each well.
10. **Post-Production Costs:** *The General Land Office of the State of Texas, et al. v. Sandridge Energy, Inc., et al.* – Recently reinstated by the Supreme Court, this is another “post-production costs” dispute concerning whether a royalty clause requiring payment of royalty based on the “greater of” the market price where produced or the gross price paid to the lessee. The appellate court held that royalty should be determined net of costs, but the GLO contends this conflicts with the express terms of the leases.



Chris Halgren



---

<sup>1</sup> In the interest of disclosure, I am an attorney of record in this case. The description of this case is not intended to be a comment on the merits.

Denver | Fort Worth | Houston | Midland | Oklahoma City | Washington PA

LAND SERVICES REDEFINED™  
Across America



Holland Services is truly redefining the land services business, drawing on our professionals' decades of experience while also employing today's high tech tools to solve the toughest land challenges.

We invite you to find out how our sophisticated land solutions can help you turn real property into real assets.



Upstream



Midstream



Downstream



GIS / Mapping



Transactional  
Services



Aerial Mapping  
& Surveying



[hollandservices.com](http://hollandservices.com)

800.585.3755



## HAPL SERVICE COMMITTEE

### SAVE THE DATES!

**Goldberg Tower BBQ and Bingo – Wednesday, February 22, 2017** – We will be serving BBQ to the residents of Goldberg Tower and then after dinner assist them in playing bingo. It is a fun evening and there will be the need for food servers, helping hands and bingo spotters. We start serving at 6:00pm and usually conclude the evening by 8:00pm. This is a great opportunity for your child or grandchild to get service hours.



**Brookwood Community Softball Game – Saturday, April 8, 2017.** We will gather starting at 9:30am to set up the field and then play ball. It is a really fun event to show your athletic prowess or lack thereof, however, there is no judgment in softball. The more landmen in attendance; the more Brookwood residents get to play. Everyone that plays needs a partner. After the game, stay around and indulge yourself with a James Coney Island lunch.



Mark your calendar for both events and be watching in future issues of the Newsletter for more details. If you have any questions at this time, please email either Mimi McGehee at [mrm1915@aol.com](mailto:mrm1915@aol.com) or Erica Adkins at [Erica.Adkins@conocophillips.com](mailto:Erica.Adkins@conocophillips.com).

(Continued on the next page)



If you attended the HAPL Golf Tournament in November and bought a raffle ticket on one of the sponsored holes for the Big Green Egg, both the Service Committee and the Scholarship Committee say thank you so much for your generosity. T. S. Dudley Land Company, one of our sponsor's, split the profits from the raffle with the two committees. Dudley earmarked the Service Committee portion to be donated to Sailing Angels Foundation.

Sailing Angels Foundation provides the education and recreational therapy in the form of sailing to disabled, chronically ill and "At-Risk" children as well as wounded warriors, their families and bereaved families. This is a free service which is provided to the Greater Houston Community. This agency has only a 4% administrative overhead. During 2016, the program had 1,693 participants and over 11,000 individuals have been served over the nine years they have been operating out of the marinas in the Clear Lake area. Captain Dave, the Founder and Director has told Service Committee members the story of one child who was extremely autistic who spoke for the first time while sailing. He was about nine years old and it was the first time his mother had ever heard her son speak. The Service Committee is very happy to support such an outstanding agency.

Other agencies funded by the outreach allocation out of the general funds budget of the HAPL are:

- Children's' Prison Art Project - This agency works with incarcerated minors teaching them to express their frustrations by writing poetry, drawing and theater arts. There is a 65% no return rate for the children who participate in this program. HAPL is shown as a funding agency on all their publications.
- Christian Community Service Center - In August, HAPL funded forty-five (45) children with school supplies and uniform vouchers. HAPL is shown as a major organization funder on the agency's publications.
- Workshop Houston – This agency offers after school activities to youth in the Third Ward of Houston. HAPL is shown as a "Partner" on their website.
- Goldberg Towers – A HUD housing facility in South west Houston. The committee provides a catered BBQ dinner and hosts Bingo with the residents. Mark your calendar for Wednesday, February 22 if you would like to help. This is a very uplifting evening for all landmen who attend. There will be a sign-up list at the HAPL NAPE booth later this month.
- Brookwood Committee – HAPL has been playing softball at Brookwood for over 15 years. It is a wonderful event and you can sign up to play at the HAPL NAPE booth. The game will take place on Saturday, April 8.

So when you are grilling out this spring on your old, rusty Weber Grill because you did not win the raffle, know that someone with special needs is having an amazing time sailing and one of your fellow landmen's children is thrilled to have been given a college scholarship through the HAPL Scholarship Committee.



## ACCOUNTING, LEASE RECORDS, DIVISION ORDER & DUE DILIGENCE

Save Time and Money by Putting the Professionals at Associated Resources to Work for You!

### WHY OUTSOURCE?

- Direct Access to an Experienced Oil and Gas Workforce - No Training Required
- Service on an "As Needed Basis". Pay only for the Time and Services Required
- Expand Areas of Capabilities without Adding Employees
- Avoid Expanding and Downsizing Staff with Changing Economic Conditions
- Reduce Management Challenges and Lower Overhead
- Flexibility to Focus More on Core Areas that Generate the Greatest Return on Investment

### OUR SERVICES

- Oil and Gas Accounting
- Division Order Well Set-up and Maintenance
- Joint Interest Billing
- Lease Records Set-up, Entry and Maintenance
- Accounts Payable and Receivable
- Revenue Distribution
- Database Compatibility/Conversion and Programming
- Title Opinion Curative
- Suspense and Escheat
- In-House Due Diligence for Buyers and Sellers
- Pooling/Integration and Spacing Preparation and Testimony

Accounting • Division Order



ASSOCIATED RESOURCES INC.

