



Michigan Association of Professional Landmen

A Nonprofit Organization
Dedicated to Continuing Education

2018 Holiday Newsletter

A Message from the President



As 2018 draws to a close, I'd like to take some time to thank each and every one of our wonderful sponsors and members. MAPL has been an important resource for me personally, and I have found a great wealth of knowledge, advice, and camaraderie among our many experienced members. It is through your continued, generous support that we are able to meet the goals of our organization. 2018 has seen an upturn in activity from leasing to drilling. Though prices trended downward in the last quarter, we have seen some encouraging signs from Michigan operators who have moved forward with aggressive drilling programs which have required land professionals at every level. It is our hope at MAPL that we continue to see an increased need for land professionals into 2019.

The MAPL board has been actively pursuing options to bring our event management system more in line with that of MOGA's. Given the size of our organization, relatively low number of events and the annual cost of our current system, we began looking into changing things to bring them more in line with our actual use. We have one year left on our current contract with CVENT and will be switching over to something new by the end of 2019.

MAPL has been on the forefront of some important political issues pertaining to working Landmen at the State level, as well as keeping a close relationship with AAPL. We have been closely following the recent developments in Ohio pertaining to Real Estate Licensing for Landmen. Our connection with MOGA has ensured that we are made aware of important issues as they arise in Lansing. We will continue to keep our members up to speed on any legislation which might require input or support from our community.



It has been an honor and a pleasure to serve on the board of MAPL, and I have enjoyed every moment spent with our members throughout the past 5 years at all of our wonderful events. I hope you all have a Merry Christmas and Happy New Year!

Merrily yours,

Greg J. Vadnais, RPL | MAPL President



2019 MAPL Winter Mini-Seminar



The 2019 MAPL Winter Mini Seminar will be held on February 19th at the Radisson Hotel in downtown Lansing. Traditionally, the Winter Mini has been held in Mt. Pleasant at the Comfort Inn preceding the MOGA Membership Meeting which has been replaced in 2019 by State Legislative Education Day on February 20th also in Lansing at the Radisson Hotel. For this reason, The Board decided to change the venue for 2019.

Registration will begin at 11:30 followed by lunch which will then lead into our Presentations. AAPL continuing education credits will be available. A block of rooms at the Radisson has also been reserved for those that wish to arrive the evening before the Seminar. Please keep an eye out for the official invitation in January. Below is a list of the Speakers that we have lined up so far:



Norman J. Saari | *Michigan Public Service Commission* | Norman J. Saari served as an executive director of governmental affairs for 20 years at Consumers Energy Company, a position from which he retired in 2006. He was appointed by Governor Snyder to the Michigan Public Service Commission in 2015. Commissioner Saari is a member of the National Association of Regulatory Utility Commissioners and serves on its Committee on Natural Gas, Chairs the Subcommittee on Pipeline Safety, and is a member of the Washington Action Program. Commissioner Saari will be giving a broad overview of the MPSC and how they become involved with our industry.

John Fowler | *President, Polaris Energy, Inc.* | John Fowler is a veteran Michigan Petroleum geologist with over 40 years of experience in the Michigan Oil and Gas Industry. John received his bachelor's degree in Geology from Michigan State University, followed up by his master's degree in Geology from Western Michigan University. In 2017 Mr. Fowler was honored with the Michigan Geological Repository for Research and Education's (MGREE) Lifetime Achievement Award. John is going to provide us with a presentation on the process involved in determining well site locations.

Steve Bigard | *President, Bigard and Huggard Drilling, Inc.* | Since 1996, Biaard & Huggard Drilling, Inc. of Mount Pleasant, MI has been serving Michigan as well as Ohio, Indiana and Illinois with safe and efficient oilfield related services including oil and gas drilling, casing, cementing and excavating services. Steve is going to give us a presentation on Conventional Well drilling. This is a topic that can be very informational for all land professionals.

Scott Bellinger | *Managing Editor and Advertising Director, Michigan Oil & Gas News* | The Michigan Oil & Gas News is considered by many to be the publication of record for Michigan's Oil and Gas Industry and Scott Bellinger has played a role in keeping that record for more than 36 years as the longest serving employee of MOGN since the business became a subsidiary of the Michigan Oil and Gas Association in 1973. Scott will be Presenting: "Michigan Oil & Gas News: Reporting on a dynamic industry for more than eight decades."

