### LANDMAN'S ASSOCIATION OF NORTH DAKOTA

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# ND STATE LEASE SALE to be held in Williston, ND

The North Dakota State Land Department will hold its second quarterly ND Oil & Gas Lease Auction on Wednesday May 4, 2011 at 9:00 AM CDT Airport International Inn (located on the West side of Hwy. 2 & 85 North) Williston, North Dakota

Sign up for an email registry of the mineral leasing information and receive the full list in both PDF and/or Excel versions, updates on tracts eliminated and other items of importance. Sign up on their website at <u>www.land.nd.gov</u>.

The Williston Economic Development is hosting the ND State Land Sale, see agenda on page 2

## Second Quarter L.A.N.D. Meeting & Social

L.A.N.D. will be holding its quarterly meeting on **Tuesday**, **May 3**, **2011 in Williston**, **ND at the Airport International Inn** (located on the West side of Highway 2 & 85 North). The business meeting is scheduled to begin at 5:30 PM and the social to follow.

Our Social for this event will be hosted by the Williston Economic

Development, and sponsored by Basin Brokers Inc., Diamond Resources, Airport International Inn, Ebel Integrators, Landowners Association of ND, Williston Convention and Visitors Bureau, Williston Area Chamber of Commerce and Williston Economic Development. The social is open to all L.A.N.D. members and friends, industry guests and personnel.

## L.A.N.D. to Elect New Officers

At the May quarterly meeting a new slate of officers will be elected for the upcoming two-year term.

Rick Frazier will become Past-President. Jonathan Aisenbrey will move up to President. Positions that are open for election are: Vice-President - **Jeff Skarre** Secretary - **Jason Mazigian**, and Treasurer - **Tom St. Peter**. Rick Larson has agreed to continue to serve as the AAPL Director.

The Board is looking for volunteers interested in serving as committee members. Please contact Don Nordquist, Rick Frazier, Jonathan Aisenbrey or any other board member for further information.

### **Continuing Education Credits**

A reminder for those who need Continuing Ed Credits - one continuing education credit will be awarded to all who attend the full L.A.N.D. meeting. (Not just the social!)

A signup sheet will be available at the meeting. There is no cost for this credit, but you do have to be in attendance for the full meeting.

# 2011 L.A.N.D. Dues

Your annual dues of \$25 for 2011 should be paid by now. If you have not yet paid, please send your check to:

> Don Nordquist L.A.N.D. Treasurer P.O. Box 935 Bismarck, ND 58502-0935

If you would like to pay your dues or if you have any questions regarding your dues payment, you can e-mail Don at: dnordqui@petrohunt.com

## L.A.N.D Directory to be Updated

Every two (2) years we have updated the LAND directory. The directory includes all LAND Members who have paid their dues for the fiscal year. If you haven't paid and you would like to be included in this year's directory, PLEASE pay your dues NOW. As always there will be advertising opportunities available in the directory. Rick and Jon will talk about this at the May meeting. An email with more detailed information will be sent to all LAND members.

## EDITOR'S NOTE:

This newsletter will be going out by email only, with the exception of those who have specifically requested it by paper. If you know someone who did NOT get it, please forward it and remind them to contact Don Nordquist with any new or changed e-mail addresses.

### AAPL Director's Report Rick Larson, AAPL Director

The AAPL's Annual meeting is June 8 thru 11<sup>th</sup> in Boston, MA. If you have not registered and wish to attend, the prices go up on May 16<sup>th</sup>. Some of the education activities include Harvard Law **Professor Robert Bordone** presenting a seminar on negotiations; a seminar on basic geology, drilling and economics in shale plays presented by James Caputo with Stone Mountain Resources, Ltd and Christopher Simon with Raymond James Energy Investment Banking; post production costs presentation by Kevin Abbott, attorney with Reed Smith firm; IRS issues for broker or independent landmen presented by Nathaniel Moran with the Snow, Fogel, Spence law firm; and an Ethics Panel. The keynote speaker at the opening session will be Karl Rove, Senior Advisor and Deputy Chief of Staff to President George

W. Bush. Many activities have been arranged for family members, including whale watching, duck boat and segway tours of historic Boston, and tours of Harvard University and the John F. Kennedy Library and Museum. If you have never been to Boston it is a fascinating city with much more to enjoy.