Associated Resources Inc. | First Place Tower | 15 East 5th Street, Suite 200 | Tulsa, OK 74103 | (918)584-2111

Please contact Brandon Ward at  
(918)236-2663 for more information

[WWW.ARITULSA.COM](http://WWW.ARITULSA.COM)

Brandon Ward  
[bward@aritulsa.com](mailto:bward@aritulsa.com)

**A Law Firm with  
Energy at its Core.**

**RGB**

**RANDAZZO  
GIGLIO & BAILEY LLC**  
Business Minded. Energy Focused.

**[www.RGB-LLC.com](http://www.RGB-LLC.com)  
337.291.4900**

**900 East Saint Mary Blvd., Suite 200  
Lafayette, LA 70503-2378**

We understand your challenge –  
Remove obstacles.  
Eliminate surprises.

**LISKOW & LEWIS**

We've been there before.

[Liskow.com](http://Liskow.com) | New Orleans | Lafayette | Houston  
A Professional Law Corporation; Robert S. Angelico, Managing Partner





## **48TH ANNUAL TECHNICAL WORKSHOP SAVE THE DATE - APRIL 18, 2017**

Presented by the **Houston Association of Professional Landmen**  
and Hosted by **Haynes and Boone, LLP - Live from Houston, Texas**

Broadcast by WebEx to 25+ Regional Landman Associations and Companies Nationwide

### ***Sign-up now to Host one of our Remote Event Locations!***

(Please contact Amanda Van Deusen, Committee Chairman at [amanda.vandeusen@haynesboone.com](mailto:amanda.vandeusen@haynesboone.com))

The event will be approved for 7 CPL/RPL credits, including 1 ethics credit.

#### **Potential Topics** (*Topics Subject to Change*):

- Oil Capital – History of American Oil, Wildcatters and Their Bankers
- Multi-State Case Law Update
- Lessons in Lease Maintenance – Continuous Development and Shut-in Royalty Provisions
- Primer on the New AAPL JOA Form 610-2015
- Ethics for the In-House and Field Landman
- *Remaining Topics & Speakers TBD*

#### **REGISTRATION:**

**HAPL Member Price: \$60.00**

**Non-Member Price: \$75.00**

To register, visit [www.hapl.org](http://www.hapl.org) today for the Haynes & Boone Houston location only  
OR contact your local landman association for a remote webinar location near you.

#### **HAPL TECHNICAL WORKSHOP SPONSORSHIP:**

**Gold – \$1,000.00 and above**

**Silver – \$500.00**

**Bronze – \$250.00**

To sponsor, please visit the “*Make a Donation*” page on the **HAPL** website ([www.hapl.org](http://www.hapl.org)) and  
select the **Technical Workshop** from the drop-down menu.

***Thank you for your support!***

YOU ARE INVITED TO ATTEND

# The 17th Annual "ROCKIES RENDEZVOUS" SOCIAL

PRESENTED BY

THE HOUSTON ASSOCIATION OF PROFESSIONAL LANDMEN

**WHAT:** HAPPY HOUR WITH A MEXICAN FLAIR  
Food and Refreshments provided

**WHEN:** TUESDAY, APRIL 18, 2017  
5:30 P.M. to 7:30 P.M.

**WHERE:** ST. ARNOLD BREWERY (Main Hall)  
2000 LYONS AVENUE  
HOUSTON, TEXAS 77020

**WHY:** A ROCKIES RENDEZVOUS FOR LANDMEN  
TO COLLABORATE, BARTER, AND  
SPIN STORIES ON LATEST DISCOVERIES

**Levels of sponsorship:**

- o Gold: \$1000 and above
- o Silver: \$500
- o Bronze: \$250
- o Other: Donation items, Door Prizes, Trips, etc.

**Sponsor Information:**

Company \_\_\_\_\_

Address: \_\_\_\_\_

Representative: \_\_\_\_\_

Amount: \_\_\_\_\_

Phone: \_\_\_\_\_

e-mail: \_\_\_\_\_



**Make Checks Payable To:**

HAPL  
C/O Mark Taylor Metz  
400 Emerson St.  
Houston, Texas 77006  
832-526-2400  
marktmetzcpl@gmail.com

## NEW HAPL MEMBERS

Matthew Adkins - Associate

**Chevron**

1400 Smith St.

Houston, TX 77002

713-372-0437

[matthew.adkins@chevron.com](mailto:matthew.adkins@chevron.com)

Brian Burns - Associate

**Apache Corporation**

2000 Post Oak Blvd.

Houston, TX 77056

713-296-7479

[brian.burns@apachecorp.com](mailto:brian.burns@apachecorp.com)

Drew Dixon - Active

**BHP Billiton Petroleum**

1360 Post Oak Blvd., Ste 150

Houston, TX 77056

361-574-3534

[drew.dixon@bhpbilliton.com](mailto:drew.dixon@bhpbilliton.com)

Douglas Keith - Active

**Kinder Morgan Company. LP**

1001 Louisiana

Houston, TX 77002

713-365-8771

[douglas\\_keith@kindermorgan.com](mailto:douglas_keith@kindermorgan.com)

Natalie Morriss - Active

**Holland Services**

1776 Yorktown St., Ste. 301

Houston, TX 77056

713-255-5170

[natalie.morriss@gmail.com](mailto:natalie.morriss@gmail.com)

John Scot Overbey - Associate

**Fortis Minerals**

1111 S. Bagby St., Ste. 2150

Houston, TX 77002

405-201-2106

[johno@fortisminerals.com](mailto:johno@fortisminerals.com)

Amy Siecko - Associate

**Vanguard Natural Resources**

5847 San Felipe, Ste. 3000

Houston, TX 77057

832-399-3766

[asiecko@hotmail.com](mailto:asiecko@hotmail.com)

