LANDMAN'S ASSOCIATION OF NORTH DAKOTA



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ND STATE LEASE SALE

to be held on May 7, 2013

The ND DEPARTMENT
OF TRUST LANDS will hold
its third quarter ND Oil
& Gas Lease Auction on

Tuesday
May 7, 2013
at 9:00 AM CDT
ND State Capitol
House Chambers,
Bismarck, ND

For a complete list of nominated tracts, visit the Land Department's website at www.land.nd.gov.

First Quarter L.A.N.D. Meeting & Social

L.A.N.D. will be holding its quarterly meeting on **Monday**, **May 6, 2013, at the Kelly Inn**, **Bismarck**, **ND**. The business meeting is scheduled to begin at 5:30 PM and the social at 6:00 PM.

The social is open to all L.A.N.D. members and friends, industry guests and personnel.



We would like to thank Bakken
Oil LLC for sponsoring our LAND
Social for the evening.

L.A.N.D. to Elect New Officers at the May Quarterly Meeting

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

Jeff Skaare, current Vice-President, will move up to President. Jon Aisenbrey will move into a Director's position.

Positions that are open for election are: Vice-President – June Weeks Secretary - Jason Mazigian,
Treasurer - Tom St. Peter and
AAPL Director - Rick Frazier.

Rick Larson the current AAPL
Director has decided not to run for
another term. Rick has been our
AAPL Director for the past three
years and has done a fantastic job.
Thank you Rick, for the commitment
and leadership you have given to
LAND!

Please contact Jonathan Aisenbrey, Jeff Skaare or any other board member for further information. Board members are listed on the last page of this newsletter, along with their contact information.



President's Report

Jon Aisenbrey, RPL

Greetings -

If I remember right from venerable Rick Frazier's last letter as L.A.N.D. President, this is the one where I tell you I'm not going to get sentimental and overdramatic and then proceed to get sentimental and over dramatic. Long story short, thanks for trusting me with this position, and putting up with my short meetings and direct nature. It's been great to get to know the L.A.N.D. community in a way that only a position like this can allow. I look forward to transitioning to a Director and working with L.A.N.D. in that capacity.

I hold in high esteem your leadership team - your next President, Jeff Skaare, whom you will be sure to find better-spoken and certainly better dressed then me. Jason Mazigian and Tom St. Peter have agreed to stay on as Secretary and Treasurer if you will have them. The jury's still out on who will be vying for V.P., but we will have one immensely capable and trustworthy candidate for sure with June Weeks. Regardless of her office title, she will thankfully continue to publish this riveting newsletter.

Our Current AAPL Director, Rick Larson has decided not to run another year. I would like to thank Rick for his three year commitment to LAND, as the AAPL Director, and acknowledge the great job he has done. I've enjoyed working with him and personally would like to thank him for a job well done!

If you haven't been to a L.A.N.D. meeting for a while, I suspect this next one will be good. I imagine by then much of the impact of this legislative session will have been figured out and presented for our analysis and digestion, and of course election of the officers. A weak turnout four years ago, is how I suspect I got to be here in the first place. So come and vote.

Until I see you next time, may your legal description be accurate.

Cordially,

Jon Aisenbrey

2013 L.A.N.D. Directory to be Updated

We have a little over threefourths of our members paid for 2013+. If you haven't paid your dues, and you would like to continue your membership, you will be receiving a final reminder email and renewal form to complete and send in.

To insure that you are listed in the 2013 LAND Directory, please make sure you watch for the email, complete the renewal form and mail it along with your membership fee, no later than May 31, 2013.

Membership options:

- One (1) year x \$25 = \$25
- Five (5) years x \$25 = \$125
- Ten (10) years x \$25 = \$250

If you have any questions regarding your due payment, you can e-mail Tom St. Peter at: tom@greatnorthernenergy.net







Calendar

May 6 Second Quarter L.A.N.D. Meeting 5:30 pm Meeting, 6:00 pm Social

Kelly Inn ~ Bismarck, ND

May 7 ND State Lease Sale

9:00 A.M. CDT – House Chambers ND State Capitol, Bismarck, ND

May 23 ND Oil PAC Sporting Clays Event

Legislative session review & lunch from

11:30 a.m. – 1:00 p.m. MDU, Bismarck, ND

Sporting clays & social to follow

Capitol City Sporting Clays

July 17 Oil Can! Fishing Tournament

New Town Marina in New Town, ND

WELCOME New 2013 LAND Members

Aafedt, Lukas W.
Griffis, Charlotte J.
Kemmis, Nic S.
Kemmis, Shonna L.
Klug, Jennifer L.
McFarlin, Richard B.
Reetz, Alan S.
Trauger, Aaron D

DONALD B. SASS MEMORIAL SCHOLARSHIP

This scholarship is open to anyone pursuing an energy-related degree at an accredited institution and who is a graduate of a North Dakota High School.