As mentioned above, Michigan's Oil and Gas Industry's Legislative Education Day will be held on Wednesday, Feb. 20, 2019.

We will have plenty of new faces in the Michigan Legislature join the ones we've become familiar with. The Feb. 20 Legislative Education Day will provide a great opportunity to meet with new representatives and reconnect with returning ones.

The day will begin early in order to brief attendees on their scheduled meetings. MOGA will be doing a pre-event webinar in the days before the event to get members up to speed as well. Attendees will be sharing Michigan's Oil and Gas Industry's Economic Contribution Study, the full report of which can be found at www.michiganoilandgas.org. Along with providing information about Michigan Natural Resources Trust Fund projects and the economic impact in respective legislative districts, it is important for legislators to meet the hard-working men and women who are part of an important industry with positive reach across the state.

Your efforts will make a big difference in creating a more positive tenor in legislative conversations over the next two years! Be sure to come out and help our new leaders recognize the importance of Michigan's oil and gas industry in their community. If you are interested in signing up for Legislative Education Day, please visit www.michiganoilandgas.com



I want to wish Everyone a very Merry Christmas and hope to see you all in the New Year!

Greg Hackworth, RPL | MAPL Secretary

What's up with Natural Gas?

I know I am preaching to the choir, but natural gas is really, kind of important to our quality of life. Just ask my bulldog, Bella, she expects the house to be around 65° year round. I often ask landowners if they enjoy, being cool in the summer and warm in the winter by walking over to the wall to chat with the thermostat? (Yes, there are thermostats that obey your commands). I ask them if they enjoy their welders, hot tubs, microwaves and Plasma televisions? I ask them if their electric utility has ever run out of reliable and inexpensive energy? Most of time, they admit, they take it completely for-granted...it's just there, it just happens. Our industry is so underappreciated! I ask the same questions about oil too, but that's a different topic.

So, back to natural gas. This winter the world is projected to use up to 102 billion cubic feet (bcf) per day. So, let's take a brief look at the forecast for natural gas supply and demand as well as the market mechanisms that drive them. Five primary considerations impact the projections for natural gas prices and consumption, and whether or not these "impacts" are categorized as a "neutral", "upward" or "downward" price pressure on the commodity.

The first is **Weather**. Forecasters for the continental United States expect the winter of 2018/19 to be slightly warmer than the last and 1% warmer than the 30 year average. Impact to price – *Neutral*.

The next contributing factor is the **Economy**. For the most part, experts expect the economy to strengthen, but not in all portions of the world. Impact to price is once again *Neutral*.

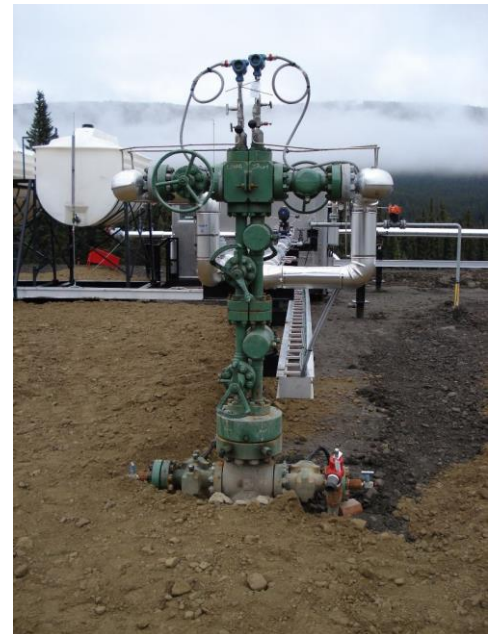
How much are we going to use compared to last year? **Demand** is projected to be more than 102 bcf per day compared to 99 bcf last winter. This increase is principally based on additional new electric power generation facilities, pipeline exports to Mexico, LNG exports overseas and an uptick in demand by industrial entities. Impact to price is projected to be *Neutral*.

There is a lot of discussion about natural gas **Storage**. Although our storage is at its lowest level since 2005, we continue to have almost 3.3 trillion cubic feet put away for winter. We could use more, but current production and takeaway ability will make up the difference. Overall this will place an *Upward Pressure* on prices.