Brandon Stamp - Associate

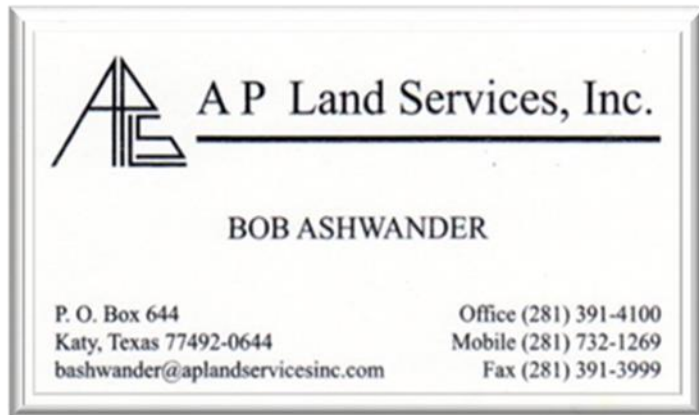
**Oasis Petroleum North America LLC**

1001 Fannin, Ste. 1500

Houston, TX 77002

281-404-9500

[bstamp@oasispetroleum.com](mailto:bstamp@oasispetroleum.com)



**A P Land Services, Inc.**

**BOB ASHWANDER**

P. O. Box 644  
Katy, Texas 77492-0644  
[bashwander@aplanservicesinc.com](mailto:bashwander@aplanservicesinc.com)

Office (281) 391-4100  
Mobile (281) 732-1269  
Fax (281) 391-3999



**Full Service Land Professionals**

**JOSEPH M. "MIKE" BENOIT, CPL & Associates**  
*"On parle Français, ici."*

The knowledge, experience, and resources to handle all of your needs.

AAPL  
HAPL  
LAPL  
NHAPL  
PLANO

P.O. Box 52893  
Lafayette, LA 70505-2893  
(337) 237-4436 Office  
(337) 237-6693 Fax  
(337) 781-9345 Cell  
[jmikebenoit@cs.com](mailto:jmikebenoit@cs.com)



**OIL**  
**LAND SERVICES**

**JOHN G. MILLER, CPL**  
*President*

(337) 233-4156 - office  
(337) 654-1665 - mobile

P.O. Box 51242  
Lafayette, LA 70505-1242

[john@oillandservices.com](mailto:john@oillandservices.com)  
[www.oillandservices.com](http://www.oillandservices.com)





**William W. Prior III, CPL**

1095 Evergreen Circle, Suite 200  
The Woodlands, TX 77380

o: 281-362-1211

c: 281-455-8336

wprior@priorlandmanagement.com

www.priorlandmanagement.com

**Byrd Land Services, Inc.**  
A Full Service Professional Land Firm

**James H. Byrd, Jr., CPL**

1801 Kingwood Drive, Suite 200  
Kingwood, Texas 77339  
[jhbyrd@earthlink.net](mailto:jhbyrd@earthlink.net)

(281) 358-4240  
Fax: (281) 358-4280

## Cheated, Mistreated, Pushed Around?



Have you been cheated, mistreated or somehow deprived of your share of a deal, working interest or royalty? If so, give me a call. I have twenty five years experience as a working interest and royalty owner in the oil and gas business to go along with thirty five years of courtroom experience. You do not pay anything unless I win.

Robert A. Chaffin

### THE CHAFFIN LAW FIRM

4265 San Felipe, Suite 1020  
Houston, Texas 77027  
(713) 528-1000  
[robert@chaffinlawfirm.com](mailto:robert@chaffinlawfirm.com)



**MAYHALL FONDREN BLAIZE**  
LAWYERS WHO KNOW THE OIL AND GAS BUSINESS

**KIM MAYHALL • FRED FONDREN • CHARLES BLAIZE, JR.**  
**JAMIE MANUEL • ANDREA TETTLETON**  
**SPENCER SCHOONENBERG**

*Our focus on mineral law allows our clients to confidently and faithfully manage their Louisiana oil and gas legal needs.*

**Baton Rouge Office**  
5800 One Perkins Place Dr., Suite 2-B  
Baton Rouge, LA 70808  
Phone: 225-810-4998

**Houma Office**  
628 Wood St.  
Houma, LA 70360  
Phone: 985-223-4725

[www.mfbfirm.com](http://www.mfbfirm.com)



**Bode & Werner** PLLC  
*Oil & Gas Attorneys*

Attorneys Licensed In Texas, Colorado, North  
Dakota, Louisiana, Pennsylvania, and Ohio

**Title Examination and  
A&D Due Diligence**  
*in a timely and cost efficient manner*

**Please contact John Bode or Keith Werner**

Halbouty Center • 5100 Westheimer Road, Suite 200 •  
Houston, Texas 77056 • 713.968.9215 •  
[www.BodeWerner.com](http://www.BodeWerner.com)



## AAPL DIRECTORS REPORT, REGION IV

### BY: JOEL LOSHAK

The second quarterly AAPL Board Meeting for the fiscal year was held December 11, 2016 in Williamsburg, Virginia. AAPL President, Pamela Feist, called the meeting to order and seated our new Directors, John Gerrish of North Houston Association of Professional Landmen and Substitute Director Rajan Ahuja of the Corpus Christi Association of Professional Landmen. After approving the minutes of the prior meeting we had the Treasurer's Report.

#### Financials

AAPL Treasurer, Jim Bourbeau reported that for the period ending September 30, 2016, total assets have decreased from \$30,713,741.00 to \$30,411,521.00, a change of \$302,220.00 or 0.98%. Total liabilities as compared to September 30, 2015 have decreased from \$3,067,022.00 to \$1,806,390.00, a change of \$1,260,632.00 or 41.10%. This was primarily due to the repayment of \$1,000,000.00 building note payable, as well as a \$244,401.00 decrease in unearned long term three and five year dues. Revenues (exclusive of investment revenue) compared to 09/30/2015 have decreased 7.59% from \$598,033.00 to \$552,651.00. The decrease in revenue is due to a reduction in publications revenue of 58.54% from \$82,900.00, to \$34,371.00. This is due to eliminating the Landman 2 magazine. Expenses have decreased 22.19% from \$1,819,050.00 to \$1,415,395.00. Most of this decrease was due to the reduction of costs relating to publications, i.e. ceasing Landman 2, (69.68% reduction from \$134,484.00 to \$40,774.00), educational seminars (40.43% reduction from \$175,868.00 to \$104,762.00) Board of Director Meetings (68.77% reduction from \$96,611.00 to \$30,168.00) and general and administrative expenses (29.62% from \$478,443 to \$336,742.00). Investments as of September 30, 2016 are \$23,972,640.00 a decrease of \$255,990.00 or 1.06%. This decrease has been a result of transfers of cash of \$1,000,000.00 to the AAPL operating account however this has been partially offset due to the unrealized and realized gains in the AAPL investment account of \$776,613.00.