Applications for the scholarship can be found at www.ndcf.net > View the Map > Statewide Funds > Donald B. Sass Memorial Scholarship. This year's deadline for applicants is June 1, 2013. For further information, please contact Kate Moser Black at 701-255-1416 or email her at kate@inlandoil.net.

To Donate to the Sass Scholarship

If you would like to donate to the SASS Scholarship, please send your contributions to: Tom St. Peter, L.A.N.D. Treasurer, P.O. Box 2703, Bismarck, ND 58502-2703



Continuing Education Credits

This is just 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.



North Dakota Petroleum Council Report

Ron Ness, President of the North Dakota Petroleum Council

It was a week full of conference committees as we near the finish line. Many are beginning to realize that this session may stretch out to the 79th or 80th day, wrapping up around May 3rd.

Surface Rights

HB 1348 - This bill, as amended, allows NDIC to require flares, tanks and treaters be placed at a greater distance from occupied dwellings at the request of the landowner for wells located within 1,000 feet of an occupied dwelling. (Signed by the Governor)

<u>HB 1352</u> - This bill allows either the mineral developer or surface owner to request directly to the agency the parties submit to mediation within a year after a compensation offer is turned down. It also requires a copy of a title be provided to the mineral owner if there is a dispute. (Signed by the Governor)

<u>HB 1350</u> - This bill requires an injury due to oil and gas production be submitted within six years of the occurrence. (Signed by the Governor)

Oil Impact Issues

<u>HB 1358</u> - This bill increases the tax distribution for oil counties, cities and schools. (In Conference Committee)

SB 2004 - This bill is the appropriation for the State Department of Health, including 10 new staff to deal with oil-related impacts. (In Conference Committee)

<u>SB 2011</u> - This bill is the appropriation for the highway patrol, including the addition of 15 new patrolmen. (In Conference Committee)

SB 2012 - NDDOT appropriation, including 16 new staff and \$142 million for the county and township road reconstruction program to support oil and gas production and distribution. An amendment was added urging the legislature to study the Renewable Fuel Standards and Renewable Identification Number credit system. (In Conference Committee)

SB 2013 - This bill includes the appropriation for the energy impact grant program and additional \$10 million for dust control, with \$3 million for pilot projects in Bowman, Dunn and Mountrail Counties, and the remaining \$7 million for grants to other counties in oil-impacted areas. (In Conference Committee)

SB 2014 - This is the Industrial Commission budget bill, which includes the NDIC's budget and 23 new staff. SB 2027, SB 2029 and an additional \$500,000 for studies of value-added energy have been amended into this bill. (Awaiting Conference Committee)

SB 2018 - This bill includes the appropriation for the Department of Commerce, including the energy conservation grant fund, research North Dakota grants, and child care facility grants. (In Conference Committee)

How to Contact Your Legislators

During a legislative session, a legislator can be reached at the State Capitol by leaving a message with the legislative telephone message center at (888) NDLEGIS (635-3447) or (701) 328-3373 (local). That number can also be used to obtain information on bills under consideration. A legislator can also be reached by mail or e-mail and address rosters are posted at: http://www.legis.nd.gov/contact-my-legislators.

Mark your calendars!

The NDPC will be hosting two new events in 2013:

- An ND Oil PAC Sporting Clays Event on May 23, 2013. The event will begin with a legislative session review and lunch from 11:30-1 p.m. at MDU in Bismarck, ND. Shooting clays and a social at Capitol City Sporting Clays will follow.
- An Oil Can! Fishing Tournament on July 17, 2013 at the New Town Marina in New Town, ND.



AAPL Director's Report

Rick Larson, AAPL Director

Last year at the L.A.N.D. golf event, AAPL President and I had a discussion on AAPL providing funds to help with the expenses of the director's travel to the quarterly meetings. If some of the expenses were paid for, there may be more field landmen interested in the director position. At the March meeting the directors approved giving each local organization \$1500 per year. The funds were not required to be used for the director expenses. It would be up to each local association to decide how those funds would be used. The intent is that the amount will be paid each April for so long as AAPL could economically do so.

The 59th Annual AAPL Meeting will be held in Washington DC at the Grand Hyatt June 5-8, 2013. A great lineup of topics for the education sessions includes an overview of the BLM and working on federal lands, comparative oil and gas law review. Get on the AAPL website www.landman.org and register. See you all in Washington.

Winter NAPE was again a success with 17,000 attendees and 1770

booths. Former Prime Minister of Great Britain, Gordon Brown was tremendous as the featured presenter.

NAPE-East is scheduled for April 10-12, 2013 in Pittsburgh, PA.