The quarterly Director's meeting was held in Santa Fe in March. As part of the agenda Robin Forte reported on the 2011 Nape Expo. Attendance increased by 18% over last year- over 15,900 attendees. The business conference had 850 registrants. The conference featured Steve Mueller, President of Southwestern Energy and Jack Williams, President of XTO. The income from the conference netted AAPL over \$2,125,000. The Heroes Luncheon was attended by 1,500 landmen and featured singer Leann Rimes. All of the \$350,000 proceeds raised at the luncheon went to the American Heroes Fund which benefits wounded soldiers. At the luncheon a new home was presented to wounded veteran Sgt. Michael Ryan and his wife Cary. A check for \$100,000 was presented to Canine Companions for Independence and a contribution was made to Operation Finally Home.

The Board voted to revise the bylaws so that the requirement for a university or college degree for RPL certification was eliminated. The final changes to this provision, and other parts of the bylaws which are being reviewed and revised as necessary by the various committees, will be presented and voted upon at the annual meeting in Boston.

## F.Y.I.

If you would like to donate to the SASS Scholarship, please send your contributions to: Don Nordquist, L.A.N.D. Treasurer, P.O. Box 935, Bismarck, ND 58502-0935



May 1-3	Williston Basin Petroleum Conference Regina, Saskatchewan – www.wbpc.ca
May 3	L.A.N.D. Quarterly Meeting 5:30 P.M. – Airport International Inn, Williston, ND
May 4	ND State Lease Sale 9:00 A.M. CDT – Airport International Inn, Williston, ND
June 8-11	AAPL's 57th Annual Meeting Boston, MA
August 1	Golf Scramble - Medora <i>Medora, ND</i>
August 1	L.A.N.D. Quarterly Meeting 5:30 P.M. – Medora, ND
August 2	ND State Lease Sale <i>Medora. ND</i>

Calendar

# SASS Scholarship

The scholarship is open to anyone pursuing an energy-related degree at an accredited institution and is a graduate of a North Dakota High School. Sass Scholarship grants are not limited to young, recent High School graduates, but are available also to nontraditional students who may be "older than average" and are studying for graduate as well as undergraduate energy-related degrees.

Applications for grants are available through Lynn Moser at Inland Oil & Gas (255-1416).

# Williston Economic Development proud host of the ND State Land Sale

Williston Economic Development is proud to host the ND State Land Sale May 4th at the Airport International Inn. Proud sponsors: Basin Brokers Inc., Diamond Resources, Airport International Inn, Ebel Integrators, Landowners Association of ND, Williston Convention and Visitors Bureau, Williston Area Chamber of Commerce and Williston Economic Development.

### <u>AGENDA</u>

Tues, May 3 <sup>rd</sup>	5:30 pm	Landman's Assoc of ND Meeting (Courtyard)
	6:30 pm	Evening Social (following the LAND meeting)
Wed, May 4 <sup>th</sup>	7:00 pm	Host Breakfast and Guest Speaker (Sponsored by the Williston Area Chamber of Commerce)
	9:00 am	State Land Sale (International Inn Courtyard)
	12:00 (noon)	Lunch at the International Inn



# North Dakota Petroleum Council Legislative Report

Ron Ness, President of the North Dakota Petroleum Council

### Legislature Approves Changes in Surface Damage Law, Creates Mediation Option, Clarifies Independent Landman Status, and Authorizes Fee for Electronic Documents.

**HB 1241 is a compromise with surface owners to offer clarity on surface use damage payments for damages and crop loss.** The bill also seeks to improve communication between surface owners and industry by requiring a notice of staking seven days before entering the property for staking. The law will be effective for drilling operations commenced after July 31, 2011. The full statute can be found at N.D.C.C. Section 38-11-04.

Three Main Changes in HB 1241:

a) Requires seven days' notice, by registered mail or hand delivery, to the surface owner unless waived by mutual agreement of both parties, before initial entry on the land for activities that do not disturb the surface, including inspections, staking, surveys, measurements, and general evaluation of proposed routes and sites for oil and gas drilling operations.