The total assets in the AAPL Education Foundation, Inc. is \$3,414,398.00 as of 9/30/2016, an increase of \$57,235.00. Educational grants of \$16,100.00 were given as of 9/30/2016. The Landman's Scholarship Trust had total assets of \$6,380,555.00 as of 9/30/2016 an increase of \$476,066.00 over 9/30/2015. Scholarships of \$82,250.00 were given for the three months ending 9/30/2016 vs. \$51,500, 0.00 as of 9/30/2015.

#### Staff Reports

Melanie Bell, Executive Vice President, stated our current staff headcount is 28 plus one long term contractor. There are six vacancies-Certification Coordinator, Sr. Accountant, Personify Database Administrator, Electronics Media Administrator, Business Development Manager and Publications/Marketing Manager. 2016 staff milestones include Jodi Gallegos, Dondria Roozee, Stephanie Rickels - five years, Mariah Martin -ten years and Le Ann Callihan – twenty-five years. All Leadership training and development are now being done in-house - to keep costs down. The City of Ft. Worth has agreed to build the pedestrian walkway adjacent to the AAPL headquarters building retaining the Live Oaks and preserving the property value. There will be eight educational events held at the AAPL facility this year.

#### Marketing

Phase I has begun in refreshing the AAPL website and marketing materials such as brochures, email blasts, ads, etc. New advertising opportunities (inserts, banner ads, website ads, etc.) have brought in \$14,000.00 in web advertising and \$12,500.00 in insert revenue. Media/PR coverage for the AAPL has been impactful with coverage in the San Antonio Business Journal, The Oklahoman, EnergyWire, Denver Business Journal, Pittsburgh Business Times, Oil & Gas Investor, KOSA-CBS among others. New marketing brochures have been developed for Membership, Advocacy (Govt./Reg.), Certification and Contract Center. Landman magazine cost vs. revenue continues to operate on a breakeven budget. Publications for the Educational Foundation Estate Planning have been developed for the Educational Foundation Board. New brochures to help promote AAPL membership and its services have been created and will be rolled out shortly.

(Continued on next page)

## NAPE

Summer NAPE partner gross income was \$743,687.00 (AAPL distribution is \$375,562.00 and management fee of \$141,351.00). Attendance exceeded expectations given the external market. Financial results were still strong, partly due to reduction in costs. Denver NAPE sponsorships and attendance were weaker than expected. Financials are not yet available. Early numbers for NAPE Summit 2017 are encouraging. New branding marks for Land, International and OCS has been developed for NAPE Summit. An AIPN workshop has been added. As of the Board Meeting 1,414 attendees have registered, with 394 Exhibitors and over \$1.5 million in sponsorships. Expanded NAPE week events include IPAA, AIPN, and OCS Advisory coordinated events. There are a number of new sponsors.

## Annual Meeting

Marketing and final plans for the Seattle 2017 Annual Meeting are well under way with a series of email blasts, ads, postcard and brochure inserts. Hot Play Happy Hours are proving to be a great sponsorship marketing opportunity and interest among members is building. Early registration is advised to secure a room in the host hotel as the maximum reservations for AAPL guests in the host hotel is 300. The 2018 Annual Meeting will be held in Denver and the host hotel contract for 2018 has been secured. The keynote speaker has been moved to opening ceremonies and the Landman's Bash moved to Friday evening.

## Membership

Membership as of November 14, 2016 stood at 14,691 members just shy of our goal of 15,000 which we hope to achieve by January or February. Total Certification applications processed since the September Board Meeting total 35 with 11 CPLs, 1 Retired CPL, 15 RPLs and 8 RLs. Current designations include 2,853 (52% of eligible membership) CPLs, 2,201 (40% of eligible membership) RPLs, 440 (8% of eligible membership) RLs and 29 (1% of eligible membership) Retired CPLs.

## Education

AAPL's new Contract Center was launched in October 2016 after successful completion of the quality assurance center. Upon the launch of AAPL Contract Center, Forms-on-a-Disk has ceased new sales. Access to all AAPL forms will be provided exclusively through subscription to AAPL's Contract Center. The new CEU registration process and application is currently in place for organizations outside of the AAPL (excludes local associations) seeking Recertification Credits. AAPL recorded the two day workshop on the New Model Form Operating Agreement that was held in Houston in November. The recording is currently available to members for \$400.00 and for non-members \$525.00. For the 2017-18 Education Program, regionalized education content and speakers will be customized to hone in on the nuisances of a particular subject matter as it relates to a specific region, basin and/or state. Likewise, AAPL will recruit subject matter experts in a given region to be volunteer speakers at educational seminars and institutes. Since the September Board meeting, 13 seminars have been given with 623 attending registrants.

## Governmental Affairs

Russell Cohen, our Governmental Affairs Director reported the AAPL has developed an Independent Contractor Workshop to educate and bring awareness to the potential pitfalls members face when either working as an independent landman or hiring them as a broker or company. This workshop will be offered in the first quarter of 2017 with additional offerings via webcast, as well as archived for post use after the live session. Member Outreach included a call-to-action regarding possible adverse member impacts on state mineral claims pursued by North Dakota, provided an AAPL affidavit for legal case authenticating multiple AAPL Joint Operating Agreements, provided an original AAPL position statement letter for use by the Tax Committee, regarding the industry practices of independent landmen and drafted the subject matter for the marketing brochures on legal, regulatory and tax areas to be used for the new brochures.

