

MAPL October 2010 Newsletter

Wishing Samantha well.....

It was with a sad heart that we had to announce the resignation of Samantha Strahan from the MAPL Board of Directors at the Fall Seminar.

Since accepting the duties as a Board Member with MAPL, Samantha Strahan has chosen a path to further her education. She is currently enrolled in an accelerated BA Program with Spring Arbor University and is attempting to complete 20 additional academic credits while working full time as Vice President of Operations at White Pine Land Company. It is her goal to continue pursuing her Master's Degree in the fall of 2011. Due to her present and future educational goals, she had to make the difficult decision to resign from the MAPL Board of Directors.

It was unanimously voted at a recent MAPL Board of Directors meeting that Bob Chronister will replace the Board Member position of Samantha Strahan.

We thank Samantha for her time served as a Board Member and truly appreciate all she has done for us.

Our New MAPL Treasurer, Bob J. Chronister



"I look forward to the opportunity to serve the MAPL board. I am encouraged by our MAPL board's efforts to provide continuing industry relevant education for our membership. I anticipate playing a role in the continuing the good work done by the present and past Board's."

Bob has over 25 years of experience in the Oil and Gas exploration and Gas transmission industries. He has both in-house and field landman experience in both of these industries.

We welcome Bob and feel he will be a great asset to our Membership and the Board of Directors.

Photos provided by Michigan Oil & Gas News. Thank-you!

More than 80 attend 33rd Annual Michigan Association of Professional Landmen (MAPL) Seminar Sept. 16 in Grand Rapids

**Gary Worman
of
Worman,
Dixon &
Manis,
PLC**



Courtesy of Michigan Oil & Gas News:

GRAND RAPIDS, Mich. — The Michigan Association of Professional Landmen (MAPL) conducted its 33rd Annual Seminar at the Amway Grand Plaza Sept. 16, 2010.

Over 80 land professionals attended the seminar, which featured eight presentations on a wide range of topics.

Larry Oxenham of Las Vegas, Nevada based American Society for Asset Protection discussed wealth planning and protection strategies. In his presentation, Oxenham spoke about threats to wealth and ways to organize personal or company finances in order to reduce the amount of taxes owed and lower potential lawsuit liability. Oxenham encouraged business owners to incorporate in order to reduce income tax, as well as have the corporation manage the business, and have a separate entity own any properties for liability purposes. Oxenham also discussed probate and estate taxes, as well as the cost of a typical lawsuit and how damaging it can be to a business.

Following Oxenham's presentation was a presentation by William A. Horn of Mika, Meyers Beckett & Jones PLC on Condemnation. According to Horn, Condemnation "involves the exercise of the power of eminent domain to acquire and control over private and sometimes quasi-public property." The power of eminent domain is the ability for the state or federal government to acquire and use property for the good of the people. "Taking must be for the public use or public benefit," said Horn. Federal law precedent states that the power of eminent domain includes the authority to take private property for the purpose of economic development, while the Michigan constitution has been interpreted, and legislation has been enacted to prevent this. "Just compensation must be paid at some point for property acquired, not necessarily immediately." Horn also discussed inverse condemnation, where there has been no formal exercise of power of eminent domain, but the government has impacted the use or enjoyment of personal property. If this happens, the burden is on the property owner to seek compensation for the use of the property.

Next, Gary Worman of Worman, Dixon & Manis, PLC discussed landman ethics, and the MAPL code of ethics, adopted from the American Association of Professional Landmen (AAPL) code of ethics. Worman discussed fiduciary relationship topics, including a duty to disclose prices. Worman recommended not making misrepresentations, or answering questions with false disclosures. Worman said landmen are better off explaining to landowners that they should not comment on pricing of deals made with other landowners and should instead focus on talking about what price they have been authorized to offer that specific landowner for that specific piece of land.

After a break for lunch, James Leibenguth of Leibenguth, Boos & Associates PC discussed the Michigan Dormant Minerals Act. Leibenguth discussed various cases, and how they have helped to preserve severed oil and gas interests, including *Bickel v. Fairchild*, *Mask v. Shell Oil Co.*, *Wagner v.*

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**Theresa Sheets
of
Loomis,
Ewert,
Parsley,
Davis &
Gotting
PC**



**Mark Kehoe
of
Mika
Meyers
Beckett &
Jones
PLC**



**Photos provided by
Michigan Oil & Gas News.
Thank-you!**

**Thank-you to our sponsor, Mr. Buck Hackworth of
Clayton Energy Company (DVD will be awhile yet)**

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Dooley, and Walch v. Crandall. He also briefly covered similar acts in other states.

Next, Theresa Sheets of Loomis, Ewert, Parsley, Davis & Gotting PC discussed powers of attorney, and how landman can protect themselves when presented with powers of attorney. "Basically, a durable power of attorney allows individuals chosen by a person to act on his or her behalf in the event that assistance is required to manage his or her affairs," said Sheets. Under Michigan law, a durable power of attorney can limit the time of effectiveness, if the principle choose. "There are two types, one where it immediately takes effect once signed, and the other is the springing type, where it grants no authority to the agent unless the principal becomes incapacitated," said Sheets. Incapacity means a person who is impaired by reason of mental illness, mental deficiency, physical illness or disability, chronic use of drugs, chronic intoxication, or other cause. The immediate durable power of attorney can be taken away at any time. Springing power of attorney can be revoked once the principal becomes capable again.