Supply is the last major consideration. The world will produce up to an additional 7 billion cubic feet of natural gas per day and although we do not have as much natural gas in storage as we would like, as mentioned before, we have a tremendous production capacity. Therefore, the impact of the Supply should create a *downward pressure* on prices. Although, Supply is the final piece of the puzzle let's take a quick peak at the current natural gas trading mechanism.

It used to be that a person at the commodities exchange made a bid at a certain price for a natural gas futures purchase in a larger quantity or lot. To a high degree the humans are gone. In today's world the commodity trading houses make their money based on the number of transactions they consummate. In other words, they bid on smaller increments (lots) of natural gas futures which in turn creates many more transactions. These transactions are done by computers running sophisticated algorithms. The effect of this trading platform appears to drive the price down to a level where professional buyers absorb all of the supply at a very accelerated pace, at and to the lowest prices possible; exactly where traders want them to be.

The end of this winter's natural gas story is simple. We have plenty of natural gas, maybe not as much as we would like in storage, but certainly the production capacity and deliverability we need to make it through the winter. So, barring an unexpected, severe, cold snap or a major geopolitical challenge the overall pricing pressure on natural gas is expected to be *Neutral* and trading in a range from \$2.75 to 3.50 per unit. At today's market close the price was \$3.53 per unit.



Did you know that the "Tree" pictured above is also referred to as a "Christmas Tree"?



As always, thanks for the opportunity and privilege to serve our association.

Merry Christmas & Happy New Year!

Bill Jenness, RPL | MAPL Treasurer



From the Membership Chairman

As the newest board member, I appreciate the patience shown to me for the MAPL November General Membership Meeting. As is tradition, the November meeting was held at Boone's Long Lake Inn in Traverse City. We had a good turnout, and a great speaker. Kelly Reed Lucas, of the Loomis Law Firm, presented an updated version of "Leasing Selected Organizations created by Michigan Statutes." The presentation had been first made about 30 years ago by the Loomis Firm! The updated handbook should serve the members well as a valuable resource for years to come. As always, Kelly was a delightful and engaging speaker.

To cap off a great evening our door prizes were Amazon gift cards to help get the holiday shopping season started! Congratulations to Amber Meissner, Land Advisor at Wolverine Gas and Oil Corporation, who was the winner of the \$300 Amazon gift card. Happy shopping Amber!

Please reach out to me or to any board member with any questions or concerns. We are always happy to hear from you!



Merry Christmas and Happy New Year!

Sara Cunningham, J.D. | MAPL Membership Chairman

AAPL Region II Director's Corner



Happy Holidays to all!

The AAPL will be hosting a 'Due Diligence Seminar' in Traverse City, Michigan on March 22, 2019! The cost is \$300 for the one-day event for AAPL members and \$425 for non-members. Attendees will receive 5 continuing education credits! Please use the following link to register for the event:

<https://personify.landman.org/PersonifyEbusiness/Events/AAPLEventsCalendar/MeetingDetails.aspx?productid=4372845>

Please note that Tuition Assistance is available for members who face financial constraints due to unemployment or under employment (working significantly fewer billable hours this year than the year before). To apply, please go to the AAPL website (**www.landman.org**) and click on the 'Education' tab and scroll down to the 'Tuition Assistance' link.

In addition to 'live' educational events such as the Due Diligence Seminar and the recent Field Landman Seminar that was held in Grand Rapids, the AAPL offers an extensive library of videos that can be purchased and viewed online to gain continuing education credits. Please visit **www.landman.org** to review the available options. Additionally, you can now access past articles from the *Landman* magazine by logging onto your AAPL account and go to the Publications tab to search for Archived Articles.

The AAPL website is a great resource where you can search the AAPL job bank; apply for certification as a RL, RPL, or CPL; access 'toolkits' to review and share with landowners about oil and gas exploration; access the Contract Center for use in preparing a variety documents related to oil and gas exploration; become a mentor or mentee to a fellow land professional; schedule attendance for the next NAPE event or register for various AAPL education events or the Annual Meeting; stay up to speed on the daily news that impacts the oil and gas industry and so much more. If you haven't already you should make www.landman.org your homepage!