(Continued on the next page)

## Committee Reports

Six currently accredited university undergraduate level programs will expire in June 2017, and one currently accredited undergraduate program will expire in November 2017. All programs seeking reaccreditation except the University of Louisiana at Lafayette (ULALA) have submitted their applications with ULALA expected to be received shortly. The 2018 Annual Meeting is set for June in downtown Denver. All nominations for the AAPL awards should have been submitted by mid-January. The Educational Foundation has developed a new process for distribution of awards from the Elizabeth Brand and Mary Blankenship Memorial Funds. A new subcommittee has been formed to develop new ways to set up fund raising donations to the Foundation. The Ethics Committee reviewed ten cases and three were set for hearings, three were sent to investigative committees, two were found to be complaints against those that were not current members of the AAPL and one has been closed. The goals of the Field Landman Committee are (1) outreach, (2) networking and (3) education for Field Landmen. There are eight locations planned for Field Landman Seminars this year by adding Tyler, Texas, Midland, Texas and a 2<sup>nd</sup> Houston seminar to the current locations. The Finance Committee met in November at the AAPL headquarters to review projections, cash flow, budget and capital budget requests, and to work on the proposed 2016-2017 AAPL budget for 2017-18. Income for 2016-17 are running below projections due primarily to reduced attendance at educational seminars. Expenditures for 2016-17 are also running below budget projections. Under the direction of the Finance Committee, the staff is working on preparing a balanced budget for the 2017-18 year and hopes to have it ready early in 2017 and completed shortly after NAPE Summit. The AAPL Contract Room opened its doors in October 2016. The 1982, 1989, 1989 Horizontal, 1989 JOA Recording Supplement and the 2015 JOA's have already been added along with the Gas Balancing Agreement and three Confidentiality Agreements. The Investment Advisory Committee reports for the third quarter of 2016, that the AAPL Operating Account is up 3.7%, with equities up 4.9%, the AAPL Educational Foundation is up 3.6% overall and the Landman's Scholarship Trust is up 3.7% overall. For year to date, the AAPL Operating Cash Account is up 7.7% overall.

The next AAPL Board Meeting is scheduled for March 11-12 in Santa Barbara, California. It is the duty of your AAPL Director to represent the views and positions of the HAPL. If you have any issues with the AAPL or concerns that you wish to discuss in greater detail, please feel free to contact me or any HAPL Board Member.

Respectfully submitted by:



Joel Loshak  
AAPL Director, District IV

## YOUR INDUSTRY IS OUR INDUSTRY

Gray Reed & McGraw's title examination practice covers onshore properties in 10 states:

- Colorado
- Louisiana
- Montana
- New Mexico
- North Dakota
- Ohio
- Oklahoma
- Texas
- Utah
- Wyoming

In addition to title examination, Gray Reed provides a full spectrum of legal services to clients in the energy industry. From acquisitions and divestitures, to mergers and energy finance, to litigation, restructuring and more, our proven experience in every facet of your industry, when you think about it, makes it our industry too.

[grayreed.com](http://grayreed.com)

**CONTACT**

HOUSTON | Paul Yale  
[pyale@grayreed.com](mailto:pyale@grayreed.com)

DALLAS | Philip Jordan  
[pjordan@grayreed.com](mailto:pjordan@grayreed.com)

# Relax...

we can help.



## Ensley Properties, Inc. In-House Land Specialists

We provide our clients:

- Due diligence for acquisitions and divestures
- Contract professionals for land departments, land administration departments and special projects
- Specialists for Data Integrity projects
- Full service imaging and indexing
- Relational database for all projects or lease records management

Linda Ensley - [linda@ensleyproperties.com](mailto:linda@ensleyproperties.com)

Larry Latch - [larry@ensleyproperties.com](mailto:larry@ensleyproperties.com)

Barry Boening - [barry@ensleyproperties.com](mailto:barry@ensleyproperties.com)

550 Post Oak Blvd, Suite 540 • Houston, Texas 77027

P: 713.622.7332 | F: 713.622.0030

200 N. Loraine, Suite 1450 • Midland, Texas 79701

P: 432.682.4880



[ensleyproperties.com](http://ensleyproperties.com)



## HOUSTON PETROLEUM AUXILIARY COUNCIL

The HPAC Holiday Event "A Victoria Tea" was held at the elegantly decorated St. Regis Hotel. In addition to the hotel being decked in holiday sparkle, luncheon attendees were also decked in holiday sparkle and spirit. First VP, Donna Parish, with assistance from luncheon committee members Jacqueline Yee, Shirley Gordon, Beverley Smolenski, Wanda Shaw & Mickey Murrell, created a warm and quite lovely atmosphere in which to have fellowship and share holiday greetings and wishes. The "Tea" included Kir Royale. After being seated, we were served a variety of tea sandwiches, a selection of teas, scones, pastries, English trifle and a gift box of macaroons. As if that were not enough a harpist played in the background. Prior to conclusion of the luncheon Donna Parish awarded Door Prizes, one being Tea for Two at the St. Regis.



L to R – Diane Snyder guest of Sheri McQuinn



L to R – Shirley Gordon & Hellen Hutchison



L to R – Rhonda Thompson, Mickey Murrell, Dorothy Jenkins



L to R - Kathy McLean & Doris Henley



L to R – President, Bernadine Billard, Linda Dobbins & Judy Brett



L to R – Maebelle Jones with granddaughter Jennifer Hoffman



Photo #21 – L to R – Winona LaBrant & Jeanette Coon



First Vice-President, Donna Parrish & Mary Harle

**HPAC's two (2) remaining functions for 2016-17:**

**Tuesday, February 21, 2017** – “Shakespeare Celebration – “Shakespeare Cross Examination: the Authorship Perspective” by Bonner Cutting – 10:30 AM until 1:30 PM – Norris Center – 816 Town & Country Blvd., Houston, TX

**Tuesday – 5/2/17** – Spring Musicale – “New Faze” – Karen Nightengale & Vlad Morakhovsky, a renowned singing duo – Hess Club – 5130 Westheimer, Houston, TX

**\*\*\*\*\*ATTENTION HAPL MEMBERS\*\*\*\*\***

**PLEASE BRING HPAC (HOUSTON PETROLEUM AUXILIARY COUNCIL) MEMBERSHIP TO YOUR SPOUSE'S ATTENTION**

**HPAC MISSION STATEMENT**

**“To promote and foster social relationships among its members and to assist the Engineering, Geological, Geophysical and Land Societies in their various requests.”**

**HPAC MEMBERS INVITE SPOUSES OF HAPL MEMBERS TO APPLY FOR HPAC MEMBERSHIP.** For membership information and/or a membership form, contact 2<sup>nd</sup> V.P. (Membership) Wanda Shaw @ 281-467-5999 or @ [canineclpr@aol.com](mailto:canineclpr@aol.com)

Dues are \$20.00 annually. For other information or to be a guest at one of our upcoming luncheons please contact HPAC Liaison to HAPL, Sheri McQuinn @ 281-492-0744 or @ [mcquinmichael@att.net](mailto:mcquinmichael@att.net).