The notice must include:

- The name, address, telephone number, and, if available, the electronic mail address of the mineral developer or the mineral developer's designee;
- An offer to discuss and agree to consider accommodating any proposed changes to the proposed plan of work and oil and gas operations before commencement of oil and gas operations; and
- 3) A sketch of the approximate location of the proposed drilling site.
- b) Requires the mineral developer to pay the surface owner for damages for lost land value, lost use of and access to the surface owner's land, and lost value of improvements caused by drilling operations. The payment for this portion of damages must be a lump sum.
- c) Requires a mineral developer to pay a separate payment for production loss. The amount of damages may be determined by any formula mutually agreeable between the surface owner and the mineral developer. When determining damages for loss of production, consideration must be given to the period of time during which the loss occurs, and the damages for loss of production must be paid annually unless the surface owner elects to receive a single lump sum payment. Payments under this section are intended to compensate the surface owner for loss of production.
- d) Finally, HB 1241 also amends Section 47-16-39.1 of the Code relating to royalty payments. The amendment clarifies that, if applicable, the operator shall pay a rate of eighteen percent per annum <u>after</u> one hundred fifty days from when the initial oil or gas production is marketed. In addition, the section is amended to clarify that interest, if applicable, must be paid and that the mineral owner or the mineral owner's assignee is not required to first request the payment of interest.

#### HB 1462 Authorizes Mediation for Surface or Other Oil & Gas Disputes.

The Department of Agriculture, whose mediators have a long history of resolving disputes between farmers/ranchers and the lenders, now can assist with oil and gas issues. The North Dakota Mediation Service will provide voluntary non-binding mediation. The Petroleum Council urges industry to utilize this service to resolve issues. Generally, the amounts in dispute are relatively small and the landowner really wants an opportunity to be heard. For more information see -<u>http://www.ndoil.org/?id=204&page=A</u> <u>g+Mediation+Service</u>.

# Legislature Addresses "Day Pay" for Independent Landmen.

HB 2245 passed the North Dakota Legislature. The bill, as amended, clarifies that being paid by the day does not preclude the landman from being an independent contractor for Job Service purposes. The contractor must still be paid for the completion of tasks and meet the other provisions of the relationship test to be an independent contractor. The Petroleum Council and LAND will work with Job Service to provide some education on the issue of meeting independent contractor status in the near future.

#### SB 2168 – Recording Fee for Electronic Documents.

The legislature authorized a fifty cent per instrument fee for providing electronic data extracted from the recorded instrument. This is a fee to cover costs of copying an instrument electronically. Currently, there is no fee.

#### For specific information on these bills see - http://www.legis.nd.gov/



## Thanks for the Memories! Richard W. Frazier, President of L.A.N.D.

I don't want this to be one of those smarmy "Farewell to All" type

messages, but I do want to express my genuine gratitude to the officers, **Committee Members and LAND** general membership. You have all played a tremendous role in making my tenure as President a most memorable and positive experience. I accepted the position thinking "Oh, well, I'll preside over a few meetings, and it'll be a piece o' cake, and we'll call it good" - not so. I had no concept of what a positive impact serving as President would be. Without being trite and contrived. I truly have to say that it has been one of the most meaningful experiences of my professional career. The rewards have been many, and I honestly feel blessed to have had the privilege. I am personally grateful and thank each and every one of you for your confidence and for supporting, encouraging, and tolerating me these past two years.

Membership to LAND has grown exponentially in a manner that, not too many years ago, would have been unimaginable. We have welcomed new-to-the-business landmen, seasoned landmen, company landmen, men and women, both young and not-so young. I find it encouraging to see so many young career-minded professionals joining "the business". Time was, and not so long ago, that it was considered nearly "child abuse" to encourage your son or daughter to become a landman. The aged "piano player in a brothel" adage has long-since faded into the shadows, and we are now beginning to be recognized as the true professionals that we are. We are no longer a necessary evil, but a viable and integral part of the oil and gas equation, and it feels good.

As y'all know, LAND will be installing a new set of officers at the next quarterly meeting. With that, there will be history in the making. Don Nordquist has served as Secretary/Treasurer for more years than he'd like me to enumerate. Holding these offices for so long deserves recognition and kudos in its own right and at face value. But Don has done his job tirelessly, without even so much as expecting a thank you in return. Don, on behalf of the entire LAND membership, please accept our deepest gratitude for a job well done. You deserve the distinction of Landman of the Year for 2011 and for many years to come. You leave an awful big set of shoes to fill, but I am confident our new officers will do everything possible, and give 110% to fill them with the self-same integrity and dedication that you have. It's good to know that you're only stepping aside and passing the torch. WELL DONE GOOD FRIEND.

Sooooooo, onward and upward to bigger and greater things. LAND is in good and competent hands with the newly elected officers. I want to personally congratulate them and wish them all well. LAND is most fortunate to have such dedicated leaders, and I know they will do an awesome job.

Thanks again for the privilege, it has been an honor and a pleasure.

Rick Frazier, CPL





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This newsletter is the quarterly publication of the LANDMAN'S ASSOCIATION OF NORTH DAKOTA

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