Summer NAPE is August 14-16, 2013.

NAPE-Rockies have committed and will be held December 11-14, 2013 at the Colorado Convention Center.

More to come as this event becomes finalized.

The election of AAPL officers will have concluded by the time this newsletter is received. The new officers on the ballot are all dedicated individuals that will continue the AAPL goals of providing landmen with education and advocacy that promotes the highest standard of performance for the land profession.

The Public Relations/Governmental Affairs Task Force has analyzed the need for a staff position to be more proactive in management of the regulatory and legislative activity throughout the nation. It has become too burdensome for a voluntary

committee to spend the required time that committee has had to spend to keep up with regulatory and legislation that affect the land industry. The Task Force recommended that AAPL create the position. The board approved the position and directed the Executive Vice President begin advertising for that position. If you are interested in applying, check the AAPL website for information on the requirements for this position once it is advertised.

At the last L.A.N.D. meeting someone asked if AAPL had anything that could be provided to the public educating them about what a landman does. Others have asked the same question and AAPL is preparing a video called "Real Face of Landmen". When completed, L.A.N.D will have access to show it.

Finally, please read the attached article on page 6 & 7 of this newsletter that was in the Landman magazine about the benefits of being an AAPL member. We wanted this message to get to all of L.A.N.D. members that may not be AAPL members.





Either you are ... or you aren't ...

By Owen M. "Monty" Barnhill, CPL, AAPL 2nd Vice President

What do I mean by the title of this article? It's simple: Either you, as a landman, are a recognized professional landman or you are not — period!

The American Association of Professional Landmen is the only national land-oriented organization whose mission is to promote the highest standards of performance; thereby encouraging sound stewardship of energy, land and mineral resources through professional development and services to its members, also advancing and enforcing our guiding principles and ideals mandated via our public trust. In other words, AAPL is the only organization that can recognize landmen as professional landmen.

The standards governing the actions of AAPL members go beyond ordinary trading — they impose a grave social responsibility and duty to which each AAPL member must dedicate himself or herself. AAPL members must adhere to the principles and guidelines as established by, through and under AAPL's Code of Ethics and Standards of Practice. AAPL member land professionals are recognized for competency, fairness, integrity and moral conduct.

Verification of AAPL's standing in the oil and gas industry as the pre-eminent land-based organization is further verified by the fact that AAPL is regularly called upon to provide background on energy issues to the U.S. Senate, House of Representatives, special government committees, state/province governing bodies throughout the United States and other various federal agencies as well as assorted mineral law foundations. AAPL is a governing member of numerous law foundations (i.e., Rocky Mountain Mineral Law Foundation, Energy and Mineral Law Foundation, the LSU Mineral Law Foundation). No other landrelated organization holds such recognized status.

In addition, AAPL is the only recognized

international/national professional association of landmen. AAPL has the duty, right and obligation, via our mission statement, to classify landmen as professionals. What does this mean? A landman can only be recognized as a professional landman by, through and under membership in AAPL. Simply referring to one's self as a professional landman is self-anointing, self-serving and misleading. By virtue of our membership in AAPL, our members can, without reservation, refer to themselves as professional landmen. Those individuals who lack the credentials, commitment and sense of worth to join AAPL, exhibit — in my opinion — a basic lack of commitment to the energy/land discipline as well as to our industry as a whole.

As members of AAPL, we have the inherent obligation to promote the highest degree of professionalism possible within our discipline, and that requires that individuals who practice landwork meet certain standards of professionalism: education, continuing education, testing, adhering to a code of ethics and supporting a modem of enforcement of the code of ethics. This can only be done by, through and under AAPL by AAPL members. As a part of AAPL's public trust, it is our duty to ensure maximization of membership.

Since its inception, AAPL has made a concerted effort to attract and maintain qualified members. Those of you reading this article are, for the most part, members — there are approximately 16,000 of us. However, the thought process behind this article is that AAPL members will use it to recruit additional qualified members to AAPL.

So, how about those individuals practicing landwork who are not AAPL members? They should be members, but history has shown us that, in some endeavors, noncompliant individuals need some encouragement. Our industry is comprised of numerous entities that require parties (employees, independent

contractors, etc.) with whom they associate to be members of AAPL. All entities should adopt this approach. Those of you who require the services of independent contractors (brokers, subbrokers, etc.) owe it to yourself, your company, your clients, our energy/land discipline and our industry to require that these individuals be active members of AAPL in good standing. As to your employees, entities within our discipline and industry have numerous policies in place regarding who they hire/employee; hence, simply mandate that land individuals you employee be AAPL members, in good standing. If people want to work, they will comply and through their membership will be better for it as will our discipline and industry.