SLATTERY  
MARINO &  
ROBERTS

1100 POYDRAS STREET  
SUITE 1800  
NEW ORLEANS, LA 70163  
TELEPHONE 504.585.7800  
FASCIMILE 504.585.7890  
WWW.SMR-LAWFIRM.COM

TWENTY-FIVE YEARS  
OF EXPERIENCE,  
EXPERTISE  
AND DILIGENCE.

**PENNINGTON OIL AND GAS**

**SEEKING**

**Land/Inland Water drilling prospects in the  
Gulf Coast Region/Onshore U.S.**

**PREFER**

**Seismic & Engineering Support  
Leased & Fully Documented  
Operated or Non-Operated**

Will consider deals at any stage:  
from "*Idea*" to "*Drill-Ready*"

**Contact:**

**BRUCE E. ARCHINAL**

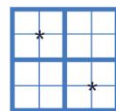
Independent & Consulting Geoscientist  
Consulting for  
Pennington Oil & Gas Interests, LLC

4 Coralvine Court (713) 502-9187  
The Woodlands, Texas 77380 barchinal@comcast.net

**RICHARD W. HISE, P.E.**

Exploration and Production Manager  
Pennington Oil & Gas Interests, LLC

230 Heymann Blvd (337) 235-0590  
Lafayette, Louisiana 70503 rhise@hisecompanies.com



**R.D. DAVIS & ASSOCIATES**  
Petroleum Land Services Since 1978

**Company**

R.D. Davis & Associates is a full service petroleum land company that provides quality field services to the majority of basins in the lower 48. With over 30 years in business and offices in Oklahoma City, Houston, and South Texas, we deliver top-of-the-line service to independents and major companies nationwide.

Since 1978, R.D. Davis has provided a full line of land services ranging in size from one to three hundred section prospects. Our experienced staff perform all aspects of title work, ownership reports, GIS mapping, curative and regulatory work that is required to initiate drilling through completion. With a combination of seasoned experts and cutting edge technology, R.D. Davis consistently raises the bar and sets new standards for the industry.

**OUR \* LOCATIONS**

**R. Scott Davis, CPL**  
1416-B Campbell Road  
Suite 201  
Houston, Texas 77055  
832.377.2990

**Randy Davis, RPL**  
5733 N. W. 132nd Street  
Oklahoma City, OK 73142  
405.720.2882



[www.rddl.com](http://www.rddl.com)

**Our Full Service Solutions**

- > Title Examination
- > Ownership Reports
- > Runsheets
- > Lease Acquisitions
- > Drilling and Division Order Title Curative
- > ARC-GIS Mapping
- > Seismic Permitting
- > In-House & Field Due Diligence
- > Right-of-Way Acquisition
- > Surface Damage Settlements
- > State and Federal Regulatory Matters

## LANDMEN AS INDEPENDENT CONTRACTORS: IS THE GOVERNMENT'S VOLUNTARY SETTLEMENT PROGRAM TOO GOOD TO PASS UP?

BY: MICHAEL KELSHEIMER & CHARLES SARTAIN  
(ORIGINALLY PUBLISHED IN LANDMAN MAGAZINE)

The days of the lone landman driving around the back roads taking leases and visiting courthouses are becoming a thing of the past. Though there are still a few independent landmen who fit this mold, clients have demanded change and consolidation. Now there are brokerage firms and other combinations of landmen. It is not a bad thing. It is just different.

The fly in the ointment is that the government views landmen who work for these companies as employees and not independent contractors.

### Why Should You Care?

Because the government cares. It might come as a shock, but independent contractors often do not report all of their income on their tax returns. This deprives the government of not only income tax revenue, but FICA and FUTA taxes as well. Unable to raise taxes or reduce the national debt, the Internal Revenue Service and Department of Labor are looking to squeeze tax dollars from any place they can find money. The "misclassification" of independent contractors is one place they are truly focused.

Hundreds of new investigators have been hired. Fines in this area are up 500 percent. The IRS has started using sophisticated new software programs that monitor businesses that fit a profile for misclassification. Among other things, the software analyzes businesses that have large numbers of IRS Form 1099-type payments to individuals over threshold amounts and 1099 payments to the same individuals year after year. And, to make matters worse, government agencies have started cooperating and sharing data on potential violators — making them easier to catch.

This means the IRS is looking for brokerage firms that are treating landmen as contractors when they should be employees. This means landmen who should be treated as employees by their brokerage firms may have a claim against the brokerage.

Now we have your attention, but you're still not convinced. After all...

### How Bad Could it Be?

In an IRS audit, the employer could be assessed half of back payroll taxes, penalties, interest and possibly the "contractor's" half of back payroll taxes and the amount that "contractor" should have withheld for income tax purposes. In some cases, this number approaches 40 percent of the amount paid to each "contractor" over the last three years. If you are a brokerage firm with 10 landmen treated as contractors and you pay \$75,000 per year, this could mean \$900,000 in back taxes.

Of course, it probably will not end with the IRS. Because the agencies are sharing information, the IRS may now hand you off to the DOL, which will then come in and ask for two to three years of timesheets for those "contractors" who are now employees. Because you treated them as contractors, you will not have any timesheets, so the DOL will interview the landmen and ask how many hours of overtime they worked in the last three years. With a free pass to answer and no time records to dispute, the landmen can tell the DOL just about anything, and the DOL, in turn, will assess you for that overtime. Assuming those same 10 landmen say they worked two hours a week of overtime over the last three years, the DOL might assess you with as much as \$182,799.60 in back overtime before penalties.