Next, Mark Kehoe of Mika, Meyers, Beckett & Jones PLC discussed bankruptcy relating to oil and natural gas. "All bankruptcies are designed to allow debtors a chance to either reorganize or liquidate their assets in an orderly fashion," stated Kehoe. Kehoe focused on Aurora Oil & Gas Corp.'s recent bankruptcy proceeding, and whether or not Aurora would be responsible for royalty payments that Frontier Energy LLC believes Aurora owes. This is due to ambiguity on whether oil and gas leases are similar to realty leases. Kehoe also described various hypothetical situations provided in the seminar's handouts.

Following Kehoe was AAPL Region II Director Russell Shinevar. Shinevar gave members an update on what he has been working on for AAPL. Shinevar discussed membership numbers, reviewed how people can become a member of AAPL, and also announced two upcoming AAPL events. (See next page) Shinevar encouraged MAPL members to join AAPL and urged the membership to relay information and concerns to him, so that he could bring them up at future AAPL meetings.

The final presentation of the day was Bill Quinlan of Jordan Development Co. LLC, who gave an overview on drilling into the Collingwood and Utica formations. First Quinlan gave a brief explanation of how drilling typically proceeds and how casing is set. Quinlan also discussed directional drilling assemblies, and passed around a rotor used to keep mud flowing throughout the hole. "Basically, any basin with oil and gas production has the potential for an unconventional play," said Quinlan. Quinlan went on to say that technology has really changed the game. The ability to drill horizontally and using hydraulic fracturing to increase permeability has made finding hydrocarbons more productive. "Unconventional development has advantages and disadvantages. The advantages range from a large area of coverage with less geologic risk of a dry hole to challenges such as high capital cost and a rapid production decline.

Wrapping up the event was MAPL President Leslie Irish, who thanked attendees for making the trip and gave out door prizes. Irish encouraged members to visit the newly updated MAPL Web site, www.michiganlandman.com. The Web site features information on MAPL events, a blog with information about the group, as well as an online MAPL directory. MAPL members are also now able to purchase registration to an event with their credit card through a PayPal link on the Web site.



**AAPL
Region II
Director
Russell
Shinevar**



**Bill Quinlan of
Jordan Development Co. LLC**

**Thank-you to our sponsor, Mr. Buck Hackworth of
Clayton Energy Company (DVD will be awhile yet)**

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MAPL announce Field Landman's Seminar and Joint Operating Agreement Workshop set for Oct. 27–28

The Michigan Association of Professional Landmen (MAPL) will be hosting two American Association of Professional Landmen (AAPL) events in Michigan, a Field Landman's Seminar on Wednesday Oct. 27, 2010 and a Joint Operating Agreement Workshop on Thursday Oct. 28, 2010. AAPL President Steven D. Wentworth, CPL and AAPL Executive Vice President Martin Schardt will be attending both events as special guests. The AAPL Field Landman's Seminar will be held at Cascades Manor House, located at 1970 Kibby Rd., Jackson, Mich. The seminar is sponsored by AAPL and **FREE** to all AAPL members, however members must preregister. New members who attend can join AAPL for half-off the AAPL annual membership fee. The event will begin at 5 p.m. with a cocktail hour, followed by a dinner buffet and two hours of education. Mur ray Matson, geologist from West Bay Exploration will discuss his company's success in finding crude oil and natural gas in southern Michigan's Trenton Formation. AAPL leaders Wentworth and Schardt will be welcoming new AAPL members and sharing information about the growth of AAPL. Aaron Morse and AAPL Region II Director Russell Shinevar will be giving a presentation titled "Reservation of Oil, Gas & Minerals by U.S. Land Patent."

To register, contact Lahoma Long at (817) 847-7700 or via Internet e-mail at llong@landman.org

MAPL will also host the AAPL Interactive Workshop titled "Joint Operating Agreements and Exploration and Participation Agreements: What Every Landman Should Know" in Lansing, Mich. on Thursday, Oct. 28. This all-day workshop will begin at 8 a.m. and last until 4:15 p.m. The workshop will be taught by AAPL representative and nationally recognized operating agreement expert Dorsey T. Roach, Certified Professional Landman (CLP), and will review the AAPL model form operating agreement and the rights, duties, and obligations of the operator, as well as those of non-operators too. According to an invitation letter, the workshop is not only for in-house landmen but field landmen interested in expanding their knowledge of operations, production, and development. A bound book of all class materials will be provided to all participants. The advance registration fee for the workshop is \$225 for AAPL members and \$350 for nonmembers. Please register by Oct. 14, 2010 for discounted rates. The Joint Operating Agreement Workshop will take place at the Ramada Inn Lansing Hotel and Conference Center, located at 7501 W. Saginaw Hwy. The Field Landman's Seminar is accredited for two CPL/RPL/RL CE credits and the Joint Operating Agreement Workshop is accredited for seven CPL/RPL/RL CE credits. For more information on either event, contact Shinevar via phone at (517) 331-8126 or internet e-mail at milandman@comcast.net. To register, contact Lahoma Long at (817) 847-7700 or via Internet e-mail at llong@landman.org.

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SO STOP PROCRASTINATING AND REGISTER NOW!!!!**