When in contact with a non-AAPL member practicing landwork and you inquire as to why he/she is not an AAPL member, you probably get the standard excuses:

- "AAPL has nothing to offer me as benefits" (which indicates an ignorance of what AAPL offers); or,
- AAPL "just is not for me" (which is another way of saying they don't have the self-worth or professional conviction to contribute to an organization that has supported the discipline that earns them a living).

Discuss with and educate these individuals as to some of the advantages of AAPL membership:

• It is cost effective — only \$100 per year. Think of it this way: A soda costs \$1.29 (lasts about an hour), so if you have one soda a day for a year, you have spent \$470.85. If you have one large candy bar a day (lasts about two to three minutes) for a year at a cost of \$0.85 each, you have spent \$310.25. For those who have an alcoholic beverage (lasts about 45 minutes) at a restaurant twice a month at an average cost of \$12 a drink, you have just spent \$288. If you have one good cigar (lasts about

Either you are ... or you aren't ... continued

- one to one-and-a-half hours) once a week at a cost of approximately \$18 to \$25 per cigar, you have just spent \$1.118.
- AAPL is the only recognized national professional association of landmen.
- Our members recognize and embrace an industry standard code of ethics and industry recognized standards of practice. Our professionalism in connection with this mandate is universally recognized in each and every discipline within the oil and gas industry.
- The oil and gas industry recognizes that an AAPL member has as his/her mandated mission statement to provide, without exception, a level of competent service in keeping with our standards of practice in fields of endeavor that a land professional customarily engages. This is not recognized just by our fellow members but by others within our industry, including geologists, geophysicists, attorneys, independent operators and, hopefully, the general public.
- As to acknowledgment of our professionalism among the general public, I would point to the tremendous effects and accomplishments of AAPL's Marketing Committee, which in its short history has taken dramatic measures to confront, inform and communicate with the general public as to the differentiation between an AAPL member professional landman versus a non-AAPL member individual with no professional affiliation calling himself or herself a landman. This committee is involved in everything ranging from our new Membership Mark to billboard advertising to AAPL representatives being interviewed by the media regarding AAPL's position on current industry issues, all of which are specific as to the difference in

- goals, methodology, actions, accountability and bearing of an AAPL member professional landman versus someone simply calling himself or herself a landman and there is a huge difference.
- AAPL publishes nationally acclaimed magazines (you are reading one right now) — The Landman as well as the Landman 2. AAPL publishes a comprehensive directory (both printed and electronic) and educational textbooks as well as provides numerous other advantages of membership as related via our website.
- On behalf of not only landman but the industry as a whole, AAPL has led efforts to protect landmen's right to practice landwork — efforts that not only protected AAPL members, but ALL landman, — including the independent contractor issues relating to landmen in addition to concerted steps to protect landmen rights as to tax issues.
- AAPL offers approximately 80 continuing educational events each year. Continuing education makes for even better landmen, which improves our discipline, protects the general public and adds to the strength and viability of our industry. Our education events range from specific field landmen events to the professional standards events for RPLs and CPLs in the format of institutes, seminars, home study courses, online courses and live webcasting. So the excuse that someone "doesn't have the time" (which is different from "I won't allot the time") is neutralized.
- NAPE world class without exception and ever expanding with time.
- Through AAPL membership, our members have the opportunity to utilize numerous cost-effective insurance packages/policies.
- Along with NAPE, AAPL's Annual Meeting and Conference provides a wonderful opportunity to socialize,

- network and take advantage of additional educational opportunities.
- Forms issued by AAPL (Model Form 610 JOA, Land Services Contract, etc.) are readily available and accepted throughout our industry.

In just the past 12 years, our membership increased approximately 220 percent. Obviously our strength is in our membership and has been for almost 60 years. In fact, AAPL is recognizing in The Landman those companies that employ and/or contract specifically and only with AAPL members. If your company falls into this category (I stipulated ways to accomplish this in a previous paragraph) — as should all companies — please advise AAPL so that your well-deserved recognition can be published.

AAPL has concerted efforts to not only maintain our current members, but also — for the betterment of all landman, our discipline and our industry — continue to enhance and increase our membership. This can be accomplished primarily through two modems:

- Our current members requiring that those within our discipline with whom they work or come into contact are members of AAPL.
- 2. The general public is made aware of the stark differentiation of an AAPL member professional landman versus others who simply call themselves landmen. The general public deserves to be the beneficiary of AAPL's public trust.

I want to thank each AAPL member for his/her membership in AAPL. Through your membership, and endorsement of all that such membership represents to include signifying your recognition as to the importance of professionalism, you are making a very positive contribution to a strong energy/land management discipline and thereby contributing to strengthen our oil & gas industry, a vital ingredient to maintaining a strong national defense.

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