(Continued on next page)

But it does not end there. The Texas Workforce Commission may then audit for unemployment benefits for terminated “contractors” who should have been treated as employees. And, once bitten by the IRS and DOL themselves, your competitors may decide that the best way to stay competitive is to turn in all of the other companies using the same approach. For this, they will receive up to 15 percent of the government’s recovery in addition to leveling the playing field. While there may be honor among oilmen in the patch, the opportunity to level the playing field and make some money may prove too tempting to pass up.

Now that we firmly have your attention, you might ask:

### **What is the Test to Determine Whether Someone Should be Treated as an Employee?**

As is often the case in the law, the answer is complicated. The IRS, DOL and TWC each have their own test. Thankfully, however, the general ideas are similar. The following questions assess the fundamental issues of the tests and should give you an idea of whether this may be a problem for your business:

1. Do you provide training — either initially or along the way — for your landmen?
2. Do you have set hours you expect your landmen to be working?
3. Do you instruct the landmen on the sequence in which they should perform tasks or do you leave it to them to figure out completely how to bring you a finished product?
4. Do your landmen work in your offices?
5. Have you taken away per diem payments because they just don’t make sense anymore?
6. Do you provide office supplies and/or computers to the landmen to perform their work?
7. Do you provide access to title information through a company system?
8. Do you pay landmen based on the hours worked or a set rate per day?
9. Do you not charge back your landmen for bad work if your client rejects their work or requires it to be redone?
10. Do your landmen get paid for all their time on a project rather than having the responsibility to complete a project in a certain time for a certain price?
11. Do you not have a written contract with your landmen setting out their relationship?
12. Do you not require landmen to work for you through an entity that they create and own?
13. Do your landmen work for you over a long period of time — or for years?
14. Do your landmen not work for any other companies or handle landmen services for other clients?
15. Do you expect the landman you assigned the work to complete it himself rather than hand it off to an assistant he might hire?
16. Do you provide health insurance or other benefits to one or more of your landmen?

If you answered “yes” or “correct” to any of the questions above, you could be a candidate for investigation. There is not a minimum number of positive answers to be at risk, but the more affirmative answers you gave, the more risk you have of being audited and your landmen being reclassified as employees.

### **What Should You Do?**

For those of you who answered “yes” enough to become concerned, there are basically two options: (1) take steps to reduce or eliminate the “yes” answers and hold onto the Section 530 Safe Harbor defense; and (2) take advantage of the very favorable settlement program now offered by the government to reduce your liability by as much as 95 percent and re-characterize the contractors as employees moving forward.

(Continued on next page)

How you approach minimizing these risk factors will be different for every business, but you should start with these thoughts:

1. Put the landmen on a written contract that maximizes support for independent contractor status.
2. Require landmen to form entities that then contract with your business.
3. Provide no training or hire someone outside to train the landmen before they come to work for you.
4. Switch landmen to a project-based pay schedule that they invoice you for and move away from daily, weekly or hourly rates.
5. Create risk of loss for the landmen in each project. If they don't do good work, reduce the amount they are paid.
6. Make the landmen responsible for their own place to work and their own supplies.
7. Work to reduce other risk factors from "yes" to "no" in the context of your business style and systems.

Though you may hate the thought of paying an attorney, the money you could ultimately save by engaging an attorney could be significant. For that reason, it makes sense to work with employment law counsel to help with this process to ensure the least possible risk moving forward.

### **What is the Section 530 Safe Harbor Defense?**

Some landmen and brokerage firms are holding onto the idea that they can defeat the IRS misclassification argument using the Section 530 Safe Harbor defense, which relates to Section 530 of the Revenue Act of 1978. The idea behind the defense is that if everyone is doing the same thing, the IRS cannot declare a misclassification. While this may be true, it only has the potential to be successful against the IRS. Claiming Section 530 before the DOL or the TWC will fall on deaf ears because they are not subject to it.

### **What is the Settlement Program and Why is it Such a Good Deal?**

Even with its new investigators, the government cannot catch all the violators. With that in mind, the IRS has offered a settlement that is primarily aimed to bring violators into the fold so that the government gets that tax revenue on a go-forward basis. In the example presented earlier where the employer could be exposed to as much as \$900,000 in back taxes, their new liability could be less than \$10,000.

To qualify, an employer must: (1) agree to treat contractors as employees going forward; (2) have timely filed all 1099s for contractors in years past; (3) be in compliance with all past audits; and (4) not be under audit presently. We do not know how long this program will be offered. It could be withdrawn next month, so there is significant risk associated with waiting to enter the program. Check with a lawyer specializing in employment law for more information.



Michael Kelsheimer



Charlie Sartain

## HAPL 22<sup>ND</sup> ANNUAL SALTWATER FISHING TOURNAMENT

- Date:** Saturday, June 10, 2017  
**Time:** 5:00 A.M. - 2:00 P.M. - No Check-In Required  
**Cost:** \$75.00 per person for H.A.P.L. Members; \$125.00 for Non- H.A.P.L. Members; \$75.00 per person if 18 years and younger (HAPL Member or not) - Lunch included with your Entry Fee (starting around 1:00 p.m.)  
**Prizes:** Cash Prizes for Trout, Slot Redfish, Tagged Bull Redfish and Big Fish; plus Door Prizes  
**Questions:** Call Jerry Niekamp at 713-252-1457 or Katie Eisterhold at 713-305-0516  
**Place:** West End Marina in the Sea Isle Subdivision, Galveston, Texas.