As the AAPL Region II Director I am always anxious to hear from the AAPL membership about what issues are most important to you – what do you want from your AAPL? Please email me with any questions or concerns and share your thoughts on how things can be improved.

If you are an AAPL member and are not receiving emails from the AAPL please send me your email address at steve@trendwellenergy.com to be added to the notification list.

Don't forget to check AAPL's Webpage (www.landman.org) Resource tab for:

- [Updates & News](#)
- [Forms & Contracts](#)
- [Job Bank](#)
- [AAPL Toolkit](#)
- [America's Landman](#)
- [Landman Store](#)



Happy Holidays to all!

Steve Rapanos, CPL | AAPL Region II Director

2019 Upcoming Events for MAPL, AAPL and MOGA

February 19, 2019 | MAPL Winter Mini-Seminar

Radisson Hotel – Lansing, MI

February 20, 2019 | MOGA Legislative Education Day

Radisson Hotel – Lansing, MI

March 22, 2019 | AAPL – Due Diligence Seminar

TBD – Traverse City, MI

April 18, 2019 | MOGA – MI Petroleum Conference & Reception

Grand Traverse Resort - Traverse City, MI

May 16, 2019 | MOGA - General Membership Meeting

Mari Vineyards – Traverse City, MI

June 19, 2019 | MAPL Presidents Meeting

TBD

June 20, 2019 | MOGA Picnic & Golf Outing

Mt. Pleasant Country Club – Mt. Pleasant, MI

August 16, 2019 | MAPL – Golf Outing

Bucks Run Golf Club – Mt. Pleasant, MI

September 12, 2019 | MOGA-PAC Golf Outing

Grandview Golf Club – Kalkaska, MI

September 19, 2019 | MAPL Fall Seminar

The BOB – Grand Rapids, MI

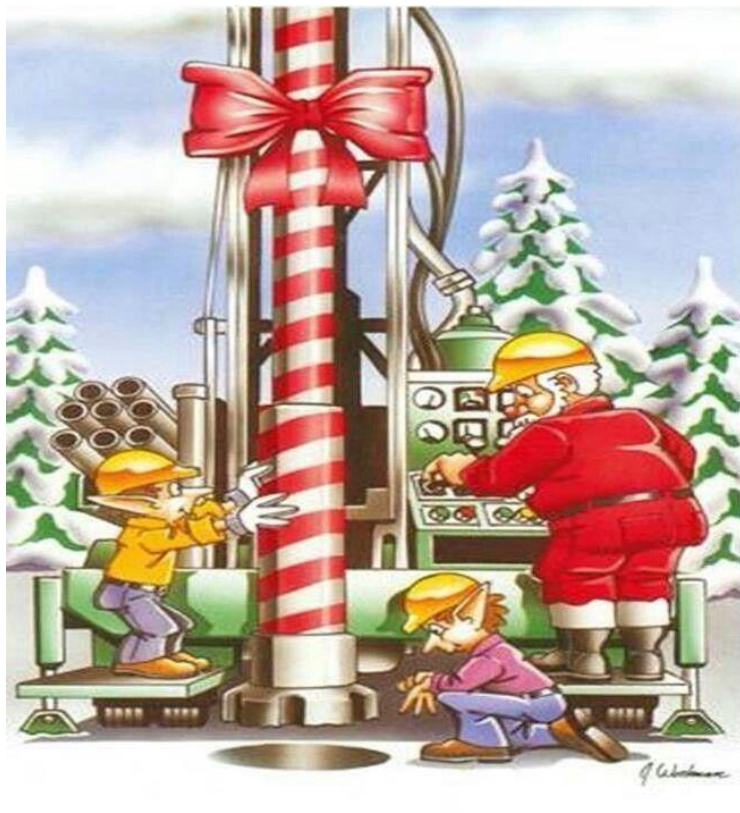
September 19, 2019 | MOGA - General Membership Meeting

The BOB – Grand Rapids, MI

October 17, 2019 | MOGA - General Membership Meeting

Sojourn Lakeside Resort – Gaylord, MI

A complete schedule of 2019 MAPL events can be found at www.michiganlandman.com
A complete schedule of 2019 MOGA events can be found at www.michiganoilandgas.com



Thank you to our 2018-2019 Sponsors!



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