### Rules and Regulations:

1. All local, state and federal, coast guard and Texas Parks and Wildlife Department regulations and laws apply at all times during the tournament.
2. Professional fishing guide(s), commercial and professional fishermen and anyone who has guided for compensation during the last twelve (12) months are not eligible to compete in the tournament. You may hire a guide, but the guide's catch is not allowed and there is no swapping or trading of fish between contestants and/or guide.
3. The tournament format shall be as follows:
  - a. Only speckled trout and redfish and "Big Fish" (defined below) will be accepted for weigh-in. The format includes a "Trout Category" (only 3 legal speckled trout per entrant), a "Bull Redfish" Category, (which is one bull red which must be 'tagged'), "Slot Redfish" Category (maximum of 2 legal slot redfish between 20" - 28"), and a "Big Fish" Category, which can be any legal fish, except speckled trout or redfish.
  - b. Tournament fishing hours are from 5:00 a.m. (no check-in required) to 2 p.m. Saturday, June 10, 2017. **Legal Fish may be weighed-in on Saturday until 2:00 p.m. No weigh-ins will be accepted after 2:00 p.m. (unless you are in the weigh-in line at 2 p.m.).** Each contestant may weigh-in a total of 3 Speckled Trout, 2 Slot Redfish, 1 Bull Redfish (tag must be properly attached) and 1 "Big Fish" caught during the tournament. In the event of a tie, the earliest weighed-in wins, so make sure you have the weighmaster indicate weigh-in time. Guides may be hired but the guide's catch is not allowed. There is no trading or swapping of fish by any Entrant. Fish cannot be culled once they are weighed in. The tournament is based on an individual's catch, not on a team. Weigh-in is at the Sea Isle Bait Camp at the Marina in Sea Isle. The cash purse shall be split equally between the four categories, (being the Trout category, the Slot Redfish category, the Bull Redfish category and Big Fish category), and will be divided as follows for each category:

<u>TROUT</u>	<u>SLOT REDFISH</u>	<u>BULL REDFISH</u>	<u>BIG FISH</u>
1st - 50%	1st - 50%	1st - 50%	1 <sup>st</sup> - 50%
2nd - 30%	2nd - 30%	2nd - 30%	2nd - 30%
3rd - 20%	3rd - 20%	3rd - 20%	3rd - 20%

4. Contestants must fill out, sign and return the **RELEASE AND INDEMNITY AGREEMENT** furnished with these rules in order to be eligible to participate in the tournament and such agreement shall be considered the Tournament Entry Form.
5. **ENTRIES MUST BE RECEIVED BY MAY 19, 2017. LATE ENTRIES WILL NOT BE ACCEPTED THIS YEAR-PERIOD!!!**



6. The official weigh-in station is at Sea Isle Bait Camp at the West End Marina in the Sea Isle Subdivision. Tournament Officials (Katie and Jerry) have the final say as to compliance/weigh-ins/winners. Failure to follow the rules results in disqualification. In the event a Category is not "fully placed" (i.e.-for instance only 2 places are weighed in for that Category), the monies as to that Category will be split equally between the existing winners in that Category.
7. **All contestants assume any and all risks to their safety throughout the tournament. NO REFUNDS FOR ANY REASON!!!** This Tournament benefits the HAPL to help support the HAPL. Should a hurricane occur, the tournament date will be moved.



Fill out the entry form below and mail it along with a check payable to the HAPL. Mail to the attention of Jerry Niekamp at 777 Post Oak Blvd., Suite 950, Houston, TX 77056.

**ENTRY FORM AND RELEASE AND INDEMNITY AGREEMENT FOR THE HAPL TRUCHA DEL MAR INVITATIONAL SALTWATER TOURNAMENT**

The undersigned hereby releases, holds harmless and forever discharges the HAPL Invitational Saltwater Fishing Tournament ("Tournament"), its officials, hosts or any other person, association, firm or corporation associated therewith in any way or manner from any and all damages, claims, causes of action or injuries, including but not limited to death and/or dismemberment, of whatever kind or character arising from, associated with or caused by participation in the Tournament, regardless of actions of gross negligence, contributory negligence, joint negligence or concurrent negligence by any person or entity associated with the Tournament. Entrant stipulates, acknowledges and agrees that no legal action or suit may be brought against the Tournament or any party associated therewith for any reason.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

NAME (PRINT): \_\_\_\_\_

ADDRESS: \_\_\_\_\_

E-MAIL: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

**WE NEED SPONSORS!!! IF YOU CAN SPONSOR THIS EVENT, PLEASE SEND A CHECK PAYABLE TO THE H.A.P.L. TO J. NIEKAMP AT 777 POST OAK BLVD., SUITE 950, HOUSTON, TEXAS 77056**



# CHOOSE THE PATHWAY TO SUCCESS WITH TERRA FIRMA

At Terra Firma Ventures we pride ourselves in providing responsive, service-focused land expertise. Our more than 30+ years of experience providing due diligence for major A & D and data integrity projects allows us to expertly tailor services to specific client needs. To learn more about how we can help you pave the way to success, contact us for a confidential consultation.

- *Project Management*
- *A & D Transaction Specialists*
- *Due Diligence*
- *Data Integrity & Conversion*
- *Process Design*
- *Transaction/Transition Database*
- *Land Administration – Functional Assessments & Services*

U.S. Onshore, Canada & U.S. Gulf of Mexico



**Nancy J. Kerby & Christine Kenworthy**  
Principals

1200 Smith Street, Suite 1600, Houston, TX 77002

713.880.9189  
terrafirmaventures.com



## PERCHERON

### Fully Integrated Land Services



Focus on Efficiency



Safety First Commitment



Customizable Solutions



Exceptional Customer Service



On-time Execution



Experienced Management Team

To Learn more, Visit us online at  
[percheronllc.com](http://percheronllc.com)

Happy Valentine's Day

*Houston Association of Professional Landmen*



**Diane R. Snyder**

**HAPL Executive  
Administrator/**

**Newsletter Editor**



**HAPL  
800 Bering, Suite 120  
Houston, Texas 77057**

**713-622-6868**

**FAX: 713-622-3723**

**Email: [hapl@hapl.org](mailto:hapl@hapl.org)**

**[www.hapl.org](http://www.hapl.org)**

***Find us on LinkedIn &  
Facebook***

**Lindsey Griffith**

**HAPL Membership Desk/**

**Assistant Newsletter Editor**

